

Interview with Steve Jones, [Domainate.com](#)

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Before we get started, you know [DomainTools.com](#), right? I can type whois.sc/domainname really fast and I do it daily, but until recently I didn't know how powerful their other tools were. If I want a domain name, I can set a free alert to notify me when it changes status. If it goes to auction, I can use their sales history tool to find comps and determine my maximum bid price. After I buy it and develop the domain into a business, I can set up alerts for any domains registered that contain my trademark, and I can set up registrant alerts of all my competitors so I can keep an eye on what domains they're buying and know what they're up to before they make any announcements. [DomainTools.com](#) needs to be in your toolbox, like it is in mine. Go sign up for an account on [DomainTools.com](#) today.

My second sponsor is [David E. Weslow at Wiley Rein](#). Imagine having a legal issue, like a UDRP or cease and desist, imagine having to get an agreement put together quickly for buying or selling a domain name, and imagine going to your family lawyer who just doesn't get it, or one of the expensive law firms in your city who are going to invoice for thousands upon thousands of dollars. Then imagine going to [David E. Weslow](#), who will understand your domain name portfolio and your intellectual property assets, understand the domain name environment, and be able to help you out. David E. Weslow. I trust him, and I suggest you give him a call. Your initial consultation is free. Call [David E. Weslow at Wiley Rein](#).

Finally, our newest sponsor is [Protrada - The Domain Exchange](#). Protrada is an amazing new platform for professional domainers and new-comers alike. [Protrada](#) makes trading domain names easy. With just a few clicks, you can analyze, bid, buy and sell domains across all major marketplaces including NameJet, Go Daddy, SnapNames and Craigslist. You can also develop stagnating domains you own into great-looking, content-rich, socially-active websites that will rank at Google and Bing. This tool is more comprehensive than any other I've seen. If you only use it for it's 21 powerful buying filters,

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you'll get your money's worth. Get your [free 14-day trial now at Protrada.com](#).

Here's your program.

Michael Cyger: Hey everyone, my name is Michael Cyger. I'm the publisher of DomainSherpa.com, the website where you came to to learn how to become a successful domain name investor directly from the experts.

The question for this show is this: you're going to buy a domain name for your new company – and spend a few thousand dollars in the process – what due diligence research do you do on a domain name BEFORE completing the transaction?

Joining me to answer this question is Steve Jones. Steve is the co-founder and COO of Domainate.com, a domain name broker, training and consulting service provider.

Steve, welcome to the show.

Steve Jones: Hi Mike. Thanks for having me.

Michael: Steve I ran across the video you produced on this topic and notice that you are providing the video at Doma.in (which is called a domain name hack) for the word domain. Let me start the show by asking you this why did you buy the domain name Doma.in?

Steve: First off I'll go ahead and give you some background on what we do at Domainate and then give some background as to why we made that decision. I had started collaborating with Sharon Hayes in 2007 on various domain related projects and then soon after we founded Domainate.com and started to put all out domain business through it. And at the 2011 Domain Fest we had introduced a revamped website along with a new brand name. And our mission was to bridge the gap between the Domainate and the mainstream world by not just selling domains but also educating people on the importance and value of domain names and why they benefit by having a better domain set business. So my own background had been primarily on the

domain reselling side, insurance had been slipped between that, end users and doing wholesale sells. And through networking both on an offline we had built up a lot of relationships with domain investors, resellers and developers.

And after a few months of rolling out the Dominate.com site we realized that trying to serve two distinct markets, you know wholesale sales and to bulk buyers and to end users, and to one time buyers was pretty difficult. And we had the same issue on the educational side in the sense are more applicable on the full sale side than the end user side. So we decided to have the focus on Dominate.com to be for end users and then use Doma.in which I actually had before for domain training and our wholesale operations. So user base for Doma.in is slid between people that are just intrigued by domains and wanting to learn more and those that are already established in the industry. And Dominate.com on the other hand is geared to educating and selling to individuals and organizations who need the right domain to establish a brand, re-brand or burst their marketing efforts. And in the video you saw, you saw an example of something where there is some overlap with the kinds of information that helps both domain investors and the main stream businesses. So some of the trading as we have done do apply to both audiences.

Michael: Got it. But it makes sense because you are using Dominate.com as a brandable. It is dominate domains, is the idea and you are using end users and they get brandable domains and it is in the .com. I was going to say most end users don't understand that there is any other extension besides the .com and maybe .org. So when you use Doma.in that would be completely confusing to an end user but you are targeting people in the industry and those who want to learn more about domain names and understand that there are different extensions out there.

Steve: Exactly. People in the industry I think have a better appreciation for domain hacks than anyone else. So I think there is definitely a good rapport there with a domain like that.

Michael: Let me ask you this right off the bat. I have never bought a domain hack before. Well I did buy a domain shortener but not a hack as good as this. How long have you owned Doma.in?

Steve: I bought it in 2007 actually with a different partner. It was bought as an investment with the possibility of development down the road. It was long enough ago that I don't remember exactly what caused me to look it up. Probably out of curiosity. I was aware of domain hacks and I might have seen a different one and just figured hey I wonder if this one is for sale. And ended up finding it listed on Sedo as a make offer listing without a price. And ultimately wound up negotiating the seller down from \$7,500 to about \$4,000 for it. And at the time it was still kind of tough to buy domain hacks. They weren't really popular yet. There were a few large sites using them but that is about it. And the resale market definitely wasn't there. Even still these days it's spotty. I mean that sometimes there are pretty nice sales but you know it is really hard to determine value of those kinds of domains. So over the years we had gotten some pretty serious offers for it but even who we had to sell to was more valuable than anything that came in especially with it being relevant to what we do. We figured eventually we could put it to some use. And then when we decided to split our wholesale and our training off it was the one domain that felt right. We believe we are setting great examples ourselves of the importance of selecting the right domain and so we made an arrangement with the other investor and started Doma.in several weeks later.

