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PETROLIAM NASIONAL BERHAD (“PETRONAS”)

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

Case No.: C09-5939 PJH

PETROLIAM NASIONAL BERHAD
 (“PETRONAS”)

OPPOSITION TO GODADDY’S
MOTION TO DISMISS FIRST AMENDED
COMPLAINT

Plaintiff,

Date: March 9, 2011
Time: 9:00 a.m.
Judge: Hon. Phyllis J. Hamilton

vs.

GO DADDY.COM, INC.,

Defendant.

OPPOSITION TO GODADDY’S MOTION
TO DISMISS FIRST AMENDED COMPLAINT
Case No.: C09-5939 PJH

INTRODUCTION

GoDaddy's motion to dismiss reveals that its reliance on the so-called safe harbor defense in the America Cybersquatting Protection Act ("ACPA"), 15 U.S.C. § 1114(2)(D)(iii), is based entirely on a misrepresentation of what is shielded from liability under the statute. In particular, there is absolutely no legal support for GoDaddy's contention that the ACPA safe harbor shields registrars from damages not only for the "registration" of a domain name for a registrant customer but also for "routing internet traffic to a website identified by the registrant." GoDaddy has based virtually its entire defense of this case on its assertion that the ACPA's safe harbor covers "routing" internet traffic but there can be no real dispute that GoDaddy argument is, at best, overreaching.

0 GoDaddy's argument related to Plaintiff's claim for direct cybersquatting raises an issue
that is largely unsuitable for resolution on a motion to dismiss, namely, whether the Complaint
1 sufficiently alleges GoDaddy's "bad faith intent." Because GoDaddy almost completely ignores
the actual facts pled in Plaintiff's complaint and applies an improperly narrow legal standard for
2 what constitutes bad faith, GoDaddy's motion offers nothing that would support a dismissal of
Plaintiff's direct cybersquatting claim.

3 As for Plaintiff's claim for contributory cybersquatting, GoDaddy's arguments amount to
little more than several completely incorrect assertions that Plaintiff's Complaint fails to allege
4 that GoDaddy's conduct is any different than the conduct of the registrar that was found not to
support a finding of contributory trademark infringement in the *Lockheed* Case. Because these
5 allegations are demonstrably false, there is nothing in GoDaddy's motion that would warrant
dismissing Plaintiff's claim for contributory cybersquatting.

ARGUMENT

I. Plaintiff’s Claims Are Not Barred By The ACPA’s Safe Harbor From Damages For A Registrar’s “Registration” Of A Domain Name

GoDaddy’s primary argument here is the same argument it made in its previous motion for judgment on the pleadings, namely, that it cannot be liable under the ACPA because it acted as nothing more than the registrar of the domain names and, as a result, it is shielded from liability under the ACPA’s safe harbor. This argument fails, however, because it based on the legally incorrect assertion that the ACPA safe harbor shields registrars from damages ***not only*** for the actual registration of a domain name for a registrant customer ***but also*** for “routing” internet traffic to a website chosen by the registrant. Because GoDaddy’s motion to dismiss based on the ACPA safe harbor depends entirely on construing the scope of the safe harbor to include not only the “registration” of a domain name but also “routing” a domain name, and there is absolutely no legal basis that would support such a construction, GoDaddy’s motion to dismiss should be denied as to the ACPA safe harbor.

As an initial matter, GoDaddy’s argument that the term “registration” in the ACPA also means “routing” internet traffic to a website chosen by the registrant” is utterly unsupported by the plain language of the ACPA which states that “a domain name registrar . . . shall not be liable for damages under [the ACPA] for the registration or maintenance of a domain name for another.” 15 U.S.C. § 1114(2)(D)(iii). GoDaddy points to nothing in the actual language of the ACPA—and there is nothing—that would suggest the term “registration” means anything other than the actual registration of a domain name for a registrant customer –much less that the term “registration” should be construed to mean “routing” internet traffic.

