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9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
10 **COUNTY OF LOS ANGELES, WESTERN DISTRICT**  
11

12 FEGISTRY, LLC, RADIX DOMAIN  
13 SOLUTIONS PTE. LTD., and DOMAIN  
VENTURE PARTNERS PCC LIMITED,

14 Plaintiffs,

15 v.

16 INTERNET CORPORATION FOR  
17 ASSIGNED NAMES AND NUMBERS,

18 Defendant.  
19  
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21  
22

**CASE NO. 20STCV42881**

Assigned to Hon. Craig D. Karlan

**DEFENDANT ICANN'S REPLY IN  
SUPPORT OF DEMURRER TO  
FIRST AMENDED COMPLAINT OF  
FEGISTRY, LLC, RADIX DOMAIN  
SOLUTIONS PTE. LTD., AND  
DOMAIN VENTURE PARTNERS  
PCC LIMITED**

Hearing Date: February 9, 2023

Time: 8:30 a.m.

Place: Department N

Complaint Filed: November 9, 2020

1 INTRODUCTION ..... 5  
2 ARGUMENT ..... 5  
3 I. PLAINTIFFS’ CLAIMS FALL WITHIN THE SCOPE OF THE COVENANT ..... 5  
4 II. THE COVENANT IS ENFORCEABLE..... 7  
5 III. THE COVENANT WAS NOT PROCURED THROUGH FRAUD ..... 9  
6 IV. PLAINTIFFS FAIL TO STATE A CLAIM FOR BREACH OF CONTRACT ..... 11  
7 V. PLAINTIFFS’ FRAUD-BASED CLAIMS FAIL ..... 13  
8 VI. PLAINTIFFS’ BYLAWS ENFORCEMENT AND UCL CLAIMS FAIL ..... 14  
9 CONCLUSION ..... 14

8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**TABLE OF AUTHORITIES**

**Page**

**CASES**

*Amtower v. Photon Dynamics, Inc.*,  
158 Cal. App. 4th 1582 (2008) .....11

*Arce v. Childrens Hosp. Los Angeles*,  
211 Cal. App. 4th 1455 (2012) .....12

*Arcwell Marine, Inc. v. Sw. Marine, Inc.*,  
816 F.2d 468 (9th Cir. 1987).....9

*Baldwin v. AAA N. Cal., Nevada & Utah Ins. Exch.*,  
1 Cal. App. 5th 545, 551 (2016) .....8

*Cansino v. Bank of Am.*,  
224 Cal. App. 4th 1462 (2014) .....11

*Cont'l Airlines v. Goodyear Tire & Rubber Co.*,  
819 F.2d 1519 (9th Cir. 1987).....9

*Cont'l Ins. Co. v. Lexington Ins. Co.*,  
55 Cal. App. 4th 637 (1997) .....12

*Engalla v. Permanente Medical Group, Inc.*,  
15 Cal. 4th 951 (1997) .....10

*Hua Nan Comm. Bank v. HSBC Bank USA, N.A.*,  
2011 WL 13217782 (C.D. Cal. May 19, 2011) .....11

*Khalatian v. Prime Time Shuttle, Inc.*,  
237 Cal. App. 4th 651 (2015) .....6

*Kim v. Westmorre Partners, Inc.*,  
201 Cal. App. 4th 267 (2011) .....13

*Ruby Glen v. ICANN*,  
2016 U.S. Dist. LEXIS 163710 (C.D. Cal. Nov. 28, 2016).....8