Michael: So let's get into the domain name due diligence tactics. Ok, you have eleven tactics that you recommend every domain name buyer pay attention to. And when I say buyer this is end user, this is the person thinking about starting a company, this is the entrepreneur out there who has an idea, knows they need an online presence and wants to try and buy the best online presence that they can. But let's talk for a moment about why due diligence is important before we get into the tactics. Why should someone perform due diligence research on a potential domain name purchase?

Steve: Well you know knowledge is power. And you really want to be first off in a position of power or if you are actually looking to get a particular domain part of the research is figuring out not just the value of the domain but what the seller believes it is worth. You don't want to throw an offer out there that is far beyond what they think it is worth and short change yourself or over charge yourself. Part of it is that and then part of it is if you are starting a business your domain is vital. I mean it is one of those things where

you want that to be your only decision in terms of your brand. If you wind up with a domain that ultimately winds up hurting you in the end because of some red flags, you know where somewhere it is black listed or you are having a hard time getting it ranked in Google, anything like that where if you didn't do the research up front you are probably not going to realize it until it's too late essentially until you have already put in the work to launch the business. I mean it is really important to make sure that you are making a good decision. It's not just about a good domain it is about making sure it will help move your business.

Michael: Worst case scenario you may actually buy this domain and it could be a complete waste of money in some cases.

Steve: Yes basically.

Michael: And so the tactics that you have will help people ensure that it's not in the worst case a waste of money and in the best case you get the biggest value for the purchase.

Steve: Exactly.

Michael: As with all business transactions there are certain people out there that prey on the public through scams, that masquerade as legitimate business deals. Likely if it is stolen you might lose a domain name and the money you paid to the seller just like you would with any real asset that you purchase such as jewelry and electronics. You buy some diamond watch off the street from some guy and then later the police come and look at it, you are out your money and you are out the diamond watch. So let me ask you this before we get into tactics, Last question before we get into the 11 tactics. When should someone perform these due diligence steps before or after they negotiate the price of the domain?

Steve: Before they negotiate the price for sure because a lot of it will help them figure out a starting point in the negotiations. First off if it is a domain that they are, you know it is their first choice and they are absolutely sure that they want it they want to maximize their chances of getting it and if you wind up seeing that the seller's expectation of value for instance is quite up there.

And it is a case where putting in a very small offer may not even get a response or may essentially script the negotiations it could hurt their chances of even getting the domain entirely. So there are a lot of different reasons to do the research. You know the value part of that being able to go into the negotiation with a little more information that can help them figure out a starting point, and probably where the ending point is going to be or at least a ball park. You know just help a lot.

Michael: So they need the information before you begin the negotiations but you may actually do your research and then enter the negotiations and the sellers expectations of the value of the domain may be way over what you are willing to pay and then you did the research for not.

Steve: Yes unfortunately there are going to be times when you wind up doing the research and it just doesn't work out. Sometimes you can really find enough in the research to figure out what the seller wants. There are going to be cases like that. And at that point you just have to basically base it on where you want to end up in the negotiations and hope for the best. But there are going to be times as well that it will definitely help you either end up with a better price or at the very least actually getting the domain whereas you may not have otherwise.

Michael: Let's get into the tactics. So what is the first step?

Steve: Okay the first step is to seek what is on the domain by going to it, obviously with doing that you have to be careful of spyware and viruses. Thankfully these days a lot of the browsers have sort of checked a lot of the sites out there and will stop you from going to it if it has something bad on it.

Michael: Like if I start up Chrome and I go to a site that Google has identified as having spyware or something it will actually flash up an intermediary page that has a red symbol or a circle with a red slash through it and it will say don't go here we have identified a potential problem.

Steve: Exactly. Thankfully there is that now. But it is good to have an anti virus on your computer too just in case. Thankfully a lot of time if you are looking to get a domain and it is a good domain usually it is not going to have

something like that on it. A lot of times scam sites use a pretty bad domain, especially .infos or something extremely cheap so that they can move from domain to domain. So it is not a huge worry but just be careful when you do go to them. When you do go to the domain you might see it redirected to a website, you might see parked page, you might see a for sale page or maybe a parked page that says the domain is for sale, or you might see nothing at all, like not resolved. And then depending on what comes up you might see red flags. For instance, if it is a site that is clearly dealing in something illegal that is kind of a red flag. And I will get into more of why that is. You might also see an indication of the owners belief of the value especially if they have a for sale page they might actually have a price on there or kind of an offer starting point that you can go off of.

Michael: I can think of one, I think I visited purple.com in the past and it is a purple webpage I think with maybe light text on it and it is a very unique website and if you dig down through the pages I think there was a page on there that said domain name for sale and I think the person who owns it says in text there: I've turned down multiple offers of certain ranges and so don't bug me basically if you are coming under that. You can find sometimes people will list the value of the domain name. The expected price if they were to sell it.

So if you start up your web browser and type it in you may find a website or a redirection or a parked page what does that tell the potential buyer in those different scenarios?

Steve: Basically part of why you are doing it is you are trying to find out the sellers opinion of value and part of it is going to be what they actually get from the domain. You want any indications of the value that the owner puts on their domain. What is currently on the domain helps that. You know the spectrum going from absolutely nothing on it which basically tells you that they are making nothing on it, to having a fully developed primary website for their company on the domain in which can it is probably not for sale. Or if it is it will be the domain plus the company which is normally more than you are willing to deal with.

