Answer To First Amended Complaint Case No. 2:16-cv-00862-RGK-JC

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Defendant Internet Corporation for Assigned Names and Numbers ("ICANN"), by and through its attorneys, responds to the First Amended Complaint ("FAC") filed by Plaintiff DotConnectAfrica Trust ("Plaintiff" or "DCA") as follows:

## RESPONSE TO INTRODUCTION

- 1. ICANN is without knowledge or information sufficient to form a belief as to the truth or the falsity of the allegations contained in this paragraph and, on that basis, denies each and every such allegation.
- 2. ICANN admits that in connection with the New gTLD Program, ICANN published the new gTLD Applicant Guidebook ("Guidebook"), which sets forth the requirements and criteria by which new gTLD applications are evaluated. Except as expressly admitted, ICANN denies each and every allegation contained in Paragraph 2.
  - 3. ICANN denies each and every allegation.
  - 4. ICANN denies each and every allegation.

## RESPONSE TO JURISDICTION AND VENUE

- 5. ICANN admits that the Court has jurisdiction over this matter.
- 6. ICANN admits that the Court has jurisdiction over this matter. ICANN admits that it is a California not-for-profit public benefit corporation with its principal place of business in Los Angeles, California. To the extent Paragraph 6 relates to persons or entities other than ICANN, ICANN lacks sufficient knowledge or information to admit or deny the allegations of Paragraph 6, and therefore denies them.

## **RESPONSE TO PARTIES**

7. ICANN is without knowledge or information sufficient to form a belief as to the truth or the falsity of the allegations contained in this paragraph and, on that basis, denies each and every such allegation.

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- 8. ICANN admits that it is a California not-for-profit public benefit corporation with its principal place of business in Los Angeles, California.
- 9. ICANN is without knowledge or information sufficient to form a belief as to the truth or the falsity of the allegations contained in this paragraph and, on that basis, denies each and every such allegation.
- 10. ICANN is without knowledge or information sufficient to form a belief as to the truth or the falsity of the allegations contained in this paragraph and, on that basis, denies each and every such allegation.
  - 11. ICANN denies each and every allegation.

## RESPONSE TO FACTUAL BACKGROUND

- 12. ICANN admits that it was established in September 30, 1998 for the benefit of the Internet community as a whole and is tasked with carrying out its activities in conformity with relevant principles of California law, international law, international conventions, and through open and transparent processes that enable competition and open-entry in Internet-related markets.
- ICANN admits that it enters into contracts with registries to operate 13. generic top-level domains ("gTLDs"). Except as expressly admitted, ICANN denies each and every allegation in Paragraph 13.
- 14. ICANN states that the allegations contained in this paragraph are legal conclusions and/or argument not subject to admission or denial. To the extent that Paragraph 14 contains any allegation that requires an admission or denial, ICANN admits that it is a California not-for-profit public benefit corporation. Except as expressly admitted, ICANN denies each and every allegation in Paragraph 14.
- ICANN states that the allegations contained in this paragraph appear to reference ICANN's Articles of Incorporation ("Articles") or Bylaws. ICANN states that the Articles and Bylaws speak for themselves and, on that basis, denies any allegation of Paragraph 15 inconsistent with the actual terms of the Articles and Bylaws.

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- 16. ICANN states that the allegations contained in this paragraph appear to reference ICANN's Bylaws. ICANN states that the Bylaws speak for themselves and, on that basis, denies any allegation of Paragraph 16 inconsistent with the actual terms of the Bylaws.
- 17. ICANN states that the allegations contained in this paragraph appear to reference ICANN's Articles and Bylaws. ICANN affirmatively states that its Articles and Bylaws speak for themselves and, on that basis, denies any allegation of Paragraph 17 inconsistent with the actual terms of the Articles and Bylaws.
- 18. ICANN admits that in 2012, to expand the number of accessible TLDs in the DNS in order to promote consumer choice and competition, ICANN launched the "New gTLD Program." ICANN denies the remaining allegations of Paragraph 18.