*San Diego Hospice v. Cnty. of San Diego*,  
31 Cal. App. 4th 1048 (1995) .....9

*Tunkl v. Regents of Univ. of Cal.*,  
60 Cal. 2d 92 (1963) .....9

*Wolsey, Ltd. v Foodmaker, Inc.*,  
144 F.3d 1205 (9th Cir. 1998).....8

1     **STATUTES**

2     Cal. Civ. Proc. Code § 1668.....7, 8, 9

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1 **INTRODUCTION**

2 This Court dismissed Plaintiffs’ original Complaint in its entirety on two independent  
3 grounds: (1) when Plaintiffs submitted their applications to ICANN for the .HOTEL generic top-  
4 level domain (“gTLD”) in 2012, they covenanted not to sue ICANN in Court for any claims  
5 arising out of or relating to their .HOTEL applications (the “Covenant”); and (2) Plaintiffs failed  
6 to state a claim for any cause of action. (*See generally*, Order on ICANN’s Demurrer (Jan. 18,  
7 2022) (“Order”).) But Plaintiffs’ First Amended Complaint (“FAC”) does not cure a single defect  
8 this Court identified in its Order. Instead, Plaintiffs merely added conclusory statements that are  
9 so vague they do not qualify as “factual allegations,” and deleted certain facts in hopes of  
10 masking the identified deficiencies in their original claims.

11 Plaintiffs’ opposition to ICANN’s Demurrer (“Opposition”) further confirms that this  
12 entire lawsuit must be dismissed with prejudice. In their Opposition, Plaintiffs recycle the same  
13 arguments regarding the Covenant that the Court previously rejected. More importantly,  
14 Plaintiffs fail to identify any ICANN statements or Bylaws provision regarding an Independent  
15 Review Process (“IRP”) Standing Panel, Ombudsman review of Reconsideration Requests, or  
16 ICANN payment of certain IRP fees that predate Plaintiffs’ 2012 .HOTEL applications; meaning  
17 such statements or Bylaws provisions could not have been part of a contract with Plaintiffs and  
18 could not have induced Plaintiffs to submit their applications. Thus, the FAC should be  
19 dismissed in its entirety with prejudice, as any further amendment would be futile.

20 **ARGUMENT**

21 **I. PLAINTIFFS’ CLAIMS FALL WITHIN THE SCOPE OF THE COVENANT.**

22 Plaintiffs contend that the Covenant is “narrow” and inapplicable because “Plaintiffs have  
23 not sought judicial review of any substantive ICANN decision relating to Plaintiffs’ applications.”  
24 (Opp’n at 5–8.) No matter how Plaintiffs try to slice and dice the language of the Covenant,  
25 however, it is unambiguously broad in scope and bars Plaintiffs’ lawsuit.

26 The Covenant comprises both a release and an agreement not to sue, as Plaintiffs concede.  
27 (Opp’n at 5.) Plaintiffs agreed to “*release*[] ICANN and the ICANN Affiliated Parties from any  
28 and all claims by applicant that *arise out of, are based upon, or are in any way related to*, any

1 action, or failure to act, by ICANN or any ICANN Affiliated Party in connection with ICANN’s  
2 or an ICANN Affiliated Party’s review of this application . . . .” (FAC Ex. A, § 6.6 (emphasis  
3 added).) Courts construing similar language have repeatedly found it to be unambiguously  
4 expansive. *See, e.g., Khalatian v. Prime Time Shuttle, Inc.*, 237 Cal. App. 4th 651, 659–60  
5 (2015) (“The language ‘arising out of or relating to’ as used in the parties’ arbitration provision is  
6 generally considered a broad provision[,]” and “[b]road arbitration clauses . . . are consistently  
7 interpreted as applying to extracontractual disputes between the contracting parties”).

8 Plaintiffs also agreed not to sue ICANN in court with respect to their applications:  
9 “APPLICANT AGREES NOT TO CHALLENGE, IN COURT OR IN ANY OTHER JUDICIAL  
10 FORA, ANY FINAL DECISION MADE BY ICANN WITH RESPECT TO THE  
11 APPLICATION, AND IRREVOCABLY WAIVES ANY RIGHT TO SUE OR PROCEED IN  
12 COURT OR ANY OTHER JUDICIAL FORA ***ON THE BASIS OF ANY OTHER LEGAL***  
13 ***CLAIM*** AGAINST ICANN AND ICANN AFFILIATED PARTIES ***WITH RESPECT TO THE***  
14 ***APPLICATION.***” (FAC, Ex. A, § 6.6 (emphasis added).) Like the release, this language is  
15 unambiguously broad and precludes lawsuits asserting any claims with respect to applications.