You know there are going to be some domain sellers that do intentionally put nothing on the domain. I have actually heard of people who do that and they are still pre-aware of what their domains are worth but for whatever reason they don't put anything on it. I think part of it is because they actually feel that buyers would prefer that there not be a history of anything on it. Sometimes buyers do look at domains that are parked and believe that the parking of the domain actually hurts the domain in some way you know possibly for SEO purposes later. So sometimes some sellers don't put something on it and that doesn't necessarily mean that they don't value the domain but there is still more probability that if they don't have something on it or if it is parked that they don't necessarily value it as high as someone who has something developed on it where they are clearly kind of closer to making end user income on it. Or clearly obviously if they have a business on it then they obviously heavily value it.

Michael: And it is interesting that legal entity that DomainSherpa is in is called Web Expo Media because there is Web 1.0, 2.0. We are moving forward with different types of technologies and I wanted a media company that would track those different technologies and so when I was forming the company I went to go look for a domain name and I bought WebxMedia.com. It was actually in use by a couple of individuals that had a business I believe in Spain and I contacted them and asked them if they would be willing to sell and I think I ended up buying it for a few thousand dollars and I traded a few of the domain names that I had. I just let them look through my portfolio and let them say hey let's come to an agreement. So even if there is an operating business in place depending on how they are using it they may be willing to change their domain name and URL. I was surprised that it happened.

Steve: That is true and sometimes just seeing the site on it you can see if it's actually having heavy user on. It could be that they set a company on it and set up a website and haven't updated it in a few years and have a defunct site. So, if you come across a domain and it has a site on it - look closer. See if it is actually in use. If it looks like it is a bustling busy website that is still currently being run, if it is not then yes it could be a case like you came across where they would definitely be willing to sell.

Michael: So that is the first step. What is the second step Steve?

Steve: The second step is see what was on it at archive.org.

Michael: What is archive.org for people who haven't been there before?

Steve: Archive.org is a website that basically keeps an archive of screenshots of most of the domains online and sometimes they are not able to get screen shots on some domains. But they take it at various times. I believe they try to get screenshots every time something changes on the website. So sometimes you will come across domains that are on there that have hundreds of screenshots throughout the past decade or so. I think it may even go back to the '90s.

Michael: Yes it is fantastic.

Steve: There is incredible history there.

Michael: Let me throw out a quick plug for one of DomainSherpa's three sponsors, DomainTools.com. Recently they launched a service similar to archive.org at screenshots.com where they actually take screenshots of the website over time. So if you don't see something at archive.org but you can also check screenshots.com. So you go to one of these two websites Steve and you are looking for what was on the domain name in the past. Why is this important?

Steve: First off if there was a website on it you can actually see if the website is well established or not. Again this could go to how much value the seller puts on it. Or if you are actually looking to buy a website sometimes people are looking to buy the site not just the domain. That can play as to how much the site is worth. And also it can sort of fish out any possible scam if the sellers say that the site has been running for several years and has been making money. You know such and such dollars per year pretty steadily and then you look it up and you see it's only been up for about a year or less than a year or so, something is up here. And then also you can find out if there ever was a scam or a scam site on the domain. And just having that and the history of the domain makes a difference. We can go into that a little further.

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You can find other red flags, obviously scam and spam are pretty big but if there is history of adult use or a gambling, obviously anything illegal like piracy, anything that you don't want your current company associated with it and you are afraid any history on a domain might come back to basically haunt you.

Michael: So like if you want to buy a domain name for a kid's site and it used to be a gambling site or a piracy site or an adult site, things like that, you make sure stay in the same realm that you are planning on using it for.

Steve: Exactly.

Michael: And if you were going to operate it as an adult site and it wasn't an adult site in the past maybe there is some past use that would benefit you for example.

Steve: Exactly. For sure it can actually help to figure out if there is relevant use in the past. There may be links from that relevant use and the domain may actually get traffic that could help your current site. So that is certainly pertinent.

Michael: Alright so that is the second step. To go to archive.org or scrennshots.com and see what was on the website in the past. What is the third step Steve?

Steve: The third step is to look up the whois of the domain on Domain Tools. So on domaintools.com. You can see who owns it which is obviously important. And then the domains creation and expiration date. You can see, if you are a paid member of Domain Tools, you can get a lot more functionality on there and you can actually look up history of the owner and of the name servers which actually that is a good thing. If you are kind of coming up short on finding history of the website archive.org or Domain Tools screenshot service, seeing the name server history could give an indication of whether it was actually developed in the past or not. You can tell from the m-servers for instance like parking name servers, you know Sedo always uses Sedoparking.com. Name Drive uses a specific name servers and so on. You can tell if something was parked for a certain amount of time and also you

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can tell some of the more popular hosts by their name servers. And you can sort of get an idea of when this site was supposed to end. If there is a site on it now how long it's been hosted, So if you don't get these screenshots at archive you can still find out okay how long is it safe enough.

Michael: For those of us that aren't as technical, the name server that is assigned to a domain name basically says take Doma.in and point it at this web server over here which then receives the request and displays the website. Is that correct?

Steve: Yes.

Michael: So if you are parking it you will use a certain name server that will go to the parking company and if you are hosting it a certain company it will use a certain name server that then displays the website. So the name server gives you additional information on how long certain websites were hosted or were pointed at a certain location. So it is some additional data?

Steve: Yes. And then another thing to mention the whois record, some domain sellers actually add in there that the domain is for sale. So you can also find that out from the whois record which is good if you can't find it for sale anywhere else and that would certainly indicate that it is for sale.

Michael: Right and I see that on a lot of domains that I look up on Domaintools.com. In fact I think they have a relationship with some of the marketplaces where they say this domain name is for sale and you can click through and look directly at the for sale record at the marketplace.

Steve: Exactly.

