

## **Harris: Goodmail Systems gets money to combat phishing**

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It is the wisdom of the ages: Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime.

Get phished, however, and you're another victim in the great global con game of the Internet age, in which a sucker gets hooked every millisecond. Some phishermen prosper by posing online as a Nigerian prince with an offer literally too good to be true.

The more sophisticated are skilled at the art of "spoofing," the term for impersonating the likes of reputable financial institutions, or perhaps the Red Cross after a natural disaster. It's a multibillion-dollar racket run mostly from criminal enterprises in Russia, Romania and China, and one that fosters distrust of the Internet as a whole.

But dastardly deeds have an upside for Silicon Valley, where the Internet security industry is showing resilience amid the crumbling economy. The latest example: Goodmail Systems, a Mountain View startup that created what it calls CertifiedEmail, has announced that it has raised \$4 million from Omidyar Networks, closing a \$5 million second round of financing that brings the company's total investment to \$25 million.

If your e-mail inbox has ever featured a curious little icon of an envelope bearing a blue ribbon, then you've seen Goodmail's signature seal of approval. Working with Internet and e-mail service providers and e-mail hosting firms — including AOL, Yahoo, Comcast and Cox, with several more in the works — Goodmail has developed a premium encrypted e-mail service that has been embraced by bulk e-mailers.

Wal-Mart Stores, Target, Dell and eHarmony are among companies that pay Goodmail a fraction of a penny per missive to assure their audience that the e-mail is wholly legitimate and that any links or images within it can pass through filters unscathed. Goodmail shares revenues with the Internet service providers (ISP) and e-mail service providers (ESP).

Those fractional pennies can add up to real dollars. Goodmail moved about 4 billion missives in December, according to chief executive Peter Horan.

E-mail may have been the original killer app of the Internet, but today it's a mess. At a recent Internet security conference, Horan said, he was surprised to hear that about 90 percent of e-

mail that "hits the edge of the ISP network is garbage — not just annoying, but potentially criminal."

Apart from the phishing expeditions, the malicious e-mail can release spyware or viruses. Much is caught by filters, Horan said, and never reaches the intended recipient. But some gets through.

"Over the past five or six years, e-mail has had less functionality as the Internet has gained more functionality," Horan said. And because many consumers routinely kill out e-mail that has the faintest hint that it might be spam, legitimate businesses are seeking means to reassure customers and get their messages across.

Goodmail represents Omidyar Network's first investment in a new area of emphasis, focusing on "trust, reputation and identity," said Mark Halprin, a partner at Omidyar Network who guided the investment. The unorthodox venture firm, wholly backed by eBay founder Pierre Omidyar and his wife, Pam, is better known for nonprofit and microfinance investments.

eBay built its success on fostering trust on the Internet, and Halprin was eBay's vice president of global trust and safety before he joined Omidyar Networks six months ago to guide part of its new investment strategy.

"By supporting companies that help foster trust online, Omidyar Network hopes to encourage increased engagement in online platforms," Halprin said.

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