16 Plaintiffs’ allegations make clear that each of their claims, no matter how styled, “arise  
17 out of, are based upon” and “relate[] to” ICANN’s review of their .HOTEL applications and make  
18 clear that Plaintiffs have brought an action “with respect to” their applications:

- 19 • “[H]ad ICANN properly implemented the Reconsideration, Ombudsman review, Standing  
20 Panel and new procedural rules’ bylaws, Plaintiffs’ competitor would not have been  
presumptively delegated the .hotel gTLD.” (FAC ¶ 65.)
- 21 • “Finally, the intended and improper delegation of the .hotel gTLD causes Plaintiffs  
22 inestimable and irreparable financial damage and lost commercial opportunities.” (FAC  
¶ 66.)
- 23 • ICANN’s adherence to its Bylaws “would have led to a different, more favorable outcome  
24 in Plaintiffs’ substantive dispute with ICANN regarding the delegation of the .hotel  
gTLD.” (FAC ¶ 80; *see also* ¶¶ 90 (same), 97 (same), 108 (same), 116 (same).)
- 25 • “[H]ad ICANN properly performed its contractual obligations and not committed the  
26 referenced negligent and fraudulent acts and omissions, Plaintiffs’ claims to the .hotel  
27 gTLD, and ICANN’s related delegation of that gTLD would have been subjected to fair  
and meaningful review that would have resulted in Plaintiffs being delegated the gTLD  
28 because of the requirement of adherence to precedent.” (FAC ¶ 119.)

1           Indeed, this entire lawsuit “arise[s] out of,” is “based upon” and “relate[s] to” Plaintiffs’  
2 applications in that the lawsuit emerged from the selection of a competing .HOTEL application.  
3 Similarly, the lawsuit “arise[s] out of,” is “based upon” and “relate[s] to” Plaintiffs’ applications  
4 because it is premised on the pending IRP and the denied Reconsideration Requests, in which  
5 Plaintiffs challenged ICANN’s review of Plaintiffs’ .HOTEL applications. Moreover, Plaintiffs’  
6 lawsuit is “with respect to” the applications because Plaintiffs claim that the alleged loss of  
7 money Plaintiffs invested in application fees gives them standing to bring this lawsuit. (Opp’n at  
8 19 (alleging that Plaintiffs’ application fees give them standing under the UCL).) Likewise, this  
9 lawsuit is “with respect to” Plaintiffs’ applications in that the lawsuit is predicated on alleged  
10 violations of Plaintiffs’ contracts with ICANN, which Plaintiffs allege include the Guidebook  
11 “that all applicants were required to sign . . . in order to file their applications.” (Opp’n at 15.) If  
12 Plaintiffs’ .HOTEL applications and the Guidebook are the contracts that Plaintiffs claim were  
13 breached by ICANN, then Plaintiffs have undeniably asserted claims in court “with respect to”  
14 their applications, which is forbidden by the Covenant. (FAC Ex. A, § 6.6.)

15           This Court previously agreed, reasoning that “there is no other way to read the pleading  
16 except to conclude that the purported fraud arose out of Plaintiffs’ application(s) with ICANN.”  
17 (Order at 3.) This Court further noted that it is “unclear what amendments can be made to cure  
18 the aforementioned deficiencies,” but gave Plaintiffs the opportunity to “provide facts which  
19 support the conclusion that the subject covenant does not apply.” (Order at 4.) Yet the FAC still  
20 does not, and Plaintiffs cannot, set forth any such facts.

21           Finally, Plaintiffs’ request that this court “allow more complete discovery to be had” so  
22 that the parties may “provide extrinsic evidence” regarding the scope of the Covenant is baseless.  
23 This Court already ruled (as have several other Courts) that the Covenant barred Plaintiffs’ claims  
24 based on the unambiguous language in the Covenant, such that extrinsic evidence is unnecessary.