#### RESPONSE TO DCA AND THE TOP-LEVEL DOMAIN APPLICATION

- 19. ICANN admits that the New gTLD Program resulted in 1,930 applications for new gTLDs, including Plaintiff's application for the .AFRICA gTLD. ICANN denies the remaining allegations of Paragraph 19.
- 20. ICANN states that the allegations contained in this paragraph appear to reference the rules set forth in the Applicant Guidebook ("Guidebook") and the Bylaws. ICANN states that its Bylaws and Guidebook speak for themselves and, on that basis, denies any allegation of Paragraph 20 inconsistent with the actual terms of the Bylaws and Guidebook. Except as expressly admitted, ICANN denies each and every allegation in Paragraph 20.
- 21. ICANN admits that Plaintiff applied for the opportunity to be evaluated for the right to contract with ICANN to operate .AFRICA. Except as expressly admitted, ICANN denies each and every allegation in Paragraph 21.
- ICANN admits that Plaintiff paid ICANN the sum of \$185,000.000 in 22. connection with Plaintiff's application for the .Africa gTLD. ICANN admits that it acted at all times in a manner consistent with its own Articles, Bylaws, and the

ICANN denies each and every allegation in Paragraph 22.

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the Guidebook. ICANN states that the Guidebook speaks for itself and, on that basis, denies any allegation of Paragraph 23 inconsistent with the actual terms of the Guidebook. ICANN admits that the Guidebook requires applicants for a gTLD that represents the name of a geographic region to provide documentation of support or non-objection from at least 60% of the governments in the region. Except as expressly admitted, ICANN denies each and every allegation in Paragraph 23.

rules and procedures set forth in the Guidebook. Except as expressly admitted,

ICANN states that the allegations contained in this paragraph reference

- 24. ICANN admits that Plaintiff submitted a letter from the AUC in connection with Plaintiff's application for the .AFRICA gTLD. ICANN states that this letter from the AUC speaks for itself. ICANN denies the remaining allegations of Paragraph 24.
- 25. ICANN states that the allegations contained in this paragraph appear to reference the Guidebook. ICANN states that the Guidebook speaks for itself and, on that basis, denies the allegations of Paragraph 25.

# RESPONSE TO ZACR AND THE AUC'S TOP LEVEL DOMAIN APPLICATION

- 26. ICANN admits that the AUC sent a letter to ICANN relating to the AFRICA gTLD. ICANN states that the letter sent by the AUC speaks for itself. ICANN denies the remaining allegations of Paragraph 26.
  - 27. ICANN denies the allegations of Paragraph 27.
  - 28. ICANN denies the allegations of Paragraph 28.
  - 29. ICANN denies the allegations of Paragraph 29.
  - 30. ICANN denies the allegations of Paragraph 30.
- 31. ICANN denies the allegations of Paragraph 31 with the exception that ICANN admits that ZACR submitted a "standard" application.

32. ICANN denies the allegations of Paragraph 32.

## RESPONSE TO THE GEOGRAPHIC NAMES PANEL AND INTERCONNECT COMMUNICATIONS

- 33. ICANN denies the allegations of Paragraph 33 with the exception that ICANN admits that the Geographic Names Panel determines which governments are relevant for the applicable geographic region under the terms of the Guidebook.
  - 34. ICANN admits the allegations of Paragraph 34.
- 35. ICANN denies the allegations of Paragraph 35 with the exception that ICANN admits that the Geographic Names Panel determines which governments are relevant for the applicable geographic region under the terms of the Guidebook.
- 36. ICANN admits that the ICC recommended that ICANN accept endorsement letters from the AUC and UNECA. ICANN denies the remaining allegations of Paragraph 36.
- 37. ICANN admits that ICANN accepted the endorsement of ZACR from the AUC. ICANN denies the remaining allegations of Paragraph 37.
  - 38. ICANN denies the allegations of Paragraph 38.
  - 39. ICANN denies the allegations of Paragraph 39.
- 40. ICANN denies the allegations of Paragraph 40 with the exception that ICANN admits that ZACR's application held a lower lottery number than DCA's application.
  - 41. ICANN denies the allegations of Paragraph 41.

