

Marylander gets big slice of Web pie

Md. tech entrepreneur auctioning domain name **pizza.com** for millions



Chris Clark is a tech entrepreneur who bought the Web address **pizza.com** in 1994 and decided to sell it at auction this year after he watched **vodka.com** sell for \$3 million. (Sun photo by Doug Kapustin / April 2, 2008)

SOLD! \$2,605,000.00 USD

By Tricia Bishop | Sun reporter
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Fourteen years ago, [Chris Clark](#) shelled out 20 bucks to register the domain name "pizza.com." This afternoon, he's selling it to the highest bidder for somewhere in the neighborhood of \$3 million.

"It's crazy, it's just crazy," he said somewhat giddily yesterday morning from his home in North Potomac. By then, a week's worth of anonymous bidding at an online auction site had pushed the price to \$2.6 million. The auction closes at 2 p.m. today.

"That amount of money is significant," said Clark, 43, who recently launched a software company. "It will make a significant difference in my life, for sure."

With more than 150 million domain names already listed with registry firms, coming up with unused -- and uncomplicated -- Web addresses is close to impossible. That's led to an active secondary sales market, where domain owners try reselling their Web names to big corporate spenders.

Most domains resell for about \$2,000, domain traders say. But the premium names -- the generic ones that cover an entire industry and end in the all-important ".com" -- can draw millions.

Business.com sold for \$7.5 million in 1999, and so did diamond.com seven years later, according to an industry trade magazine. In 2006, a Russian alcohol exporter bought vodka.com for \$3 million, while sex.com sold for about \$12 million in cash and stock. Last month, fund.com sold for \$10 million.

The best generic names -- those like books.com (owned by Barnes & Noble) and pets.com (PetSmart) -- were snapped up long ago during the early 1990s, back when the World Wide Web was still relatively shiny and new.

Such names are popular because they naturally draw Web traffic. An Illinois T-shirt company, for example, recently paid \$225,000 to buy tees.com after executives learned that the site was getting 17,000 hits a month -- mostly by people who typed in the address out of curiosity.

Generic names also boost their owners' search engine rankings on the Web. That's because the domain names often match keywords used to search, said Catherine Pancake, director of account services at Web Ad.vantage Inc., an Internet marketing firm based in [Havre de Grace](#).

"It would be great to have 'pizza' as a domain name," she said. "It will be recognized highly by [Google](#) as being relevant to pizza."

Clark bought the name in 1994, when the Web was just beginning to commercialize, though he had no idea what a winning lottery ticket it would become. Back then, he had launched an Internet consulting firm and thought the domain would help him score a contract with a pizza company. But no contract ever came through, and he sold the business in 2000. Clark's latest venture, Minestream Software Corp., provides Internet protection products.

He kept up the annual \$20 registration fees on the pizza.com name, though, and basically sat on the site, selling advertising space here and there. About a year ago, he and a friend turned it into a profitable pizza directory and advertising site that earns more than the \$5,000 it costs to maintain.

Then they heard about the Vodka.com sale, and wheels began to turn.

"I thought, 'Why don't I just try to see what the level of interest is?'" Clark said. "If someone's willing to pay that much for Vodka.com, maybe there's more interest in pizza.com."

In January, he posted a notice on the site saying the domain was for sale and inviting would-be buyers to weigh in. After receiving e-mailed offers in the six figures, Clark said, he approached Sedo, the international online auctioneer that handled the Vodka.com sale.

The first pizza bid was for \$100 on March 27. The price was up to a half-million dollars the next morning. Clark and his family were on vacation at [Disney World](#) at the time, but his three kids were locked to his laptop, watching the numbers climb. They kept turning to him and going, "Oh, my God, Dad, look at this," he said.

By the 29th, the bidding hit \$2 million, and Clark was officially locked into the sale. That was his minimum price.

"Really generic description domains are hot commodities these days, especially the ones that encapsulate an entire industry," said Jeremiah Johnston, Sedo's chief operating officer. "A domain like [pizza.com] is a once in a lifetime opportunity."

Sedo, which sells 2,500 to 3,000 domain names a month, takes a 10 percent commission off the sale price in exchange for holding the auction and conducting background and financial checks on registered bidders. In this case, the company followed up in person as well, telephoning the top would-be buyers to verify information.

"We're talking about some pretty big numbers there," said Johnston, who declined to reveal the bidders' identities.

By this afternoon, the deal should be sealed. It will take a few days to complete the transaction, transfer the domain and get Clark his windfall.

He doesn't have any immediate plans for the money, he said. But he does have a regret: not buying more domains.

"In '94, you could have just registered everything and anything," Clark said. "I think about that now, yeah."

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