## 25   **II.    THE COVENANT IS ENFORCEABLE.**

26           Plaintiffs’ argument that the Covenant is unenforceable under California Civil Code  
27 section 1668 (“Section 1668”) fails again for the same reasons this Court already identified. By  
28 its terms, Section 1668 only applies to provisions that “*exempt* anyone from responsibility for his

1 own fraud, or willful injury to the person or property of another[.]” Cal. Civ. Code § 1668  
2 (emphasis added). The Covenant, however, does not exempt ICANN because it explicitly  
3 provides for the use of ICANN’s robust Accountability Mechanisms to resolve disputes,  
4 rendering Section 1668 inapplicable. It is applicants’ access to ICANN’s Accountability  
5 Mechanisms that caused the *Ruby Glen* Courts, and this Court, to rule that Section 1668 does not  
6 apply to the Covenant. *Ruby Glen v. ICANN*, 740 F. App’x 118, 118 (9th Cir. 2018); *Ruby Glen*  
7 *v. ICANN*, 2016 U.S. Dist. LEXIS 163710, at \*10–11 (C.D. Cal. Nov. 28, 2016); Order at 3.

8 Plaintiffs claim that the Accountability Mechanisms are not a sufficient form of redress.  
9 (Opp’n at 8–9.) But Plaintiffs’ complaints are mere statements of opinion, devoid of any facts,  
10 regarding the Accountability Mechanisms and are therefore insufficient to withstand demurrer.  
11 *See Baldwin v. AAA N. Cal., Nevada & Utah Ins. Exch.*, 1 Cal. App. 5th 545, 551 (2016), as  
12 modified (July 13, 2016) (sustaining demurrer because plaintiffs’ allegations were “mere  
13 conclusion[s] unsupported by any specific factual allegations”). Moreover, this Court already  
14 rejected this argument: “Plaintiffs allege the independent review process is ‘an unfair, sham ADR  
15 scheme,’ but Civil Code section 1668 only applies where the contract itself seeks to make a party  
16 exempt from liability; Plaintiffs’ allegations here are not that the contract makes Defendants  
17 exempt but that the review process is insufficient, and it is thus not clear how such an allegation  
18 can support an invocation of Civil Code section 1668.” (Order at 3.) Other courts, when faced  
19 with claims that alternative dispute resolution mechanisms were not robust enough, also found  
20 that as long as parties “agree[] to submit a dispute for a decision by a third party,” that agreement  
21 is enforceable. *Wolsey, Ltd. v Foodmaker, Inc.*, 144 F.3d 1205, 1208 (9th Cir. 1998) (quoting  
22 *AMF, Inc. v. Brunswick Corp.*, 621 F. Supp. 456, 460 (E.D.N.Y. 1985) (ruling that an agreement  
23 to arbitrate was enforceable despite the plaintiff’s complaint that it was non-binding arbitration)).  
24 Plaintiffs agreed to use ICANN’s Accountability Mechanisms to resolve disputes regarding their  
25 applications. After-the-fact critiques of those mechanisms does not void that agreement.

26 Next, Plaintiffs argue that the Covenant cannot apply to claims that were unknown at the  
27 time of contracting. This argument is contradicted by established law: California courts have  
28 “held that a general release can be completely enforceable and act as a complete bar to all claims



1 (known or unknown at the time of the release) despite protestations by one of the parties that he  
2 did not intend to release certain types of claims.” *San Diego Hospice v. Cnty. of San Diego*, 31  
3 Cal. App. 4th 1048, 1053 (1995) (citing *Winet v. Price*, 4 Cal. App. 4th 1159, 1173 (1992)).

4 Finally, Plaintiffs’ argument that the Covenant is unenforceable because Plaintiffs are  
5 “suing in part to enforce the public interest” (Opp’n at 12–13) lacks merit, and their reliance on  
6 *Tunkl v. Regents of Univ. of Cal.*, 60 Cal. 2d 92 (1963) is misplaced. In *Tunkl*, the Court  
7 considered whether Section 1668 applied to a medical release form forced on a helpless hospital  
8 patient. *Id.* at 94–95. The Court held that, for purposes of Section 1668, agreements involving  
9 the “public interest” relate to services offered to members of the general public that are essential  
10 to their well-being, such as housing and medical treatment. *Id.* In contrast, this case involves a  
11 commercial transaction, where Plaintiffs, which are corporate entities, applied to operate the  
12 .HOTEL gTLD in a private and voluntary transaction between sophisticated entities. As the  
13 Ninth Circuit has explained, “[t]he commercial context presented by this case raises equities far  
14 different from those of the helpless patient entering the hospital.” *Arcwell Marine, Inc. v. Sw.*  
15 *Marine, Inc.*, 816 F.2d 468, 471 (9th Cir. 1987); *Cont’l Airlines v. Goodyear Tire & Rubber Co.*,  
16 819 F.2d 1519, 1527 (9th Cir. 1987) (“[I]t makes little sense in the context of two large, legally  
17 sophisticated companies to invoke the *Tunkl* application of the unconscionability doctrine”).<sup>1</sup>