Michael: Alright so that is the third step: look up the whois information on Domain Tools to gather a bunch more information about who owns it, the name servers and whether it is for sale or not. What is step four Steve?

Steve: Step four is to search for trademarks on two trademark databases. One of them is called Tess which is the US Trademark Electronic Search System and the other is called Romerin which is the international trademark database.

Basically you want to find out whether or not the domain is safe to get. You don't want a domain that you can't use especially if there is a trademark in your area of business. At that point you really don't want to go forward with using it if it is going to be a risk of possibly using it or even more getting sued for damages which law suits can go up to \$100,000 for infringing a domain. And in a case where even if it's not necessarily infringing but it could be at risk for infringing. You still want to avoid that if at all possible. I mean there have been a lot of cases where businesses have started up and have started running and everything is going fine and then all of the sudden another business that happens to have a trademark or very similar trademark winds up coming after them. And even if they are in the right to have the domain and it is not infringing they still have to defend themselves. And it is still quite an ordeal to have to go through especially if they get sued.

Michael: Exactly. And anybody can be sued for any reason. That just says we are going to go to court and somebody is going to listen to my argument about why you are infringing on my trademark. So it doesn't matter if you are right or you are wrong you can still be sued. I bought a domain name like customteeshirts.com without looking at anything and I started up a business where you could come online and you can upload an image onto a tee shirt and then mailed out to you, there might actually be another company out there with a very similar, or the exact same, business name. They may not actually own the domain name but they own a trademark for custom tee shirts in the particular standard industrial class of the US Trademark statutes that say they own the right to use that phrase for business. And so they can take me to court and we can present that issue. You know that is my layman viewpoint on it.

I'll give another quick plug for one of our sponsors. David Weslow is an attorney. He specializes in IP domain name law. Whether you use David or not I recommend that if you are worried about trademarks, if you do a search on Tess which I do a lot when I am looking at domain names, and you see any semblance of conflict it's worth the money to speak to an attorney about that because you may end up spending thousands of dollars and then there could be a case where somebody files a UDRP action against you and you end up losing it and losing your money. So it's very well worth it. And you

can search for Tess online on Google and I think it's tess2.uspto.gov. Romarin database do you have a URL for that Steve?

Steve: Actually let me...I use Google to find both of them to be honest. They are generally at the top.

Michael: Yes you can see that I have done enough trademark searches that I know the URL offhand even though it is a funky government tess2.uspto.gov but I have never actually done a Romarin search before and that would be useful to know.

Steve: So Romarin is at www.wipo.int/romarin.

Michael: Okay great. So do a search on both of those and I assume that even the Romarin database is international English is the preferred language?

Steve: Yes.

Michael: Okay.

Steve: There is a couple reasons to look them up. One thing there are times when you might think a particular term is not a trademark when it actually is. I witness all the time people who don't realize that realtor and Olympics are both trademark terms. And they are both pretty well guarded and defended. You know they go after people...

Michael: Very well.

Steve: Registered domains that contain either of those. Another thing to keep in mind and also the reason that you should contact a lawyer if you are ever unsure a trademark existing, it doesn't necessarily have to be registered for one thing. There is also common law trademarks that come from simple use. So if you don't see anything in the data base but you come across websites that are in use that you think there may be some un-sureness there, you may just not know what to do, definitely contact a lawyer. You don't want to take anything lightly especially if it could wind up taking down your business later.

Michael: Exactly, if you are building a business it is worth consulting a lawyer for an hour on the topic to make sure that it is clear. What is the next step Steve?

Steve: The next step is to search on Google for the domain in quotes.

Michael: So what do you mean? Do you actually “DomainSherpa”?

Steve: Correct. First off is the domain itself is not in the results, in other words if the result...the top result should be the domain itself, you know whatever is on the domain even if it is parked. If the domain itself is not results it basically indicates that it has penalties from Google which if you are looking to do SEO trying to overcome penalties might be something you don't want to do. Or just don't want to deal with. It can also bring up discussions on forums indicating past scams or spam use. And it can also bring up public sales listings or perhaps the owners portfolio that has the domain in it that will either have a price or indicate that it is for sale.

Michael: That is a great point. A couple of years ago I was going to buy a five letter .com single word pasted tense domain name. It seemed like a fantastic domain at a couple thousand dollars which seemed too low at the time. And I did a search like this. I can't remember if I did it in quotes or not but I definitely stumbled upon a couple of discussions about other people talking about this seller trying to sell the domain name and something...it didn't add up. And it definitely raised some red flags for me by doing that search. So I ended up passing on the domain name and I think it was worthwhile to do that.

Steve: Yes and for instance some of the things that can come up in discussions could be that the site could have been charging for a particular service, like an ongoing fee. And they could perhaps still be charging people even after they have taken down the domain or the site. So look for discussions about that and for instance if you wind up buying the domain you could wind up being contacted by those people wondering what is going on. And it could be something pretty bad to have to deal with. Likewise, for instance one of the things that goes on a lot online are high yield investment

programs which are basically Ponzi schemes. They have taken investments and pay out too good to be true returns essentially and eventually at some point they stop paying and take their site down. Essentially you are always going to find discussions online about such and such site is a scam. They aren't paying out or whatever. And if you then build your business on it and someone is searching your business name online they could come across these discussions. And you basically don't want anything to do with being seen as a scam or a spam if it was clearly a past owner. You want to try and distance yourself with anything that could possibly be construed as putting your current business as a scammer.

Michael: So when you type in, you go to the Google search bar or the Bing search bar or what have you your type "domain name.extention". Do you need to add the www. Before the domain name or is it better to do it just the domain name and then the .extension.

Steve: It's probably better to do just the domain name. I think it would still bring up results that have the www in front of it even if you don't include that.

