

INDEPENDENT REVIEW PROCESS
INTERNATIONAL CENTRE FOR DISPUTE RESOLUTION

VISTAPRINT LIMITED,)	ICDR CASE NO. 01-14-0000-6505
)	
Claimant,)	
)	
and)	
)	
INTERNET CORPORATION FOR ASSIGNED)	
NAMES AND NUMBERS,)	
)	
Respondent.)	
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**ICANN'S RESPONSE TO CLAIMANT VISTAPRINT LIMITED'S
ADDITIONAL SUBMISSION IN SUPPORT OF REQUEST FOR INDEPENDENT
REVIEW PROCESS**

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TABLE OF CONTENTS

	Page
INTRODUCTION	1
STANDARD OF REVIEW	4
ARGUMENT	5
I. ICANN’S BOARD HAD NO “OBLIGATION TO INTERVENE” WITH RESPECT TO THE EXPERT PANEL’S DETERMINATION AND HAS NOT TREATED VISTAPRINT DIFFERENTLY FROM OTHER APPLICANTS	5
II. VISTAPRINT’S WHOLESale CHALLENGE TO THE GUIDEBOOK’S OBJECTION PROCEDURES ARE UNSUPPORTED AND TIME BARRED	8
III. VISTAPRINT’S DISAGREEMENT WITH THE MERITS OF THE EXPERT DETERMINATION IS NOT A BASIS FOR AN IRP	13
IV. THIS PANEL DOES NOT HAVE THE AUTHORITY TO GRANT AFFIRMATIVE RELIEF	14
V. THE PANEL’S DECLARATION IS NOT BINDING ON ICANN	14
CONCLUSION	18

INTRODUCTION

1. The Internet Corporation for Assigned Names and Numbers (“ICANN”) hereby submits its Response to the Additional Submission (“Additional Submission”) submitted by claimant Vistaprint Limited (“Vistaprint”) on 2 March 2015.

2. This Independent Review Process (“IRP”) arises out of Vistaprint’s applications for the .WEBS generic top level domain (“gTLD”).¹ In addition to Vistaprint’s applications to operate .WEBS (“Applications”), several other entities applied to operate a .WEB gTLD. Pursuant to a procedure set forth in ICANN’s New gTLD Applicant Guidebook (“Guidebook”),² one of the applicants for .WEB (“Objector”) filed string confusion objections (“Objections”) to Vistaprint’s .WEBS Applications with an independent dispute resolution provider, the International Dispute Resolution Centre (“ICDR”). The Objections claimed that Vistaprint’s applied-for string, .WEBS, was “confusingly similar” to .WEB.³

3. The expert appointed by the ICDR to hear the Objections (“Expert”) upheld the Objections, rendering a determination (“Expert Determination”) concluding that a .WEBS gTLD would so nearly resemble a .WEB gTLD that “it is likely to deceive or cause confusion,” i.e., “that it is probable, not merely possible that confusion will arise in the mind of the average, reasonable Internet user.”⁴ As directed by the procedures set forth in the Guidebook, which was adopted in 2012 in accordance with ICANN’s Bylaws and Articles of Incorporation (“Articles”)

¹ Vistaprint submitted one community-based application for .WEBS and one standard (i.e., not community-based) application.

² The Guidebook provides instructions to new gTLD applicants and forms the basis for ICANN’s evaluation of new gTLD applications. *See* Guidebook, Cl. Ex. RM-5, Preamble. Vistaprint submitted two sets of numbered exhibits with its IRP Request and Additional Submission: (1) “Annexes”; and (2) “Reference Materials”. Citations to “Cl. Ex. Annex-__” refer to exhibits submitted in Claimant Vistaprint’s Annex, citations to “Cl. Ex. RM-__” refer to exhibits submitted in Claimant Vistaprint’s Reference Materials. Citations to “Resp. Ex. __” refer to exhibits submitted by ICANN.

³ Expert Determination, ICDR Case Nos. 50 504 221 13 and 50 504 246 13, Cl. Ex. Annex-24. On 6 May 2013, the ICDR consolidated the two objections.