### 18 **III. THE COVENANT WAS NOT PROCURED THROUGH FRAUD.**

19 Plaintiffs’ claim that the Covenant was procured through fraud remains unsupported. As  
20 this Court recognized in its Order, “fraudulent inducement occurs *before* a contract is signed.”  
21 Order at 3–4 (quoting *SI 59 LLC v. Variel Warner Ventures, LLC*, 29 Cal. App. 5th 146, 152  
22 (2018) (emphasis added), *review denied* (Feb. 13, 2019)). Yet the misrepresentations alleged in  
23 the FAC—*i.e.*, those regarding a Standing Panel, Ombudsman review of Reconsideration  
24 Requests, and payment of certain IRP fees—occurred *after* Plaintiffs submitted their .HOTEL  
25 applications and *after* Plaintiffs agreed to be bound by the Covenant in 2012. (*See, e.g.*, FAC  
26 ¶¶ 33, 39, 43, 48, 57; *see also* Order at 3 (“[T]here are no facts in the complaint indicating that

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28 <sup>1</sup> Plaintiffs’ arguments regarding the rules and Bylaws that apply to Plaintiffs’ pending IRP  
(Opp’n at 10–12) conflate two issues. The procedural rules that govern Plaintiffs’ IRP (initiated  
in 2019) are completely unrelated to the sufficiency of Plaintiffs’ allegations in the FAC.

1 ICANN misrepresented facts that induced Plaintiffs to submit their applications.”). Plaintiffs do  
2 not identify any alleged misrepresentations relating to the Covenant that occurred before  
3 submission of their .HOTEL applications, meaning that they could not have been fraudulently  
4 induced to enter into the Covenant, as this Court previously found. (Order at 3.)<sup>2</sup>

5 Similarly, the Bylaws about which Plaintiffs complain were enacted *after* Plaintiffs  
6 submitted their applications in 2012. (Compl. ¶ 12.) Therefore, even if ICANN’s Bylaws were  
7 incorporated into Plaintiffs’ 2012 applications, which they were not, the Bylaws in place at the  
8 time did not provide for a Standing Panel, Ombudsman review of Reconsideration Requests, or  
9 ICANN payment of certain IRP fees. Plaintiffs could not have been induced to enter into the  
10 Covenant based on Bylaws not in existence at the time Plaintiffs agreed to the Covenant.

11 For this reason (and others), Plaintiffs’ reliance on *Engalla v. Permanente Med. Grp., Inc.*,  
12 15 Cal. 4th 951 (1997) is misplaced. There, the Court considered whether an arbitration  
13 agreement for medical malpractice claims was procured through fraud based on statements  
14 contained in the agreement. *Id.* at 973–74. The arbitration proceedings were administered by the  
15 defendant, not a third party, and, per the agreement, the defendant was required to convene the  
16 tribunal within 60 days after initiation of the arbitration. *Id.* at 962, 964–65. Appointment of the  
17 arbitration tribunal, however, took 144 days. *Id.* at 967. In determining whether the arbitration  
18 agreement was procured through fraud, the court explained that the fraud claim must relate  
19 “specifically to the making of the agreement to arbitrate.” *Id.* at 973 (quotation marks and  
20 citation omitted). It held that the agreement was procured through fraud based on the  
21 misrepresentation in the agreement that a tribunal would be convened within 60 days, which was  
22 at the discretion of the defendant. *Id.* at 981.

23 In this case, Plaintiffs have not identified a single misrepresentation that relates  
24 “specifically to the making of the [Covenant].” *See id.* at 973. Instead, each purported  
25 misrepresentation post-dates Plaintiffs’ agreement to enter into the Covenant, and none relate at  
26 all to the Covenant itself. Moreover, unlike the process in *Engalla*, the IRP proceedings are

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27 <sup>2</sup> Plaintiffs identify alleged misrepresentations in 2010, 2011, and early-2012, but these  
28 statements do not relate to the issues in this lawsuit—*i.e.*, a Standing Panel, Ombudsman review  
of Reconsideration Requests, and payment of certain IRP fees—as set forth below.