Rather than base its argument on the actual language of the ACPA, GoDaddy bases its argument that “registration” includes “routing” by citing to a statement in a treatise that “the ACPA effectively codifies the pre-2000 case law . . . which held that a registrar that reserved or registered an allegedly infringing domain name was not responsible as a direct or contributory infringer.” Mtn. at 6:6-8 (*citing* 4 McCarthy on Trademarks and Unfair Competition § 25:73.40 (4th ed. 2010)). GoDaddy then contends that “cases interpreting the ACPA safe harbor provision have interpreted this language”—meaning the language from the treatise in the previous sentence referring to “pre-2000 case law” and not a reference to the actual language in the ACPA—to make the leap that the safe harbor also shields “passive” registrars “who merely register domain names for registrant customers and route internet traffic to the website of registrant’s choice.” Mtn. at 6. (emphasis added).

There is absolutely nothing in any of the three cases cited by GoDaddy that even comes close to suggesting—as GoDaddy does—that the ACPA shields registrars “who merely register domain names for registrant customers *and route internet traffic to the website of the registrant’s choice.*” Mtn. at 6:9-21 (emphasis added). In fact, all three of the cases undermine GoDaddy’s position by stating specifically that the safe harbor in the ACPA applies only to a registrar’s actions of registering domain names. Thus, in *Verizon California, Inc. v. Onlineic, Inc.*, Judge Fogel held that the defendant “did not qualify for protection under the ACPA safe harbor provision, which exempts a registrar from liability resulting from its registration of domain names for others where the registrar is acting in a purely passive capacity.” 647 F. Supp.2d 1110, 1125 (N.D. Cal. 2009). Similarly, in both of the other two cases cited by GoDaddy, the Courts held the ACPA’s safe harbor only applied to a registrar’s action that constituted the

“registration” of a domain name, which the Courts defined respectively as “accepting registrations for domain names from customers” and as “keeper of the registry.” *Solid Host, NL v. Namecheap, Inc.*, 652 F. Supp.2d 1092, 1104 (C.D. Cal. 2009); *Lockheed Martin Corp. v. Network Solutions, Inc.*, 141 F. Supp.2d 648, 655 (N.D. Tex. 2001).

GoDaddy’s final attempt to establish that the ACPA safe harbor shields registrars from liability for the registration of a domain name and the “routing of internet traffic to a website identified by the registrant” is based on the Ninth Circuit’s opinion in *Lockheed Martin Corp. v. Network Sols., Inc.*, 194 F.3d 980, 984 (9th 1999) (the Ninth Circuit’s opinion did not discuss the ACPA because it was enacted in 2000 and the case was decided in 1999). Contrary to GoDaddy’s assertions, however, nothing in the Ninth Circuit’s opinion expands the ACPA safe harbor to cover actions by a registrar to include “routing of [internet traffic] by IP address alone.” Mtn. at 7:21-23. Instead, the Ninth Circuit in the *Lockheed* case simply affirmed the District Court’s grant of a domain name registrar’s motion for summary judgment because “all of the evidence in the record” established that the registrar was not liable for contributory infringement as a matter of law. *Id.* Contrary to GoDaddy’s suggestion, the holding in *Lockheed* cannot as a matter of law categorically expand the scope of the ACPA’s safe harbor by altering the definition of the term “registration.” Instead, the Ninth Circuit’s holding that the District Court correctly granted summary judgment based on “all of the evidence in the record” can have no application to conduct other than what was established in the summary judgment record.

And there is nothing in “the evidence in the record” on which the District Court granted summary judgment that would suggest that the defendant registrar’s conduct could be described as anything other than the actual registration of domain names for its registrant customers and

that it had nothing at all to do with the “routing” of internet traffic to websites chosen by its registrant customers. In fact, the District Court’s opinion in the *Lockheed* case states clearly that the defendant domain name registrar did not perform any “routing” and “was not a part of the process of linking domain names with potentially infringing resources such as Web sites.”

Lockheed, 985 F. Supp. at 961. In addition, the *Lockheed* Court simply could not have been any more clear as to what the registrar’s functions were and, perhaps more import, what those functions were not:

NSI performs two functions in the domain name system. First, it screens domain name applications against its registry to prevent repeated registrations of the same name. Second, it maintains a directory linking domain names with the IP numbers of domain name servers. The domain name servers, *which are outside of NSI’s control*, connect domain names with internet resources such as Web sites and email systems.”