⁴ *Id.* at 9, 11; *see also* Guidebook, Cl. Ex. RM-5, § 3.5.1.

after years of consideration by, and advice from, the community, Vistaprint's Applications for .WEBS were therefore placed into a contention set with the Objector's application for .WEB.⁵ Notably, this does not mean that Vistaprint's Applications will not proceed. It simply means that the contention between Vistaprint's Applications and the Objector's application for .WEB must be resolved in accordance with the procedures set forth in the Guidebook.⁶

4. Vistaprint disagrees with the conclusion reached by the Expert, and is using this IRP as a means to challenge the merits of the Expert Determination. IRP panels, however, are tasked solely with determining whether ICANN's Board violated ICANN's Articles or Bylaws, and, just like in its initial IRP Request, Vistaprint's Additional Submission fails to identify any such violation. In fact, the sole Board action that Vistaprint has identified in this case is the Board Governance Committee's ("BGC's") rejection of Vistaprint's Reconsideration Request, which sought reconsideration of the Expert Determination. In its response to Vistaprint's IRP Request ("IRP Response"), ICANN discussed the BGC's determination in detail, demonstrating that nothing about the BGC's handling of the Reconsideration Request violated ICANN's Articles or Bylaws.⁷ Vistaprint's Additional Submission does not respond to any of those points.

5. Instead, Vistaprint's Additional Submission presents two new arguments. First, Vistaprint claims that the ICANN Board acted in a discriminatory fashion because it failed to intervene in the Expert Determination on Vistaprint's Applications, but did intervene with respect to several other expert determinations regarding different gTLD application. What Vistaprint does not explain in its Additional Submission, however, is that the ICANN Board only intervened with respect to these other expert determinations because there had been several, independent expert determinations regarding the same strings that were seemingly inconsistent

⁵ Guidebook, Cl. Ex. RM-5, § 4.2.1.

⁶ Guidebook, Cl. Ex. RM-5, § 4.3.

⁷ IRP Response, ¶¶ 45-69.

with one another. That is not the case with respect to Vistaprint's Applications—no other expert determinations were issued regarding the similarity of .WEB and .WEBS. Moreover, Vistaprint's "disparate treatment" argument fails to recognize that in considering Vistaprint's Reconsideration Request, the ICANN Board (via the BGC) did evaluate whether the Expert had followed established policies and procedures with respect to the Expert Determination, and found that he had.

6. Second, Vistaprint argues for the first time in its Additional Submission that the entire string confusion objection procedure is fundamentally flawed. This argument is not only completely unsupported, but also has been time-barred for almost three years. The string confusion objection procedures have been in place since 2012 and were adopted only after extensive discussion with and input from the Internet community. The open, transparent and fair process that gave rise to the Guidebook, including the string confusion objection procedures, are completely consistent with ICANN's Articles and Bylaws. Like other members of the community, Vistaprint had the opportunity to comment on several drafts of the Guidebook and propose modifications, including to the string confusion objection procedures. It did not do so.

7. Finally, Vistaprint's Additional Submission focuses on: (1) arguing the merits of the underlying Expert Determination, and (2) urging the IRP Panel to substitute its judgment for that of ICANN's Board, which determined not to intervene further with respect to Vistaprint's Applications. Neither argument supports independent review. As the IRP Panel in *Booking.com v. ICANN* recently confirmed, IRP panels are expressly limited to "compare[ing] contested actions of the Board to ICANN's Articles [] and Bylaws" and are "neither asked to, nor allowed to, substitute [their] judgment for that of the Board."⁸

⁸ *Booking.com v. ICANN*, ICDR Case No. 50-20-1400-0247, ("*Booking.com* Final Declaration"), Resp. Ex. 1, ¶¶ 110, 115 (emphasis added).

8. Here, the Board acted in compliance with ICANN's Articles and Bylaws in denying Vistaprint's Reconsideration Request and exercising its independent judgment in determining not to further intervene with respect to Vistaprint's Applications. Vistaprint has demonstrated no basis for independent review, and its request should be denied.

STANDARD OF REVIEW

9. This IRP Panel is tasked only with issuing its opinion as to whether the Board's actions are consistent with ICANN's Articles and Bylaws.⁹ ICANN's Bylaws identify a "defined standard of review" the IRP Panel must apply when evaluating the actions of the ICANN Board, considering:

- a. did the Board act without conflict of interest in taking its decision?;
- b. did the Board exercise due diligence and care in having a reasonable amount of facts in front of them?; and
- c. did the Board members exercise independent judgment in taking the decision, believed to be in the best interests of the company?¹⁰

10. This standard of review neither asks nor allows the IRP Panel to substitute its judgment for that of the Board.¹¹ As the IRP panel in *Booking.com v. ICANN* explained