Michael: So that is step five. Go to Google, search the domain name in quotes. What is step six?

Steve: Step six is to search on Google for this particular phrase in quotes site: the SLD which is just the name part of the domain and then .* in the place where the extension is. All of that in quotes.

Michael: Okay and what does that tell a user Steve?

Steve: Well first off what that brings up is it brings up all the sites or all results that are on the domain but in any extension not just that extension that you are looking up. So you can see what other sites that are out there that use the same name but in a different extension. And part of what that can bring up again I mentioned before common law trademarks before. Even if you don't trademark at the trademark data bases you could find potential trademark risks if there are on these other extensions. And that could be too risky to get. And also in cases where to see if the domain is just parked or if it

is a site, perhaps it's a newer site than the age of the domain that you are looking at. You could wind up finding in a pinch if you ever need to sell the domain or anything you can find potential buyers of the domain if you ever need to resell it. In general you can look up and essentially see anyone that is using this particular name. You may also find sites that are in the areas that you kind of want to stay away from like for instance adult.

I've actually come across cases where I have had domains in the past that I've had someone interested in buying it and they basically wound up seeing that an adult site was on a different extension and were very unclear if they wanted to still buy it at that point. In that case of the domainers the .org and the adult site was on the .com. I could certainly understand their concern there. But yes that is certainly something that you want to look at if you are worried about possibly being looped into that website.

Michael: So that step is search on Google "site:domain.*" so you don't use the .com or the .org or anything like that. Use .* endquote and that will show you likely the biggest sites using that domain name because the bigger sites are the more established sites will rise up towards the top and then you get a better idea of trademark risks and potential buyers. Things like that. What is the next step?

Steve: The next step is to look up the domain on blacklist.org.

Michael: Hmm. I haven't heard of blacklist.org before, what does it do?

Steve: Basically indicates whether the domain is in any spam blacklist. This is obviously for email spam. You obviously want to make sure that you don't have issues using the domain for email in the future. Something is on a blacklist then it can seriously hurt email deliverability, simply sending normal emails let alone transactional emails, a newsletter or auto-responder emails. And deliverability is crucial in marketing so if the domain is on a blacklist it can definitely hurt the value and it is very difficult, if not impossible to get off most blacklists.

Michael: So you just go to blacklist.org and then I assume that it comes up with some input, I assume it comes up with an input box, and you type in the

domain name.extention and then you hit enter and it tells you if it is on any blacklist.

Steve: Correct.

Michael: And so clearly if it is on a blacklist that is going to affect the value of the domain name because you may not be able to clear it up. You may not be able to clear up that issue. Does blasklist.org help you clear up the issue if you do decide to buy the domain name?

Steve: I don't believe so. I believe they may have contact information for the blacklist but in general once the domain is on there it is very hard to get it off just because even if for instance you tell them that you are a new owner of the domain and you are using it differently certainly spammers and scammers once they find out they are on the blacklist they try to do that sort of thing. You know try to pose as a new owner and try to get them off the blacklist and they can go back to spamming people. Seeing the domain on the blacklist can also be an indication of a bigger problem. After all why is it on the blacklist? What was the past owner or current owner doing with the domain? It could indicate that they were doing something illegal on it or something that you definitely want to distance yourself from. If some of the other research methods may not have unearthed that sort of stuff the blacklist listing could certainly indicate that sort of thing.

Michael: Alright great point. So that is step seven, look up the domain name on blacklist.org. What is step eight Steve?

Steve: Step eight is to look up the domain on Alexa.com and I think Compete is .net and then Quantcast.com. These are all sites where rank top sites. Quantcast and Compete is in the US while I believe Alexa is international. You can check the domain's traffic rankings and history on those sites.

Michael: Just to clarify it is Compete.com. I just checked it right now in my browser. And both Alexa and Compete.com I've used in the past and I know they gather information through toolbar add-ins. So users that want access to certain features download a toolbar or people who want to share their

information will download a toolbar and that shares information with Compete.com and Alexa and/or they buy information from certain internet providers around the US that sell information as an anonymous sort of large chunks of information. And Quantcast is another service that provides that. So Alexa.com, Compete.com and Quantcast.com give you traffic information and some sort of history on the websites Steve?

Steve: Yes to the current traffic rating and then usually the history of the traffic of the site. And Alexa also shows the back links to the sites so you can basically see if it has a lot of back links or does not. That can be helpful as well to see for instance if you were buying a domain with traffic or if you are buying a website that has traffic. You are putting value on the traffic in terms of wanting the domain. You can see if it is possibly legit traffic or possibly not legit. In the case of for instance it is showing very few back links and that traffic all of the sudden having a total bursts (inaudible 43:47) and the owner is trying to sell it based on the traffic value that could be a red flag because they could possibly be buying traffic or feeding traffic in from other domains or sites that they own. And the moment you get the domain all of a sudden that traffic goes away.

Michael: It is very easy for people to actually go out there and buy access to computers that in a programmatic fashion, automated fashion, will come visit the site over and over again and bump up the traffic number. So if you are buying a domain name and you expect a certain amount of traffic because it's a shopping site let's say, the number of back links coming into the site says these are websites that are linking in (and people don't link generally) the idea is that people don't link into a website unless it has value. And if those back links are there they are likely going to stay. And you can go and actually check on the back links. You can see where the back links are coming from to make sure they are not spammy type of back links that will fade. Right Steve?

Steve: Right.

Michael: Great so that gives you a better idea about the traffic coming, whether the traffic is real or not, whether the back links are valuable or not and then generally how much traffic is coming in.

Steve: Yes they don't always have completely accurate information in terms of exactly how much traffic is coming in. You always want to get traffic data from the seller. But it still gives a ball park and it could be enough to establish long term traffic or unstable traffic with the possibility of it dropping off.