Lockheed Corp., 985 F. Supp. at 952. In light of the District Court’s detailed and clear description of the conduct of the registrar which can leave no doubt that the registrar did not perform the function of “routing internet traffic” as GoDaddy contends it did, the *Lockheed* case offers no support for GoDaddy’s position regarding the scope of the safe harbor.

Nonetheless, GoDaddy attempts to use *dicta* in the Ninth Circuit’s opinion in the *Lockheed* case to create confusion as to whether the ACPA safe harbor covers not only a registrar’s conduct in “registering” a domain name but also in “routing internet traffic to a website using that domain name.” When analyzed in the entire context of the Ninth Circuit’s holding, however, it is clear that the Ninth Circuit plainly did not intend to expand the ACPA safe harbor to include “routing” of internet traffic.

The issue in the *Lockheed* case was whether the District Court correctly granted summary judgment dismissing Lockheed’s claim against the defendant NSI, a domain name registrar, for

contributory trademark infringement arising out of NSI's service to its customers of registering domain names which allegedly infringed Lockheed's marks. *Lockheed*, 194 F.3d at 984. In particular, the Ninth Circuit had to decide whether NSI's registration service was sufficient to establish that it "supplied a product to third parties" and thus could be liable for contributory trademark infringement. *Id.* The question of whether NSI's registration service satisfied the "supplied a product" test depended in turn on (1) whether it supplied the "means of infringement" to the infringing third parties and (2) the extent to which NSI had the ability to "directly control and monitor" the "means of infringement." *Id.*

The *Lockheed* court held that the evidence in the summary judgment record was not sufficient to establish that NSI "supplied the means of infringement." The Court observed "that NSI's role differs little from that of the United States Postal service: when an internet user enters a domain-name combination, NSI translates the domain name combination and routes the information to the corresponding computer." *Id.* The only reasonable interpretation of this use of the word "routes" is that "the corresponding computer" is the computer into which the internet user entered the domain name combination. It would make no sense for the information that resulted from the translation of the domain name combination to be sent to any computer other than the computer of the internet user who entered it in the first place. And there is certainly nothing to suggest that this means that NSI, the internet register, "routed" internet traffic to a website selected by the registrant" as GoDaddy contends.

In the context of the same discussion, the Ninth Circuit's opinion also states that "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.” *Id.* This reference to “NSI’s routing service” is plainly a reference to NSI’s service as a registrar of registering domain names for domain name customers because this is the only service for which there is any indication that NSI collects fees from its registrant customers. *Id.* As such, there is nothing to suggest that this reference to “NSI’s routing service” should be interpreted to refer to anything other than the “registration” of domain names by a registrar. This is especially true in light of the Court’s conclusion that the evidence regarding “NSI’s routing service” did not establish that NSI had the ability to directly control and monitor its registrant customers’ means of infringement of Lockheed’s marks because:

As the district court correctly observed, ‘where domain names are used to infringe, the infringement does not result from NSI’s publication of the domain name list, but from the registrant’s use of the name on a web site or other internet form of communication in connection with goods or services . . . NSI’s involvement with the use of the domain names does not extend beyond registration.’

Id. Thus, when read in the full context of the Court’s discussion in the *Lockheed* opinion, the reference to “NSI’s routing service” cannot support GoDaddy’s argument that the holding of *Lockheed* somehow expands the scope of the safe harbor of the ACPA to include “routing” as alleged by GoDaddy.

II. Count I For Direct Cybersquatting Should Not Be Dismissed Because The Complaint Adequately Pleads “Use” and “Bad Faith Intent to Profit”

GoDaddy does not dispute that all but two of the elements required to state a claim against it for direct cybersquatting are met by the facts pled in Plaintiff’s Complaint. Under the ACPA, the elements required to establish liability for direct cybersquatting are “(1) that the defendant registered, trafficked in, or used a domain name; (2) the domain name is identical or

confusingly similar to a protected mark owned by the plaintiff; and (3) the defendant acted ‘with bad faith intent to profit from that mark.’ *DSPT International, Inc. v. Nahum*, 624 F.3d 1213, 1218-19 (9th Cir. 2010). Here, GoDaddy contends that only elements that are not adequately pled are (1) GoDaddy’s “use” of the domain names and (2) GoDaddy’s “bad faith intent to profit from the mark.”