[s]o long as the Board acts without conflict of interest and with due care, it is entitled—indeed, required—to exercise its independent judgment in acting in what it believes to be the best interests of ICANN . . . In other words, in making decisions the Board is required to conduct itself reasonably in what it considers to be ICANN's best interests; where it does so, the only question is whether its actions are or are not consistent with the Articles, Bylaws, and, in this case, with the policies and procedures established by the Guidebook."¹²

⁹ See Bylaws, Cl. Ex. RM-2, Art. IV, §§ 3.2, 3.4. Vistaprint has never disputed that the current version of the Bylaws, which it attached to its IRP Request, apply to this proceeding. See Cl. Ex. RM-2.

¹⁰ *Id.*, Art. IV, § 3.4.

¹¹ See *id.*

¹² *Booking.com* Final Declaration, ¶¶ 108-109.

ARGUMENT

I. ICANN'S BOARD HAD NO "OBLIGATION TO INTERVENE" WITH RESPECT TO THE EXPERT PANEL'S DETERMINATION AND HAS NOT TREATED VISTAPRINT DIFFERENTLY FROM OTHER APPLICANTS.

11. Independent review is available only to a person "materially affected by a decision or action of the [ICANN] Board that he or she asserts is inconsistent with the Articles of Incorporation or Bylaws."¹³ The IRP is thus limited to challenging ICANN Board conduct, and is not available as a means of challenging the conduct of third parties, such as the expert panel seated by the ICDR.

12. Aware of this limitation, in its IRP Request, Vistaprint argued that the Board breached the Bylaws in "accepting" the Expert Determination. However, as ICANN explained in the IRP Response, there is no Article or Bylaws provision that requires the ICANN Board to substantively review or analyze expert panel determinations; the Board has neither the resources nor the expertise to review thousands such determinations. Instead, the Guidebook specifically provides that when an independent expert upholds a string confusion objection, "the only possible outcome" is for the two strings to be placed into a contention set.¹⁴

13. Given this, Vistaprint has abandoned the argument that the Board improperly "accepted" the Expert Determination, and now argues that the Board had an "obligation to intervene" with respect to that Determination and did not do so.¹⁵ The Guidebook does provide that in "exceptional circumstances," such as when accountability mechanisms like reconsideration or independent review are invoked, "the Board might individually consider an application."¹⁶ *And that is precisely what occurred in this case.* Because Vistaprint sought reconsideration of the Expert Determination, the BGC individually considered Vistaprint's

¹³ Bylaws, Cl. Ex. RM-2, Art. IV, § 3.2.

¹⁴ Response to IRP Request ¶¶ 37-40, (quoting Guidebook, Cl. Ex. RM-5, § 3.2.2.1)).

¹⁵ Additional Submission, ¶¶ 29-32.

¹⁶ Guidebook, Cl. Ex. RM-5, § 5.1.

application to the extent that Vistaprint asked it to assess whether the Expert had violated any established policy or procedure in rendering the Expert Determination. As is detailed in ICANN's IRP Response, the BGC examined each of Vistaprint's contentions regarding the process followed by the Expert and issued a reasoned analysis properly concluding that the Expert had violated no established policy in rendering the Expert Determination.¹⁷ Neither in its IRP Request nor in its Additional Submission does Vistaprint identify any ICANN Article or Bylaws provision that was allegedly violated by the BGC in reviewing Vistaprint's Reconsideration Request.

14. Instead, Vistaprint simply objects to the Board's exercise of its independent judgment in determining not to intervene further with respect to the Expert Determination, as the Board did with respect to expert determinations on string confusion objections regarding the strings (1) .COM/.CAM, (2) .CAR/.CARS, and (3) .SHOP/.通販 (online shopping in Japanese).

15. Contrary to what Vistaprint argues, however, there is no "mystery" regarding why ICANN's Board intervened with respect to those determinations and not with respect to the .WEB/.WEBS Expert Determination. Nor has there been any disparate treatment with these strings. Unlike .WEB/.WEBS, the COM/.CAM, .CAR/.CARS, and .SHOP/.通販 strings were all the subject of several, seemingly *inconsistent* determinations on string confusion objections by different expert panels. So, for example, while one expert upheld a string confusion objection asserting that .CAM was confusingly similar to .COM, another expert overruled a separate string confusion objection asserting precisely the same thing.¹⁸

¹⁷ IRP Response, ¶¶ 45-69; *see also* Bylaws, Cl. Ex. RM-2, Art. IV, § 2.2.