Michael: Yes that is a great point. I'll put out one other scenario. I was buying a domain name, actually a website, an operating website about a year ago and I had contacted the owner six months prior and we couldn't come to an agreement on the price and then six months later I went to I think it was Alexa or Compete.com and I looked at the traffic and it looked like the traffic was actually decreasing. So without revealing my hand I contacted the owner and said you know I'd be willing to come to this price if you are agreeable but I need to look at the traffic. And so he actually provided me the real traffic information from Google analytics and it was actually going up. Not down like Alexa.com or Compete.com said. So it didn't support my case but it did give me an idea of the level of traffic which was useful.

Steve: Yes definitely.

Michael: Great what is the next step Steve?

Steve: The next step is to check the domains page rank on checkpagerank.net. And it is good to check it on this site because it will show whether or not it's a fake. There are a lot of page rank checkers that will basically give you the page rank and then also if you are using Internet Explorer or Firefox and you have the Google Tool Bar the tool bar will give you a page rank of the site. It could be giving fake page rank and how it can do that is basically what would have happened is at some point in the past the domain would have been what is called 301 redirected to a different domain. And essentially what that would do is in search engines the search engines would treat it as a permanent redirect and because of that they would actually put the information in their data bases for the domain as being the domain that it is being directed to. So it would actually, if you are checking page rank on a domain like that it could possibly be showing the domain it is redirected to. For instance if that domain is page rank six and you check the page rank

DomainSherpa.com: The Domain Name Authority

on the domain you are looking at and researching it could show page rank six where it is actually pulling it from that domain, and the domain you are looking at may have no page rank. In fact you have no way to look it up.

Michael: Let me pause this for a second here Steve and I'm going to assume that some people watching this don't know what page rank is. Who assigns page rank, why it is valuable to know this, and what the range of page rank is? Can you give a little background on page rank?

Steve: Google, they have a very complex algorithm to rank their sites and one of the things they look at is essentially the sites authority. And the way that they evaluate that is through their own developed algorithm which essentially comes up with a page rank, a Google page rank which is a scale of zero to 10. With 10 being the absolute highest authority site which Google itself is a 10 to zero which is basically a site that doesn't have any authority or doesn't have enough to essentially show on their...

Michael: Undeveloped or you just launched it or something like that. That would be a zero.

Steve: Yes not very many links from other sites or what not. So they actually measure page ranks based on links from other sites as well as content on the site. They actually do add a little bit of page rank for each page that is on the site. You could actually have a site that has some page rank that doesn't have very many high quality links to it but it has page rank because it has a lot of content on it. So they use both to figure out how authoritative the site is. And the higher the page rank theoretically the higher the site should be ranking on Google, it doesn't always work out like that but essentially most people doing search engine optimization still focus highly on page rank and it does seem to make a pretty big difference in terms of the rankability of the site. Especially if you are going after terms that are highly competitive having a higher page rank can make a lot of difference.

Michael: The site that you recommend going to to check is checkpagerank.net?

Steve: Correct.

Michael: Page rank can change over time right? If I buy a website that has say a page rank five the next week it may be a four or it may be a six and Google changes their algorithms and reruns certain websites and there is no rhyme or reason to it?

Steve: Exactly. Part of the good reason for checking on the checkpagerank.net is they also do give a back link profile which can show the solidity of the page rank and sort of indicate whether it might go up or go down depending on how solid the back links are. But yes page link can certainly come and go. One of the things that I generally tell people try to focus more on the quality of the name versus something like page rank and back links because they can come and go whereas the quality is always going to stay the same, constant. It is still something to look at especially if you are looking at primarily getting traffic from search engines when you launch your business but just keep in mind that it may not be solid. If some of the back links wind up going off, especially if some of them are pretty major, your page rank could definitely go down. And your rankings could possibly drop as a result. So definitely do look into it but just keep in mind that it may not hold up over time.

Michael: Okay so that is step nine. Check page rank on checkpagerank.net. What is step ten Steve?

Steve: Step ten is to check the domains backline profile at backlinkcheck.com.

Michael: What does a back link profile provide you there?

Steve: So Alexa and checkpagerank.net they both do sort of indicate back links to the domain. But this site not only shows back links but it would probably be a more accurate check of back links than those two sites but it will show every back link including the strength of each of them. So you can essentially get a fuller picture of the back linking profiles of the domain and again it is something that will help you determine the solidity of the page rank for one thing and then also if it is a site that is getting traffic it will indicate how solid is this traffic? You know some of these links can be kind

of flimsy and possibly go away, leading to some of the traffic going away. Essentially you want to get a fuller picture of how solid the domain is in terms of the SEO value and the traffic you may be getting.

Michael: This solves the problem of somebody who pays a person in an underdeveloped country or a third world country, really cheap labor to go out and start 100 blogs and create links to this website. Alexa may only show that there are 100 links coming in whereas backlinkcheck.com will show how solid these back links are and how useful they are.

Steve: Exactly. You could certainly get an idea of whether the back links were built by the current owner or previous owner of the site or if they are natural links that came in and are high quality links.

Michael: Alright so that is step ten. Check the domain name back link, the domain name back link profile and the details of that. And the final step... What is step eleven?

Steve: Okay the final step is to find out if the domain is publically listed for sale. Domain Tools as you mentioned does tend to list it for a number of sites but in general you can check a number of different marketplaces. There is Afternic.com, Sedo.com, Go Daddy Auctions (which really operates off of auctions at GoDaddy.com) and Fabulousdomains.com. Those are the main marketplaces where domains are listed. And you can also check - there are a couple more, Snapnames.com sometimes people do list domains for auctions there and likewise Pool.com and then Namejet.com has back orders. I don't believe people can actually list for sale there.