## RESPONSE TO THE GAC

42. ICANN admits that there is a Governmental Advisory Committee ("GAC") with the purpose, according to the Bylaws, to "consider and provide advice on the activities of ICANN as they relate to concerns of governments." ICANN also admits that membership in the GAC is open to representatives of all national governments and, at the invitation through its chair, to "[e]conomies as recognized in the international fora, and multinational governmental organizations

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- and treaty organizations." ICANN denies the remaining allegations of Paragraph 1 42. 2 43. ICANN denies the allegations of Paragraph 43. 3 44. ICANN denies the allegations of Paragraph 44. 4 ICANN denies the allegations of Paragraph 45. 45. 5 46. ICANN denies the allegations of Paragraph 46. 6 47. ICANN denies the allegations of Paragraph 47. 7 ICANN denies the allegations of Paragraph 48 with the exception that 48. 8 9 ICANN admits that ICANN and ZACR entered into a registry agreement. RESPONSE TO THE INDEPENDENT REVIEW PROCESS 10 11 49. ICANN admits that an applicant can initiate an independent review process ("IRP") under the terms of ICANN's Bylaws. ICANN denies the 12 13 remaining allegations of Paragraph 49. ICANN denies the allegations of Paragraph 50 and states that the 50. 14 referenced email speaks for itself. 15 16
  - ICANN admits that Plaintiff initiated an IRP but denies the remaining 51. allegations of Paragraph 51.
  - On information and belief, ICANN admits the allegations of Paragraph 52. 52.
  - 53. ICANN admits that it entered into a registry agreement with ZACR regarding the operation of .AFRICA. ICANN denies the remaining allegations of Paragraph 53.
  - ICANN admits that on July 9, 2015 the IRP Panel issued a final 54. declaration ("IRP Declaration") and that portions of this paragraph purport to quote from the IRP Declaration. ICANN states that the IRP Declaration speaks for itself. ICANN denies the remaining allegations of Paragraph 54, which are at odds with the IRP Declaration.

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\$185,000.00. ICANN denies the remaining allegations of Paragraph 64.

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allegations of Paragraph 110 and on that basis denies them. Answer To First Amended Complaint

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110. ICANN lacks information sufficient to form a belief as to the

1	111. ICANN denies the allegations of Paragraph 111.	
2	112. ICANN denies the allegations of Paragraph 112.	
3	113. ICANN denies the allegations of Paragraph 113.	
4	114. ICANN denies the allegations of Paragraph 114.	
5	EIGHTH CAUSE OF ACTION	
6	(Confirmation of IRP Declaration)	
7	115. ICANN incorporates its preceding responses to each corresponding	
8	paragraph.	
9	116. ICANN denies the allegations of Paragraph 116.	
10	117. ICANN admits that on July 9, 2015 the IRP Panel issued a	
11	Declaration. ICANN states that the IRP Declaration speaks for itself. ICANN	
12	denies the remaining allegations of Paragraph 117.	
13	118. ICANN admits that Plaintiff purports to seek a court order confirming	
14	the IRP Declaration. ICANN denies that Plaintiff is entitled to any recovery	
15	whatsoever against ICANN. Except as expressly admitted, ICANN denies each and	
16	every allegation in Paragraph 118.	
17	NINTH CAUSE OF ACTION	
18	(Declaratory Relief Against ICANN)	
19	119. ICANN incorporates its preceding responses to each corresponding	
20	paragraph.	
21	120. ICANN admits that the IRP Declaration recommended that ICANN	
22	permit Plaintiff's application to proceed through the remainder of the new gTLD	
23	application process from the point where ICANN had stopped processing the	
24	application. Except as expressly admitted, ICANN denies each and every	
25	allegation in Paragraph 120.	
26	121. ICANN denies the allegations of Paragraph 121.	
27	122. ICANN denies the allegations of Paragraph 122.	