¹⁸ *Compare* Expert Determination, ICDR Case No. 50 504 T 229 13, Cl. Ex. RM-23 *with* Expert Determination, ICDR Case No. 50 504 T 00224 13, Cl. Ex. RM-24.

16. Given what were viewed by some as *inconsistent* determinations, the BGC requested that ICANN staff draft a report for the ICANN Board’s New gTLD Program Committee (“NGPC”), “setting out options for dealing . . . [with] differing outcomes of the String Confusion Objection Dispute Resolution process in similar disputes. . . .”¹⁹ The NGPC subsequently considered potential approaches to addressing perceived inconsistent determinations on string confusion objections, including possibly implementing a new review mechanism.²⁰ ICANN staff initiated a public comment period regarding framework principles of a potential such review mechanism.²¹ Ultimately, having considered the report drafted by ICANN staff, the public comments received, and the string confusion objection process set forth in the Guidebook, the NGPC determined that the inconsistent expert determinations regarding .COM/.CAM and .SHOP/.通販 were “not [] in the best interest of the New gTLD Program and the Internet community” and directed ICANN staff to establish a process whereby the ICDR would appoint a three-member panel to re-evaluate those expert determinations.²²

17. Vistaprint has identified no Article or Bylaws provision violated by the ICANN Board in exercising its independent judgment to intervene with respect to inconsistent determinations on string confusion objections, but not with respect to the single Expert Determination regarding .WEB/.WEBS. As the *Booking.com* IRP Panel found, “the fact that the ICANN Board enjoys [the] discretion [to individually consider an application for a New gTLD]

¹⁹ See BGC Recommendation on Reconsideration Request 13-10, Resp. Ex. 2, at 11.

²⁰ See Rationale for NGPC Resolution 2014.02.05.NG02, Resp. Ex. 3, also available at <https://www.icann.org/resources/board-material/resolutions-new-gtld-2014-02-05-en>.

²¹ See <https://www.icann.org/public-comments/sco-framework-principles-2014-02-11-en>.

²² NGPC Resolution 2014.10.12.NG02, Resp. Ex 4, also available at <https://www.icann.org/resources/board-material/resolutions-new-gtld-2014-10-12-en#2.b>. The expert determinations reached with respect to .CAR/.CARS were not at issue by this time, because two of the applicants for .CARS had withdrawn their applications and the contention set was resolved.

and may choose to exercise it at any time does not mean that it is bound to exercise it, let alone at the time and in the manner demanded by [a claimant].”²³

18. In addition, and contrary to Vistaprint’s claims of disparate treatment, the ICANN Board was justified in exercising its discretion to intervene with respect to the inconsistent expert determinations regarding .COM/.CAM, .CAR/.CARS and .SHOP/.通販—the Board acted to bring certainty to multiple and differing expert determinations on string confusion objections regarding the same strings. That justification simply was not present with respect to the single .WEB/.WEBS Expert Determination at issue here. Accordingly, Vistaprint was not treated differently than other, similarly-situated applicants; the applicants referenced above were not similarly-situated to Vistaprint.

II. VISTAPRINT’S WHOLESALE CHALLENGE TO THE GUIDEBOOK’S OBJECTION PROCEDURES ARE UNSUPPORTED AND TIME BARRED.

19. In its Additional Submission, Vistaprint argues for the first time that the string confusion objection procedures in the Guidebook are inherently flawed. But this new claim is wholly unsupported, and the time for Vistaprint to assert such an argument has long passed.

20. As detailed in the Board’s Rationales for the Approval of the Launch of the New gTLD Program, issued in June 2011, the dispute resolution procedures, including the string confusion objection procedures, were adopted by the ICANN Board only after years of rigorous policy development and implementation that included extensive review and analysis by ICANN, as well as input and comment from legal and arbitration experts from various jurisdictions,

²³ *Booking.com* Final Determination, Resp. Ex. 1, ¶ 138.

numerous ICANN committees and Internet stakeholders, and community members from around the world, all in compliance with ICANN's Articles and Bylaws.²⁴