A. The Complaint Alleges GoDaddy “Used” The Domain Names In Violation of the ACPA.

In essence, and among other things, the Complaint alleges that GoDaddy used the domain names to direct Internet users to a pornographic website. GoDaddy makes two unavailing arguments as to why this does not constitute “use” of a domain name under the ACPA.

0 First, GoDaddy contends that any action it may have taken with respect to directing
internet users searching for the domain names to a pornographic website cannot constitute “use
1 of the domain name under the ACPA” because GoDaddy was “merely following the automated
instruction of the Registrant to point the Domain Names to a particular website.” Mtn. at 11.
Not surprisingly, GoDaddy offers no citation to any legal authority to support its assertion that
2 “use” of a domain name does not constitute “use” under the ACPA so long as it is done at the
instruction of a Domain Name registrant. Indeed, it is hard to imagine why Congress would have
3 intended to allow a domain name registrant to avoid liability simply by instructing someone else
to use the mark to commit cybersquatting.

4 GoDaddy’s second argument is that the Complaint fails to adequately plead that
GoDaddy acted “as registrant’s authorized licensee” when it used the marks. Because Plaintiff
5 does not contend that GoDaddy is the registrant, GoDaddy can only be liable under the ACPA
for “using” the domain names if it was the “registrant’s authorized licensee.” 15 §

1125(d)(1)(D). GoDaddy argues that the Complaint fails to adequately plead that it was the registrant’s “authorized licensee” because “Plaintiff provides no basis for this allegation; there is no contractual arrangement alleged to constitute a license, and no conduct is indicated that would substantiate an implied license to ‘use’ the Domain Names.” Mtn. at 12. This argument fails, however, because GoDaddy is simply incorrect that the Complaint “provides no basis for the allegation” the GoDaddy acted as registrant’s “authorized licensee.” To the contrary, the Complaint alleges that “on May 2009, the registrant used GoDaddy’s online ‘dashboard’ to instruct GoDaddy to use its Name Servers to direct anyone clicking on ‘petronastower.net’ to be forwarded to a website containing highly offensive, obscene pornography.” Compl. § 44. By alleging that the registrant instructed GoDaddy to use the domain names, it provides a more than reasonable basis on which to infer that the registrant granted a GoDaddy a “license” to use the domain names and, thus, that GoDaddy was the registrant’s “authorized licensee.” GoDaddy fails to allege—much less demonstrate—that facts pled in the Complaint are insufficient to establish that it is at least “plausible” that GoDaddy acted as the registrant’s authorized licensee and, as a result, GoDaddy fails to demonstrate that dismissal under Fed. R. Civ. P. 12(6) is appropriate. *Lynn v. Riverside Healthcare System, LP*, 534 F.3d 1116, 1121-22 (9th Cir. 2008)

B. The Complaint Pleads Enough Facts To State A Claim Based On GoDaddy’s “Bad Faith Intent To Profit From The Use Of Plaintiff’s Mark”

Under the ACPA, an element necessary to establish direct cybersquatting is that the defendant used the domain name with “a bad faith intent to profit from [the plaintiff’s] mark.” 15 U.S.C. § 1125(d)(1)(A)(i). GoDaddy makes two arguments regarding “bad faith intent,” neither of which has any merit. First, GoDaddy alleges that the complaint does not use the words “bad faith” to describe GoDaddy’s intent and, thus, should be dismissed for failure to

identify a cognizable legal theory of GoDaddy’s liability because “bad faith” intent is a required element of cybersquatting. Second, GoDaddy contends that even if the complaint had properly identified “bad faith intent” as a legal theory, the facts pled in the Complaint are insufficient to establish that GoDaddy had a “bad faith intent” to profit *from the plaintiff’s mark* as opposed to an intent to profit in general.