1 administered by a third party, not ICANN, and there is no deadline in ICANN’s Bylaws for  
2 convening the Standing Panel. Rather, the Bylaws specifically provide for a process to appoint an  
3 IRP Panel in the absence of the Standing Panel. (*See, e.g.*, ICANN’s RJN Ex. 1, Art. 4, § 4.3  
4 (k)(ii).) Nor is appointment of the Standing Panel at the discretion of ICANN. ICANN is  
5 required by its Bylaws to consult with the Supporting Organizations and Advisory Committees in  
6 a four-step process (which is and has been underway).

7 In sum, the Covenant is enforceable and covers Plaintiffs’ claims. Because Plaintiffs  
8 cannot plead around the Covenant, leave to amend would be futile, and this court should sustain  
9 ICANN’s demurrer with prejudice. *Cansino v. Bank of Am.*, 224 Cal. App. 4th 1462, 1468 (2014)  
10 (dismissal with prejudice proper where “no amendment could cure the defect in the complaint.”).

11 **IV. PLAINTIFFS FAIL TO STATE A CLAIM FOR BREACH OF CONTRACT.**

12 Plaintiffs’ FAC does not cure any of the defects this Court identified when sustaining  
13 ICANN’s demurrer to Plaintiffs’ original breach of contract claim. First, Plaintiffs continue to  
14 assert that ICANN’s Bylaws were incorporated by reference into their alleged contracts with  
15 ICANN, but they offer no factual allegations or law supporting as much. The fact that the  
16 Guidebook refers disgruntled applicants to ICANN’s Accountability Mechanisms does not mean  
17 that ICANN’s lengthy Bylaws comprise a contract with the hundreds of entities that applied for a  
18 new gTLD. In fact, more than a mere reference to and awareness of an “external document is  
19 required to find that the document is incorporated by implication.” *Hua Nan Comm. Bank v.*  
20 *HSBC Bank USA, N.A.*, 2011 WL 13217782, at \*6 (C.D. Cal. May 19, 2011); *Amtower v. Photon*  
21 *Dynamics, Inc.*, 158 Cal. App. 4th 1582, 1608 (2008) (agreement did not impliedly incorporate an  
22 external agreement based on mere reference to that agreement). Indeed, this Court already ruled  
23 that Plaintiffs “set forth no contractual term that incorporates the bylaws,” (Order at 4) and  
24 Plaintiffs have not pointed to a single new fact in their FAC to support this argument.

25 Second, even if the Bylaws were incorporated into the applications (which they were not),  
26 Plaintiffs’ argument still fails because the Bylaws provisions at issue—*i.e.*, those regarding a  
27 Standing Panel, Ombudsman review of Reconsideration Requests, and payment of certain IRP  
28 fees—were not in the Bylaws when Plaintiffs submitted their .HOTEL applications in 2012; they

1 were added in the 2013 and 2016 amendments to the Bylaws. Thus, these provisions could not  
2 form part of any contract that ICANN and Plaintiffs entered into in 2012.

3 To plead around this dispositive fact, Plaintiffs simply deleted from the FAC the  
4 allegations from the original Complaint stating that a Standing Panel, Ombudsman review of  
5 Reconsideration Requests, and payment of IRP fees were “promised by the ICANN Board and  
6 bylaws in critical respects since 2013, and in specific detail since 2016.” (Compl. ¶ 12.)  
7 However, deleting dispositive facts does not make them less dispositive. The law is clear that “a  
8 plaintiff may not discard factual allegations of a prior complaint, or avoid them by contradictory  
9 averments, in a superseding, amended pleading.” *Cont’l Ins. Co. v. Lexington Ins. Co.*, 55 Cal.  
10 App. 4th 637, 646 (1997) (quoting *Cal. Dental Assn. v. Cal. Dental Hygienists’ Ass’n*, 222 Cal.  
11 App. 3d 49, 53 n.1 (1990)); *Arce v. Childrens Hosp. Los Angeles*, 211 Cal. App. 4th 1455, 1468  
12 (2012) (“A pleader may not attempt to breathe life into a complaint by omitting relevant facts  
13 which made his previous complaint defective.”)).