Michael: But you know I actually looked into this once and if the domain has a high enough value you can actually contact the General Manager of Namejet.com and they will list it for auction. A little known secret there! I think a few blogs have listed that bit of information. You can't go to the website and say I want to list my domain name for sale though.

Steve: It is probably unlikely if you see a particular name there for sale but certainly you can look there and see if it might be.

Michael: So if it is listed for sale at one of these auction houses what does that tell you as a potential buyer?

Steve: Well first off you might see a price in the listing especially if you are looking at the seller's value on the domains that would certainly indicate what they are looking for and help you guide your first contact. And then obviously if it is on a marketplace it tells you that they want to sell it or not. They are a motivated seller if they are listed on a marketplace. And additionally with seeing a listing on the marketplace you can actually decide to buy it through the marketplace to avoid direct contact. If you see a (Inaudible 56:24) presence and you don't necessarily want the seller to know who you are as it might affect how the price to the domain to then yes you might want to go through a marketplace to stay anonymous essentially.

Michael: Oh that is a great idea. So if you are with a large company and you contact somebody, they are going to look and say hey this person is with General Electric or Nestles Foods or something they may say here's deep pockets. I'm going to jack up the price. You can go anonymously through these marketplaces and then they won't know who the buyer is.

So that is the final step is checking on major marketplaces whether the domain name is listed for sale. So let me ask you this Steve: I've bought a few small companies in the past and I usually had my attorney perform a search to make sure that the seller is in fact the owner of the business and that there aren't any liens on the assets of the business that might entitle other people to an ownership state. What do you recommend in terms of a domain state to check the actual owner of the domain name or that they are selling it in good faith?

Steve: That is a good question. You can (audio skip 57:49) by checking the whois obviously and then checking the whois history. You can possibly get an idea of whether the domain may have been stolen. Usually by the whois history it will have changed hands pretty recently if it is stolen. Generally if it is stolen the thief wants to try to flip it immediately and get rid of it. It could be a combination of the seller not having had it for long and possibly getting a price that sounds too good to be true. Most of those will kind of indicate hey this may not be the owner of the domain.

Michael: So using Domain Tools you could actually find out who the previous owner was and you could call them up and say hey did you sell this domain name to the person that is currently listed as the domain name owner or registrant I mean.

Steve: Correct.

Steve: And additionally when you look up the domain in Google, when you look it up in quotes, if you come across for instance a portfolio that contains the domain you could see there that it's showing a different person that owns it versus what is in the whois. And domain sellers may not take domains off of their portfolio quickly so it could be a case where they just have it on the site right now but kind of erroneously should have taken it off. It could indicate that the domain could have been stolen from them and they are not aware of it or something like that where you may want to contact them and make absolutely sure that they don't still own it. You know they don't believe they still own it. And confirm that it wasn't stolen. So that is something to do as well.

Michael: Any other ways that somebody can protect themselves when they are purchasing the domain name? For example I try to buy and buy as much stuff as I can on my credit card because then I can always go back to the credit card company and say hey I didn't get delivered the product or the product was broken when it arrived or what have you. It provides an additional layer of protection. Is that a possible path to purchase a domain name?

Steve: Yes that is certainly one way to do it to have some sort of recourse open to you. Another way is to use escrow. Most escrow companies will basically take control of the money, take control of the domain and then switch hands. Gives the money to the seller and the domains to the buyer and that way it secures the transaction and you don't wind up giving money and not getting a domain. If the seller does not wind up giving the domain to the escrow service you would wind up getting your money back. So that is certainly a way to protect from losing your money.

Michael: Does the escrow service actually verify that the person transferring the domain to them is the owner of that domain, the rightful owner?

Steve: Generally they don't actually. Usually most good escrow services will make absolutely sure that the buyer has the domain in their possession before they actually give the funds to the seller to keep the transaction secure. But they don't do any sort of due diligence in terms of checking to see if the domain may have possibly been stolen. They don't do any sort of checks or that sort of thing. It is not necessarily that easy to see if it is stolen and certainly they don't want to be held responsible to indicate that something is stolen when it is not, if they accuse someone of it. I can certainly understand why they don't check. But it is something that you have to be aware of.

Michael: I bring that up so that people who are buying domains aren't fooled by a seller saying we are going to use this escrow company and have already set up the escrow and trying to build confidence in the buyers mind that it is a valid transaction because the escrow company may not verify that they are the true owner even though they are transferring the domain name. I don't have a sponsor that is an escrow company Steve. Not to promote any one over another because I'm sure there are a lot of great escrow companies out there. Have you worked with an escrow company, or a couple of them in the past that you would recommend as reputable escrow services for somebody that is looking at a purchase and wants to go through that as part of their due diligence process?

Steve: We generally go through Escrow.com. They are generally pretty quick and secure with the transaction. Also if you perceive through one of the marketplaces, Afternic and Sedo for instance provide escrow services and both of their escrow services are pretty solid. There is no possibility of transactions going through where you wind up paying and you don't get the domain with their escrow services. All three of those are the escrow services that we use for most of our transactions.

Michael: Steven we just went over the eleven steps, we talked about other ways that the process could fail where you as the buyer could be stuck with a domain that doesn't have all the property that you expected. If someone

doesn't want to do all this research themselves, this is the kind of research that you yourself conduct on clients behalf at Dominate.com is that correct?