1. The Complaint Adequately Pleads GoDaddy’s Bad Faith Intent

GoDaddy’s first argument regarding “bad faith” is that the Complaint should be dismissed because “plaintiff does not even allege ‘bad faith’ standing alone” and “Plaintiff merely alleges that GoDaddy had an ‘intent to profit,’ without bad faith.” Mtn. at 1:24-13:8.

While it is true that the Complaint does not use the words “bad faith” to described GoDaddy’s intent to profit, GoDaddy’s argument that this warrants dismissal under Rule 12(b)(6) is frivolous. It is well settled that “[a] party need not plead specific legal theories in the complaint, so long as the other side receives notice as to what is at issue in the case.” *Sagana v. Tenorio*, 384 F.3d 731, 737 (9th Cir. 2004) (“We long ago rejected the argument that a specific statute must be named, describing it is an attempt to evoke wholly outmoded technical pleading rules.”). There can be no dispute that GoDaddy is on notice that Plaintiff’s legal theory is that GoDaddy acted with “bad faith” intent to profit from its mark because GoDaddy argues—in the same section in its brief—that the facts alleged in the Complaint are insufficient to show GoDaddy’s “bad faith” intent to profit from the mark.

2. The Facts Pled Are Sufficient to Establish GoDaddy’s Intent to Profit From The Mark

GoDaddy’s main argument regarding “bad faith intent” is that the Complaint fails to allege facts sufficient to show that GoDaddy intended to profit “from the mark” as opposed to

showing that GoDaddy intended to profit from some other aspect of its conduct, such as profiting from its domain name registration services. This argument fails, however, because it relies on an incorrect statement of the legal test for determining “bad faith intent,” it ignores what is actually pled in the complaint, and it misapplies the standard applicable to a motion to dismiss.

As an initial matter, GoDaddy tries to use an overly narrow legal standard when it argues that the Complaint should be dismissed because it “does not establish an ‘intent to profit’ *from the goodwill of the trademark.*” Mtn. at 13:9-10 (emphasis original). GoDaddy’s proposed legal standard is not supported by the plain language of the ACPA, which states only that a defendant must have “a bad faith intent to profit from the mark”—not the “goodwill of the trademark”—to be liable for using a domain name that infringes a plaintiff’s rights in the mark. 15 U.S.C. § 1125(d)(1)(A)(i). In addition to the language of the statute, GoDaddy’s proposed standard runs counter to recent Ninth Circuit precedent interpreting the ACPA broadly and specifically rejecting the notion that “intent to profit from the mark” requires a showing of “intent to profit from the goodwill associated with the trademark.” *DSPT Int’l. v. Nahum*, 624 F.3d 1213, 1219 (9th Cir. 2010) (rejecting the argument that “‘any intent to profit’ under the act must be an intent to profit from the goodwill associated with the mark.”); *Microsoft Corp. v. Shah*, 2011 U.S. Dis. LEXIS 2995, *8-9 (holding bad faith was established because “defendants sought to profit in bad faith by teaching others how to trade off the widespread recognition of plaintiff’s mark in order to drive traffic to a particular website.”). In particular, the Ninth Circuit had made clear that although “a remark in a Senate Committee report mentioning the goodwill associated with someone else’s trademark” may be part of the ACPA’s legislative history, “the statute, like so many, is written more broadly than what may have been the political catalyst that got it passed.”

DSPT Int'l., 624 F.3d at 1219 (“As in *Bosley Medical Inst. v. Kremer*, we conclude that the words of the statute are broader than the political stimulus that led to its enactment.”).

Here, it matters little that GoDaddy fails to articulate the correct legal standard because GoDaddy simply ignores the facts pled in the Complaint rather than try to show they are legally insufficient to establish its bad faith intent under the ACPA. In determining whether a person has a bad faith intent, the ACPA enumerates nine nonexclusive factors for courts to consider and, although it is not necessary “to march through these nine factors *seriatim* because the ACPA itself notes that the use of the listed criteria is permissive,” GoDaddy never mentions any of them. *Lahoti v. Vericheck, Inc.*, 586 F.3d 1190, 1202 (9th Cir. 2009) (upholding finding of bad faith intent where defendant “earned income when customers clicked on links when visiting the Domain Names” used by defendant). And while the nine factors are not exhaustive, GoDaddy also does not address “the most important grounds for finding bad faith [namely] the unique circumstances of the case.” *Interstellar Starship Svcs., Ltd. v. Tchou*, 304 F.3d 936, 946 (9th Cir. 2002).