21. Specifically, in 2005, ICANN's Generic Names Supporting Organization ("GNSO"), which is the ICANN body designated by the Bylaws as "responsible for developing and recommending to the ICANN Board substantive policies relating to generic top-level domains,"²⁵ began a policy development process to consider the introduction of new gTLDs. Two years later, again in accordance with the ICANN Bylaws, the GNSO issued a set of policy recommendations regarding the New gTLD Program, which included recommendations that "[d]ispute resolution and challenge processes . . . must be established prior to the start of" the gTLD program and should utilize independent dispute resolution providers.²⁶

22. Between 2007 and 2008, based on the GNSO's recommendations and in consultation with various Internet stakeholders and legal experts, ICANN outlined an application objection process that would permit four types of objections, including an objection relating to string confusion.²⁷ In this same time frame, ICANN evaluated and selected independent dispute resolution providers to evaluate objections to gTLD applications and conducted public consultations with legal experts and Internet stakeholders to help define the standing requirements and standards to be used by dispute resolution panels to resolve disputes on the various objection grounds.²⁸

23. In June 2008, the ICANN Board approved the GNSO's policy recommendations on the gTLD program, including the need for dispute resolution procedures, as the Board is

²⁴ ICANN Board Rationales for the Approval of the Launch of the New gTLD Program ("ICANN Board Rationales"), Resp. Ex. 5, at 66-67.

²⁵ Bylaws, Cl. Ex. RM-2, Art. X, § 1.

²⁶ ICANN Board Rationales, Resp. Ex 5, at 66.

²⁷ *Id.*

²⁸ *Id.* at 67.

required to do under the Bylaws unless a supermajority of the Board believes that the recommendations are not in the best interests of the ICANN community or ICANN.²⁹ Between October 2008, when ICANN issued its first version of the Guidebook with its dispute resolution procedures, and June 2012, when the current version of the Guidebook was issued, ICANN engaged with various legal and arbitration experts, held numerous public comment sessions, considered and took advice from ICANN supporting organizations and advisory committees, and issued scores of papers and documents discussing the dispute resolution procedures contained in the Guidebook.³⁰

24. Ultimately, the Board approved the dispute resolution procedures contained in the Guidebook based on the Board's detailed findings that procedures were "designed to protect certain interests and rights . . . identified by the GNSO in their policy recommendations;" they were "more cost effective and efficient than judicial proceedings;" and they were as "independent as possible so that the applicants, the community and ICANN have the benefit of neutral expert opinion," among other reasons.³¹

25. All of this policy development work, implementation, and decision making, which culminated in the current version of the Guidebook, was open, fair and transparent and led to clear and predictable procedures. Indeed, the Guidebook provides for the ICDR to administer string confusion objections in accordance with the ICDR's Supplementary Procedures for ICANN's New gTLD Program, and the Guidebook sets forth specific standards to be applied by the expert panels seated by the ICDR, as the GNSO's original recommendations mandated.³²

All of this work and the results of this work are fully consistent with ICANN Articles and

²⁹ Bylaws, Cl. Ex. RM-2, Annex A, § 9(a).

³⁰ ICANN Board Rationales, Resp. Ex. 5, at 66-71, 72-75.

³¹ *Id.* at 75-77.

³² Guidebook, Cl. Ex. RM-5, § 3.2.3; *id.*, Attachment to Module 3, New gTLD Dispute Resolution Procedure, Art. 4(b)(i).

Bylaws. This is presumably why Vistaprint failed to identify any Article or Bylaw provision that is even arguably inconsistent with the string confusion objection procedures set forth in the Guidebook.

26. Rather than pointing to an Article or Bylaw provision that the Board violated with respect to the adoption of the process set forth in the Guidebook, Vistaprint relies on a witness statement from Kurt Pritz, a former ICANN employee, to argue that the string confusion objection program is flawed. This statement, however, does not support Vistaprint's claim. First, Mr. Pritz's witness statement, which was submitted in a *different* IRP proceeding relating to community objections, rather than string confusion objections, focuses on the perceived problems that arise from multiple, inconsistent expert determinations, such as those at issue in .COM/.CAM, .CAR/.CARS and .SHOP/.通販 (online shopping in Japanese). Second, these are exactly the same perceived problems that the ICANN Board recognized when it took steps to address the inconsistent determinations in .COM/.CAM, .CAR/.CARS and .SHOP/.通販. Third, the concerns Mr. Pritz raises do not apply to a single expert determination regarding string confusion, which is at issue here. Finally, Mr. Pritz's after-the-fact critique—in an adversarial proceeding—of the work he and his now former ICANN colleagues performed years ago should be seen for precisely what it is and be given no weight.