14 With these deletions, Plaintiffs now argue that general Bylaws provisions from 2011 and  
15 2012 regarding the Reconsideration process and the Ombudsman are somehow relevant. (FAC  
16 ¶¶ 25–28.) But they are not. Those provisions do not relate to the Standing Panel, Ombudsman  
17 review of Reconsideration Requests, or ICANN payment of IRP fees (which, as Plaintiffs admit  
18 in their original Complaint, were not included in the Bylaws until 2013 and 2016, respectively).  
19 Rather, those Bylaws provisions refer generally to the existence of a Reconsideration process and  
20 Ombudsman, which are not at issue in this lawsuit. Thus, Plaintiffs’ efforts to revive their breach  
21 of contract claim by deleting facts and misconstruing general Bylaws provisions should fail.

22 Plaintiffs also recycle their argument that each time ICANN’s Bylaws were amended,  
23 ICANN somehow entered into new, modified contracts with Plaintiffs regarding those Bylaws.  
24 (Opp’n at 16–17.) This Court, however, already rejected that argument, finding that “Plaintiffs  
25 provide no legal authority to support their argument that amendment to the bylaws creates a new  
26 contract.” (Order, at 4.) In their Opposition, Plaintiffs do not cite to a single new case on this  
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28

1 point, and instead rely on the exact same case law that this Court already found insufficient.<sup>3</sup>

2 Finally, Plaintiffs claim that whether ICANN breached its Bylaws is “an ultimate question  
3 of fact not subject to demurrer,” and that “ICANN contradicts Plaintiffs’ allegations which must  
4 be taken as true.” (Opp’n at 15–16.) In so doing, Plaintiffs ignore that the Bylaws themselves  
5 contradict Plaintiffs’ arguments that ICANN breached its Bylaws, and thus, Plaintiffs’  
6 contradictory allegations are not required to be taken as true. *See Kim v. Westmorre Partners,*  
7 *Inc.*, 201 Cal. App. 4th 267, 282 (2011) (“When a plaintiff attaches a written agreement to his  
8 complaint, and incorporates it by reference into his cause of action, the terms of that written  
9 agreement take precedence over any contradictory allegations in the body of the complaint.”).

10 **V. PLAINTIFFS’ FRAUD-BASED CLAIMS FAIL.**

11 With respect to the fraud-in-the-inducement, deceit, and grossly negligent  
12 misrepresentation claims, Plaintiffs’ Opposition does not, and cannot, cure any of the defects this  
13 Court identified in its Order. First, Plaintiffs do not identify any actual misrepresentations that  
14 could have induced Plaintiffs to enter into any contract with ICANN in 2012. The only alleged  
15 misrepresentations that could be relevant to Plaintiffs’ claims in this case all post-date Plaintiffs’  
16 submission of their .HOTEL applications. (*See, e.g.*, FAC ¶¶ 33, 39, 43, 48, 57.) Plaintiffs’ only  
17 response is that ICANN’s amendment of its Bylaws somehow forms new, modified contracts  
18 with Plaintiffs, which this Court already has rejected, as set forth above.

19 Plaintiffs also attempted to plead around this fact by pointing to ICANN’s 2011 and 2012  
20 Bylaws and alleged misrepresentations by the Accountability and Transparency Review Team  
21 (“ATRT”) in 2010. Yet, again, these Bylaws provisions relate generally to the existence of the  
22 Reconsideration process and the Office of the Ombudsman (*see* FAC ¶¶ 25–28); they do not  
23 relate to, or even mention, the Standing Panel, Ombudsman review of Reconsideration Requests,  
24 or ICANN payment of certain IRP fees, as set forth above. Moreover, as to the ATRT statements,  
25 by Plaintiffs’ own admission, these comprise general “recommendations” from the ATRT to the

26 \_\_\_\_\_  
27 <sup>3</sup> The cases Plaintiffs cite actually support ICANN’s argument that the amended Bylaws do not  
28 form modified contracts with Plaintiffs because in each of those cases the contract modifications  
were negotiated and agreed to by the parties. (*See* ICANN’s Dec. 2, 2021 Reply in Support of its  
Original Demurrer at FN 4.)