GoDaddy does not address—much less analyze—the facts pled in the Complaint establishing that GoDaddy intended to profit from Plaintiff’s mark by using the domain names to set a “precedent” that could be used to avoid the expense of cooperating with trademark owners who provide notice to GoDaddy that their marks were being violated in the same manner that the Complaint alleges Plaintiff’s marks were violated. Compl. ¶¶ 71-74. In particular, the Complaint alleges that GoDaddy used the domain names “petronastower.net” and “petronastowers.net” to divert internet users to a pornographic website and did so with full knowledge of Plaintiff’s trademark rights. Compl. ¶¶ 64-65. The Complaint further alleges that

GoDaddy was not obligated to continue to use the domain names for this purpose under its contract with the registrant or under its agreements with ICANN. Compl. ¶¶ 66-67. In addition, the Complaint alleges that GoDaddy would have been shielded under the ACPA from any liability if it had stop using the domain names as alleged in the complaint. Compl. Compl. ¶ 68. The complaint also alleged that GoDaddy did not charge a fee to the registrant for GoDaddy’s use of the domain names and that its compensation from the registrant did not depend on whether the domain names infringed Plaintiff’s marks. Compl. ¶¶ 69-70.

Moreover, the Complaint alleged that GoDaddy’s ability to use Plaintiff’s mark as described in the complaint was “crucial,” “central,” and/or “core” to its business because it receives thousands of notice each from trademark owners alleging that it is infringing their marks by using them the same way it used Plaintiff’s marks. Compl. ¶71. The Complaint alleged further that GoDaddy refused to stop using the domain names as alleged in the Complaint because it feared that if it did so, it could be compelled work with trademark owners to protect their trademark rights and possibly discontinue it services. Compl. ¶72. The Complaint also alleged that GoDaddy believed that it would decrease its revenues and/or profit if it stopped its use of the domain names as described in the Complaint. Compl. ¶73. The Complaint alleged that GoDaddy’s use of the domains names was intended to profit from Plaintiff’s mark so that it could avoid the expense of other trademark owner’s complaints about GoDaddy’s use of their marks in manner similar to GoDaddy’s use of Plaintiff’s mark. Compl. ¶74.

As noted above, GoDaddy fails to mention any of the nine factors listed in the ACPA as factors a Court may consider in determining whether a defendant had a bad faith intent to profit. But even if it had, the factors that are applicable weigh in favor of a finding that GoDaddy acted

with the requisite bad faith intent. The first four factors deal with any legitimate reasons GoDaddy may have had to use the mark *other than* to profit from Plaintiff’s mark, such as GoDaddy’s own trademark or other intellectual property rights to the domain name. 15 U.S.C. §1125(d)(1)(b)(1). GoDaddy offers no explanation for its use of the domain names and, as such, all four of these factors weigh in Plaintiff’s favor.

The only other factor that would apply to this case is the fifth factor—which examines the defendant’s “intent to divert customers from the mark owner’s online location to a site accessible under the domain name that could harm the goodwill represented by the mark”—and also supports the conclusion that GoDaddy acted with bad faith. 15 U.S.C. §1125(d)(1)(b)(1). The Complaint alleges that GoDaddy knew Plaintiff used its mark as an integral part of its own domain names. Compl. ¶ 64. The Complaint also alleges GoDaddy knew that it was using the domain names to divert internet users to a pornographic website that could and did harm the goodwill associated with Plaintiff’s mark. Compl. ¶ 65. In addition, the Complaint alleges that GoDaddy continued to use the “petronastowers.net” domain name despite the fact that the Court already had issued an order transferring the “petronastower.net” domain name to Plaintiff because it was being used to violate Plaintiff’s trademark rights. Compl. ¶¶ 52-56.