Steve: Yes exactly. For one thing obviously a lot of our clients that come to us aren't aware of the many research steps that they need to do to confirm that the domain has no red flags and also make sure that they can get a good price for it or pay a good price for it. So yes we can do all of these steps for any of our clients. And yes it is certainly a lot of work especially if you have a lot of different domains that you are considering buying for your company. Doing all these steps for every single one of them can be time consuming. But that is what services like us are here for. We could take care of it and basically put experienced eyes on what we see and help determine could there be anything wrong with the domain. What is the seller considering getting for it? Are there any leverage points where you could possibly – they may be weaknesses of the domain but if they are ones that you don't particularly care about in terms of starting your company as a leverage point that you could go to the seller with and negotiate a better price – that sort of stuff? These research steps are important for a lot of different reasons. And definitely if you are starting a serious business and you want to make sure that you don't want to have to go back later on and have to rebrand something different because you are forced to because you are dealing with situations arising from the domain then you want to do this due diligence up front.

Michael: Definitely, just like you hire an attorney before you form your legal entity or your LLC or C-Corp or what have you or you hire an accountant to make sure that your books are in order this might be an appropriate service that you want to contract with. So at Dominate.com you work with individuals and organizations to find the right domain name, you provide the consulting services and you can assist in the acquisitions as well. And then at Doma.in that is where you do your training, you provide your free monthly videos - How I discovered that this would be a great video to do on due diligence for domain names. And then you also have a wholesale buyers club and some other additional services. One of the services that I noticed Steve was a boot camp that you have coming up. It sounded intriguing. Tell me about the boot camp.

Steve: Yes we have what is called the Domain Boot Camp coming up in the spring in San Diego. It is a live to-do workshop where we essentially shortcut the process of you learning all the ins and outs of domains and basically becoming a domain investor or a reseller or mass developer. We shortcut that process. Normally it takes years to learn most of what we know especially getting into a lot of specifics that can make a huge difference in terms of buying domains, selling domains and obviously evaluating them. You know making sure that you are getting a good domain. You know the different research steps involved in doing that. Basically anything involved in domains we cover any facet of it in-depth. And take you from an absolute beginner to an experienced domainer.

Michael: Wow all in two days. That is fantastic.

Steve: And it is not just the fact that it takes years to generally figure this stuff out but a lot of it is figured out by trial and error and you don't want to have to go through that and go through having to make mistakes essentially to learn a lot of this stuff. It is a lot easier to learn it from our Domain Boot Camp and then that way go into the domain business with a full foundation of knowledge and make your success that much easier.

Michael: Definitely, so people can find information about that Domain Boot Camp at Doma.in?

Steve: Correct.

Michael: Steve let's leave the audience with something that can get them started. What last piece of advice can you provide to buyers of domain names as they head out to find the perfect business name?

Steve: You know the main thing is scrutinize your purchase. If you are starting a company or re-renting a company on a domain this is your one identity. The last thing you want to do is wind up with a domain that you will only later realize is hurting your ability to succeed. Even if you are going into investing in domains, especially starting out, it is easy to feel like you are getting something good while actually at the end of the day you end up with a bunch of poor domains. It happens to people who think they know what they

are doing. So especially if you are not heavily involved with domains it is easy to sort of assume that a domain is good but you really want to try to get the best that you can get. So just do a lot of research on what is out there. Whether it is available domains or whether it is something for sale I strongly recommend if it is serious business then consider buying a domain on the secondary market. You know paying more for a domain but in the end you are getting much more out of it over time. It gives you many more benefits than pretty much any other costs of your business. So basically you don't want to settle for good enough. You want to settle for the best you can get. Even though you may see sites that are on sort of questionable domains that wind up succeeding it is a much lower chance of that happening if you have a bad domain than if you have a good one. You basically want to set out and maximize your chances of succeeding online and to do that you want to make sure you can get a really high quality brand all star domain.

Michael: And you know I made a note here earlier Steve. I'm going to add the Mike Cyger addendum to your eleven steps. And I am going to make an eleven-a or a twelve. The social media handles, to check whether they are available. When I did a lot of these steps I wish I'd watched this show before I bought DomainSherpa.com so that I could make sure that I was creating a brand that was fully protected. I think I got lucky and I think it is okay. But one of the biggest things for me in creating my brand and knowing that I was going to be an online brand and one that I wanted to reach out to social media was to make sure that the Twitter handle – twitter.com/domainsherpa was available – the Facebook handle and any other social media channels that I was going to use – You Tube, what have you. I wanted to make sure that my brand the domain name that I was buying was available and if it wasn't available (and I looked at a lot of different domain names) there is actually an article that I wrote on DomainSherpa that list the ways that I went through brain storming and narrowing down the list and looking at the social media handles and looking at trademarks and things like that and that is a key factor that I take into account as well because if you buy a great domain name you may not get the handle that you want. And so there are trade-offs with anything of course.

Steve: Yes certainly there are businesses out there that have made due with having different social media handles but obviously it would be a definite

plus and certainly something that you would ideally want to have as you start out to have everything consistent throughout the different sites. So that way your brand is constant everywhere, you know people don't have to look for a different name on Twitter on Facebook or what not. So that is definitely important.

Michael: Steve if people want to follow you or Doma.in on Twitter, are you guys on Twitter?

Steve: Yes we are. We have accounts for Doma.in and Domainate.com. Domainate is at twitter.com/domainate. And Doma.in, since we can't have a dot in the domain we have it spelled out doma and then the word dot in. So it is twitter.com/domadotin.

Michael: Great and are you on Twitter also or do you mainly operate through these brands?

Steve: Actually I'm on Twitter as well: twitter.com/nametrader.

Michael: Name trader. Steve Jones, COO of Domainate.com, thank you for coming on the show, being a Domain Sherpa, sharing your tips and tactics for domain name due diligence, and helping others become successful domain name entrepreneurs.

Steve: Thank you very much for having me Mike. I appreciate it.

Michael: Thank you all for watching. We will see you next time.

Watch the full video at:

<http://www.domainsherpa.com/steve-jones-domainate-interview>