27. Vistaprint's wholesale attack on the string confusion objection procedures is also deficient because the current version of the Guidebook was published on 4 June 2012 following an extensive review process, including public comment on multiple drafts, as set forth above.³³ Despite having ample opportunity to do so, Vistaprint did not object to these aspects of the Guidebook at the time the Guidebook was implemented. If Vistaprint had concerns related to

³³ See Guidebook, Cl. Ex. RM-5, Preamble.

these issues, it should have pursued them at the time, not years later, and only after receiving an Expert Determination with which it disagreed.³⁴

28. As the IRP Panel in *Booking.com v. ICANN* found, “the time has long since passed for Booking.com or any other interested party to ask an IRP panel to review the actions of the ICANN Board in relation to the establishment of the string similarity review process, including Booking.com’s claims that specific elements of the process and the Board decisions to implement those elements are inconsistent with ICANN’s Articles and Bylaws. Any such claims, even if they had any merit, are long since time-barred by the 30-day limitation period set out in Article IV, Section 3(3) of the Bylaws.”³⁵ While the Guidebook process at issue in this case is different—the string confusion objection process rather than the string similarity review process—the *Booking.com* Panel’s reasoning applies equally. Because both processes were developed years ago, as part of the development of the Guidebook, challenges to both are time-barred.

29. The Guidebook and its string confusion objection procedures were developed and approved by the Board in strict compliance with ICANN’s Articles and Bylaws, and only after the consideration of numerous versions, which were revised in light of the thousands of comments received from members of the Internet community. The Guidebook was developed in conjunction with the community in an open and transparent manner, and there simply is nothing about the Guidebook that violates ICANN’s Articles or Bylaws. Moreover, the time for Vistaprint to object to the string confusion objection procedures has long since passed.

³⁴ Bylaws, Art. IV, Cl Ex. RM-2, § 3.3 (30-day limitation period for IRP claims).

³⁵ *Booking.com.com* Final Declaration, Resp. Ex. 1, ¶ 129

III. VISTAPRINT'S DISAGREEMENT WITH THE MERITS OF THE EXPERT DETERMINATION IS NOT A BASIS FOR AN IRP.

30. Vistaprint's Additional Submission, like its IRP Request, is at base an attack on the merits of an Expert Determination with which it disagrees. However, Vistaprint's substantive disagreement with the determination of an independent expert is not a proper basis for an IRP. In support of its argument, Vistaprint argues, without supporting evidence, that "www.web.com" and "www.webs.com" have coexisted for many years without issues.³⁶ Vistaprint also attaches a letter from Prof. Dr. Piet Desmet, a professor of linguistics who explains why, in his opinion, there is unlikely to be confusion between .WEB and .WEBS.³⁷ Professor Desmet's opinion is based on his own application of various technical linguistic and psychological principles. As the BGC noted in denying Vistaprint's Reconsideration Request, the Expert "extensively detailed the support for its conclusion that the .WEBS string so nearly resembles .WEB—visually, aurally and in meaning—that it is likely to cause confusion."³⁸ Professor Desmet's disagreement with the Expert's conclusion does not demonstrate that the Expert erred, and definitely does not demonstrate that *ICANN's Board* violated its Bylaws in determining that the Expert had properly applied the Guidebook standard in upholding the Objections to Vistaprint's Applications.

31. Neither ICANN's Board nor this IRP Panel is tasked with determining—or competent to determine—who should prevail in a battle of linguistic experts. Again, this IRP Panel is tasked solely with declaring its opinion as to whether the Board acted "without conflict of interest and with due care" and in a manner "consistent with the Articles of Incorporation or Bylaws [or] the Guidebook."³⁹ The Board did just that in carefully considering the arguments

³⁶ Additional Submission, ¶ 21.

³⁷ Letter from Prof. Desmet, Cl. Annex 32; *see also* Additional Submission, ¶¶ 19-20

³⁸ BGC Determination on Request 14-5, Cl. Ex. Annex-26, at 15.

³⁹ *Booking.com* Final Declaration, Resp. Ex. 1, ¶ 108; *see also* Bylaws, Cl. Ex. RM-2, Art. IV, § 3.4.

Vistaprint raised regarding the standard applied by the Expert and issuing a reasoned determination denying Vistaprint's Reconsideration Request.