Rather than address the actual allegations establishing bad faith in the Complaint, GoDaddy relies on a mischaracterization of what is pled in the Complaint to argue that Plaintiff fails to sufficiently plead GoDaddy’s bad faith intent to profit. Specifically, GoDaddy tries to characterize the facts pled in the Complaint related to GoDaddy’s intent as being limited to “GoDaddy’s handling of Plaintiff’s trademark complaints” and “its communications with GoDaddy prior to the filing of the Original Complaint.” Mtn. at 13-14. Based on this

0 characterization, GoDaddy goes on to argue that the Complaint does not establish bad faith intent
1 because “GoDaddy’s actions as described in the FAC were in accordance with the established
2 legal framework for domain name disputes” and “the appropriate limits of a registrar’s
3 involvement with ownership or trademark disputes” Mtn. at 13-14. This argument must fail,
4 however, because it is simply wrong that Plaintiff’s allegations of bad faith intent are as limited
5 and GoDaddy contends they are. And, in any event, GoDaddy fails to identify any legal
6 authority that would equate what it calls “the established legal framework” and “the appropriate
limits of a registrar’s involvement” with a basis for establishing the absence of a bad faith intent
to profit from a plaintiff’s mark.

0 Finally, GoDaddy’s arguments regarding “bad faith intent” must fail because they seek to
1 require the Complaint to plead more facts than are required to overcome a motion to dismiss
2 under Fed. R. Civ. P. 12(b)(6). Contrary to GoDaddy’s assertion in its motion that the
3 Complaint must be dismissed because it “does not establish an ‘intent to profit’” the Complaint
4 need only plead “enough facts to state a claim for relief that it plausible on its face.” *Lynn*, 534
5 F.3d at 1121-22. It is axiomatic that the determination of whether a claim for relief is plausible
6 must be made by “accepting that all facts alleged in the complaint are true and drawing all
reasonable inferences in favor of plaintiff.” *Al-Kidd v. Ashcroft*, 580 F.3d 949, 956 (9th Cir.
2009). With respect to intent under the ACPA in particular, it is well settled that “because
whether [a defendant] acted with a bad faith intent to profit from [a plaintiff’s] mark is a factual
question, judgment on the pleadings is typically inappropriate.” *Webquewst.com, Inc. v.*
Hayward Indus., 2010 U.S. Dist. LEXIS 118188, *6 (E.D. Cal. 2011) (denying motion for
judgment on the pleadings that party had committed cybersquatting). GoGaddy makes

absolutely no allegation that the facts pled in the Complaint are not enough to make it “plausible” that GoDaddy acted with required bad faith intent and, for this reason alone, GoDaddy allegations regarding bad faith intent do not provide any basis on which to dismiss plaintiff’s Complaint.

III. Count II For Contributory Cybersquatting Should Not Be Dismissed Because The Allegations In The Complaint Establish “Control and Monitoring” And “Knowledge”

GoDaddy arguments in support of its request that the Court dismiss Plaintiff’s claim for contributory cybersquatting are extremely weak.

GoDaddy’s first argument—that the “allegations [in the Complaint] do not distinguish GoDaddy’s function from the role of the defendant registrar in *Lockheed*, namely, providing a mere automated domain name routing function to registrants”—is simply false. Mtn. at 16:14-17. Rather than describing the role of the defendant registrar NSI—as GoDaddy claims it does—as providing an “automated domain name routing function to registrants,” the *Lockheed* case clearly states that the contrary is true and that defendant registrar “NSI is not part of the process of linking domain names with potentially infringing resources, such as websites.” *Lockheed Corp. v. Network Sols., Inc.*, 985 F. Supp. 949, 952 (C.D. Cal. 1997). Instead, “after the domain name is registered, NSI’s involvement is over.” *Id.* “NSI is only involved in the registration of domain names, not in the use of domain names in connection with goods and services on the internet.” *Id.* (citing *Intermatic*, 947 F. Supp. at 1231-32 (noting that there is no technical connection between domain name service and the content of Web sites or other internet resources). Rather than support GoDaddy’s assertion that the defendant registrar NSI provided

an “automated routing function,” the *Lockheed* case establishes that NSI did not even provide a connection to the internet much less the ability to “route” internet traffic to a particular website:

NSI does not provide the other services needed to use the domain names in association with a website or other means of communication on the internet. The services necessary to maintain a Web site, such as an IP address, communications, computer processing and storage are provided by Internet service providers (“ISP”) who provide the host computers and connections needed for communications on the internet.