- 123. ICANN states that the allegations contained in this paragraph are legal conclusions and/or argument not subject to admission or denial. To the extent that Paragraph 123 contains any allegation that requires an admission or denial, ICANN denies each and every allegation of Paragraph 123.
- 124. ICANN admits that Plaintiff seeks a judicial declaration that ICANN follow the IRP Declaration and allow the DCA application to proceed through the delegation phase of the application process. ICANN denies that Plaintiff is entitled to any recovery whatsoever against ICANN. Except as expressly admitted, ICANN denies each and every allegation in Paragraph 124.
  - 125. ICANN denies the allegations of Paragraph 125.

#### **TENTH CAUSE OF ACTION**

## (Declaratory Relief Against All Defendants)

- 126. ICANN incorporates its preceding responses to each corresponding paragraph.
  - 127. ICANN denies the allegations of Paragraph 127.
- 128. ICANN states that this paragraph purports to reference the IRP Declaration. The IRP Declaration speaks for itself. ICANN denies the remaining allegations of Paragraph 128.
  - 129. ICANN denies the allegations of Paragraph 129.
  - 130. ICANN denies the allegations of Paragraph 130.
- 131. ICANN states that the allegations contained in this paragraph are legal conclusions and/or argument not subject to admission or denial. To the extent that Paragraph 131 contains any allegation that requires an admission or denial, ICANN denies each and every allegation of Paragraph 131.
- 132. ICANN admits that Plaintiff seeks a judicial declaration that the registry agreement between ZACR and ICANN be declared null and void and that ZACR's application does not meet ICANN's standards. ICANN denies that

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Plaintiff is entitled to any recovery whatsoever against ICANN. Except as expressly admitted, ICANN denies each and every allegation in Paragraph 132.

#### **ELEVENTH CAUSE OF ACTION**

#### (Declaratory Relief Against ICANN)

- 133. ICANN incorporates its preceding responses to each corresponding paragraph.
- 134. ICANN states that the paragraph purports to quote a covenant not to sue ("Covenant Not to Sue") contained in Module 6 of the Guidebook. ICANN affirmatively states that the Covenant Not to Sue speaks for itself and, on that basis, denies any allegation of Paragraph 134 inconsistent therewith.
- 135. ICANN admits that Plaintiff could not obtain contractual rights to operate .AFRICA from anyone but ICANN, and denies the remaining allegations of Paragraph 135.
  - 136. ICANN denies the allegations of Paragraph 136.
  - 137. ICANN denies the allegations of Paragraph 137.
  - 138. ICANN denies the allegations of Paragraph 138.
- 139. ICANN denies the allegations of Paragraph 139 with the exception that ICANN admits that IRP declarations are not binding.
  - 140. ICANN denies the allegations of Paragraph 140.
- 141. ICANN states that the allegations contained in this paragraph are legal conclusions and/or argument not subject to admission or denial. To the extent that Paragraph 141 contains any allegation that requires an admission or denial, ICANN denies each and every allegation of Paragraph 141.
- 142. ICANN admits that Plaintiff seeks a judicial declaration that the Covenant Not to Sue is unenforceable, unconscionable, procured by fraud and/or void as a matter of law and public policy. ICANN denies that Plaintiff is entitled to any recovery whatsoever against ICANN. Except as expressly admitted, ICANN denies each and every allegation in Paragraph 142.