1 ICANN Board regarding ICANN’s Accountability Mechanisms; they are not affirmative  
2 commitments or statements by ICANN regarding the Standing Panel, Ombudsman review of  
3 Reconsideration Requests, or ICANN payment of certain IRP fees. (*See* FAC ¶¶ 21, 85 (referring  
4 to the ATRT statement as a Final **Recommendation**)).

5 Additionally, Plaintiffs still fail to identify any facts supporting their contention that  
6 ICANN knew the alleged statements were false. Plaintiffs merely point to the same conclusory  
7 allegations (Opp’n at 17 (citing FAC ¶¶ 87–88, 94, 100, 105)) that this Court already found were  
8 insufficient. (Order at 5 (“There are also no facts indicating that ICANN knew any  
9 representations were false or should have known they were false; conclusory statements to this  
10 effect are insufficient.”).) Plaintiffs claim that evidence of ICANN’s knowledge “that each of its  
11 misrepresentations were false when made to Plaintiffs is both direct and circumstantial, even  
12 absent discovery.” (FAC ¶ 94.) But Plaintiffs do not identify any such evidence in their FAC.

13 **VI. PLAINTIFFS’ BYLAWS ENFORCEMENT AND UCL CLAIMS FAIL.**

14 In its Order, this Court clearly stated that “under the facts alleged in the complaint, there is  
15 no basis for the Court to conclude that Plaintiffs have standing to bring” their claim for public  
16 enforcement of ICANN’s Bylaws. (Order at 6.) In their FAC, Plaintiffs have not added a single  
17 substantive allegation to support this claim, and their Opposition mirrors almost exactly their first  
18 opposition (except for the added—yet unsupported—argument that “[s]tanding should be  
19 liberally interpreted” (Opp’n at 19). Thus, this claim fails again.

20 Plaintiffs’ Unfair Competition Law (“UCL”) claim fails for the same reasons that its  
21 underlying breach of contract, fraud, and gross negligence claims fail and because Plaintiffs lack  
22 standing to pursue the claim, as this Court previously ruled. (Order at 6–7.)

23 **CONCLUSION**

24 ICANN respectfully requests that this Court sustain ICANN’s Demurrer with prejudice.

25 Dated: February 2, 2023

JONES DAY

26 By:           /s/ Eric P. Enson          

27 Eric P. Enson

28 Attorneys for Defendant ICANN

1 **PROOF OF SERVICE**

2 I, Diane E. Sanchez, declare:

3 I am a citizen of the United States and employed in Los Angeles County, California. I am  
4 over the age of eighteen years and not a party to the within-entitled action. My business address  
5 is 555 South Flower Street, Fiftieth Floor, Los Angeles, California 90071.2452. On February 2,  
6 2023, I served a copy of the within document(s):

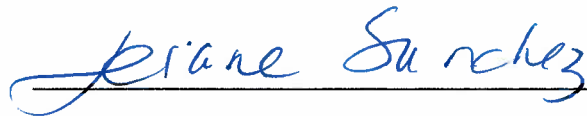
7  
8 **DEFENDANT ICANN’S REPLY IN SUPPORT OF DEMURRER TO FIRST AMENDED  
9 COMPLAINT OF FEGISTRY, LLC, RADIX DOMAIN SOLUTIONS PTE. LTD., AND  
10 DOMAIN VENTURE PARTNERS PCC LIMITED**

11  by transmitting via my electronic service address (dsanchez@jonesday.com) the  
12 document(s) listed above to the person(s) at the e-mail address(es) set forth below.

13  
14 Michael L. Rodenbaugh  
15 mike@rodenbaugh.com  
16 Rodenbaugh Law  
17 548 Market St., Box 55819  
18 San Francisco, CA 94104

19 I declare under penalty of perjury under the laws of the State of California that the above  
20 is true and correct.

21 Executed on Febraury 2, 2023, at Los Angeles, California.

22 

23 Diane E. Sanchez  
24  
25  
26  
27  
28