Id.

GoDaddy also argues that the allegations in the Complaint which describe GoDaddy’s use of its Name Servers to divert internet users attempting to access the domain names by routing them to a pornographic website “does not distinguish GoDaddy’s function from the role of the defendant registrar in *Lockheed*.” Mtn. at 16. The Court in *Lockheed*, however, stated explicitly that not only did the defendant registrar not use any Name Servers in connection with its acts as a domain name registrar, “the domain name servers, *which are outside of NSI’s control*, connect domain names with internet resources such as Web sites and email systems.” *Lockheed Corp.*, 985 F. Supp. at 952. This not only distinguishes GoDaddy from the registrar in *Lockheed* but it also shows that GoDaddy performs the precise function the *Lockheed* court found the registrar in that case *did not perform*. *Lockheed Corp.*, 985 F. Supp. at 952. The Court *Lockheed* simply could not have been clearer in describing the function of the defendant registrar NSI:

NSI performs two functions in the domain name system. First, it screens domain name applications against its registry to prevent repeated registrations of the same name. Second, it maintains a directory linking domain names with the IP numbers of domain name servers.

0 *Id.* There is nothing in either the District Court or the Ninth Circuit *Lockheed* opinions that would suggest the defendant domain name registrar in that case performed any functions other than the two listed here.

1 GoDaddy's next argument is that the Complaint fails to allege that GoDaddy's conduct was any different from the conduct of the registrar in *Lockheed* and, as such, the assertions in the Complaint fail to establish "knowledge of infringement" required to support a claim for contributory cybersquatting. Mtn. at 17. This, again, is simply not true. For one thing, the Complaint alleges that GoDaddy had knowledge that it was using its domain name forwarding service to allow a customer to divert internet users from the domain name "petronastowers.net" to a pornographic website despite written notice from plaintiff that doing so infringed Plaintiff's trademark rights and despite the fact that this Court had issued an order requiring GoDaddy to transfer the domain name "petronatower.net" to Plaintiff because Plaintiff's trademark was being infringed by the same customer who was using GoDaddy's domain name forwarding service in precisely the manner to divert internet users to the same pornographic website. Compl. ¶ 52-54. GoDaddy makes no attempt to show that is somehow analogous to the knowledge the *Lockheed* Court found was inadequate to establish contributory cybersquatting.

2 GoDaddy makes no attempt to explain how its final argument would warrant dismissal of Plaintiff's complaint but it contends nonetheless that "[i]mposing on domain name registrar's the affirmative duty to resolve trademark disputes would place an unmanageable burden on the industry and violate the well-settled case law." Mtn. at 17. GoDaddy identifies the "well-settled case law" as a statement in the District Court's opinion in the *Lockheed* case that "NSI cannot reasonably be expected to monitor the internet." *Lockheed*, 985 F. Supp at 962. It is impossible

to comprehend how GoDaddy could believe this quote has any relevance to the present case. GoDaddy was not asked to “monitor the internet”—Plaintiff simply asked that it stop providing its domain name forward service to one of its customers that was obviously using it to exploit Plaintiff’s marks commit and blatant cybersquatting. GoDaddy fails to explain how complying with such a request “would place an unmanageable burden on the industry.” And it is doubtful GoDaddy could if it tried, since most domain name registrars and Internet service providers include compliance with such requests as part of their operating policies. For example, the policy of the defendant registrar NSI is described in detail in the *Lockheed* case and provides that “if a trademark holder presents NSI with a United States Patent Office Registration of a trademark identical to a currently registered domain name, NSI will require the domain name holder to prove that it had a preexisting right to use the name. If the domain name holder fails to do so, NSI will cancel the name.” *Lockheed*, 985 F. Supp. at 949.

CONCLUSIONS

For the foregoing reasons, GoDaddy’s motion to dismiss should be denied.

Respectfully Submitted,

Dated: February 16, 2011

Law Offices of Perry R. Clark

/S/

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