1 RESPONSE TO PRAYER FOR RELIEF In response to the Prayer for Relief, ICANN denies the allegations in 2 Plaintiff's Prayer For Relief and denies that Plaintiff is entitled to any of the relief 3 4 sought. ICANN'S AFFIRMATIVE DEFENSES 5 As separate and distinct affirmative defenses, ICANN states as follows: 6 7 FIRST AFFIRMATIVE DEFENSE (Failure To State A Claim) 8 The FAC, and each and every remaining claim for relief against ICANN, 9 fails to state a claim upon which relief may be granted against ICANN, and further 10 fails to entitle Plaintiff to the relief sought or to any relief whatsoever against 11 ICANN. 12 SECOND AFFIRMATIVE DEFENSE 13 (Release and Covenant Not to Sue) 14 Plaintiff is barred from asserting the FAC, and each and every claim 15 16 for relief against ICANN, by the release and covenant not to sue contained in Module 6 of the Guidebook. 17 18 THIRD AFFIRMATIVE DEFENSE 19 20 (Laches) Plaintiff is barred from asserting the FAC, and each and every claim 21 for relief against ICANN, by the doctrine of laches. 22 FOURTH AFFIRMATIVE DEFENSE 23 (Waiver) 24 Plaintiff is barred from asserting the FAC, and each and every claim for relief 25 against ICANN, by the doctrine of waiver. 26 27 // 28 // 14 Answer To First Amended Complaint Case No. 2:16-cv-00862-RGK-JC

#### FIFTH AFFIRMATIVE DEFENSE 1 (Estoppel) 2 Plaintiff is barred from asserting the FAC, and each and every claim for relief 3 4 against ICANN, by the doctrine of estoppel. SIXTH AFFIRMATIVE DEFENSE 5 (Failure to Mitigate) 6 The FAC, and each and every claim for relief against ICANN, is 7 barred in whole or in part because Plaintiff failed to make reasonable efforts to 8 mitigate such purported injury or damage, which reasonable efforts would have 9 prevented his injury or damages, if any. 10 SEVENTH AFFIRMATIVE DEFENSE 11 (Adequate Remedies at Law) 12 Equitable and injunctive relief are barred because Plaintiffs have 13 available remedies at law. 14 EIGHTH AFFIRMATIVE DEFENSE 15 (Unclean Hands) 16 Plaintiff's conduct with respect to the matters alleged in the FAC deprives 17 Plaintiff of clean hands and, by reason of not coming into court with clean hands, 18 19 Plaintiff is precluded from recovery from ICANN. 20 NINTH AFFIRMATIVE DEFENSE 21 (Speculative Damages) 22 Plaintiff's claims are barred in whole or in part, or alternatively Plaintiff's 23 recovery should be reduced, because the alleged damages, if any, are speculative. 24 25 TENTH AFFIRMATIVE DEFENSE 26 (Legitimate Business Conduct) 27 28 15

The FAC is barred because ICANN's actions, as alleged in the FAC, were 1 undertaken in good faith, with the absence of malicious intent, and were the result 2 of lawful conduct carried out in furtherance of ICANN's public mission, Articles of 3 4 Incorporation, and Bylaws. ELEVENTH AFFIRMATIVE DEFENSE 5 (Additional Affirmative Defenses) 6 ICANN hereby gives notice that it intends to rely upon such other 7 affirmative defenses as may become available or apparent during the course of 8 discovery and thus reserves the right to amend this Answer to assert such defenses, 9 including defenses asserted by any other defendant. 10 11 PRAYER FOR RELIEF WHEREFORE, ICANN prays for the entry of judgment in its favor and 12 against Plaintiff as follows: 13 That this action be dismissed in its entirety and with prejudice; 1. 14 That Plaintiff take nothing by way of the FAC; and 2. 15 For such other relief as is deemed just and proper. 4. 16 17 Dated: May 6, 2016 **JONES DAY** 18 19 By: /s/Jeffrey A. LeVee Jeffrey A. LeVee 20 Attorneys for Defendant 21 INTERNET CORPORATION FOR ASSIGNED NAMES AND NUMBERS 22 NAI-1501005620v3 23 24 25 26 27 28 16