IV. THIS PANEL DOES NOT HAVE THE AUTHORITY TO GRANT AFFIRMATIVE RELIEF.

32. Vistaprint renews its request that this IRP Panel issue a declaration “[r]equiring that ICANN reject the determination that .WEBS and .WEB are confusingly similar and disregard the resulting contention set” and “[r]equiring that ICANN organize[] a new independent and impartial string confusion objection procedure between Vistaprint and [Objector] Web.com.”⁴⁰

33. As ICANN has explained, any request that the IRP Panel grant affirmative relief goes well beyond the IRP Panel's authority. An IRP panel is limited to “declaring whether an action or inaction of the Board was inconsistent with the Articles of Incorporation or Bylaws” and recommending that the Board stay any action or decision or take any interim action until such time as the Board reviews and acts upon the opinion of the IRP Panel.⁴¹ This IRP Panel simply does not have the authority to award affirmative relief or to require ICANN to undertake specific conduct.⁴²

V. THE PANEL'S DECLARATION IS NOT BINDING ON ICANN.

34. Vistaprint is incorrect in arguing that this IRP Panel's declaration is binding on ICANN's Board.⁴³ The plain language of the IRP provisions set forth in Article IV, section 3 of

⁴⁰ See IRP Request, ¶ 84.

⁴¹ Bylaws, Cl. Ex. RM-2, at Art. IV, § 3.4 and § 3.11(c) (emphasis added).

⁴² Indeed, the IRP Panel in the first IRP ever constituted under ICANN's Bylaws found that “[t]he IRP cannot ‘order’ interim measures but do no more than ‘recommend’ them, and this until the Board ‘reviews’ and ‘acts upon the opinion’ of the IRP.” See Advisory Declaration of IRP Panel, *ICM Registry, LLC v. ICANN*, ICDR Case No. 50 117 T 00224 08, (“*ICM IRP Panel Declaration*”), Cl. Ex. RM-21, ¶ 133.; see also *Booking.com* Final Declaration, Resp. Ex. 1, ¶ 104 (“The jurisdiction and authority of an IRP panel is expressly prescribed—and expressly limited—by the ICANN Bylaws.”)

⁴³ Additional Submission, ¶ 37.

ICANN's Bylaws, as well as the drafting history of the development of the IRP provisions, make clear that IRP panel declarations are not binding on ICANN.

35. First, the Bylaws charge an IRP panel with “comparing contested actions of the Board to the Articles of Incorporation and Bylaws, and with declaring whether the Board has acted consistently with the provisions of those Articles of Incorporation and Bylaws.”⁴⁴ The Board is then obligated to “review[]”⁴⁵ and “consider” an IRP panel’s declaration at the Board’s next meeting “where feasible.”⁴⁶ The direction to “review” and “consider” an IRP panel’s declaration means that the Board has discretion as to whether it should adopt that declaration and whether it should take any action in response to that declaration; if the declaration were binding, there would be nothing to review or consider, only a binding order to implement.

36. Second, the lengthy drafting history of ICANN’s independent review process confirms that IRP panel declarations are not binding. Specifically, the Draft Principles for Independent Review, drafted in 1999, state that “the ICANN Board should retain ultimate authority over ICANN’s affairs – after all, it is the Board ... that will be chosen by (and is directly accountable to) the membership and supporting organizations.”⁴⁷ And when, in 2001, the Committee on ICANN Evolution and Reform (ERC) recommended the creation of an independent review process, it called for the creation of “a process to require non-binding arbitration by an international arbitration body to review any allegation that the Board has acted

⁴⁴ Bylaws, Art. IV, § 3.4 (emphasis added). The IRP Panel has questioned whether the selection of the word “declare” suggests binding force. This term, standing alone, cannot conceivably be read to require a binding decision, particularly in the face of the voluminous evidence in the drafting history showing that the contrary was presupposed.

⁴⁵ Bylaws, Art. IV, § 3.11.d.

⁴⁶ *Id.* at Art. IV, § 3.21. Moreover, for the period during which the Board is reviewing and considering the IRP Panel’s declaration, the Panel may merely “recommend,” as opposed to “order,” that the Board stay any action or decision “until such time as the Board reviews and acts upon the opinion of the IRP.” *Id.* at Art. IV, § 3.11.d.

⁴⁷ Draft Principles for Independent Review, Interim report of the Advisory Committee on Independent Review With Addendum, available at <http://cyber.law.harvard.edu/icann/berlin/archive/IRdraft.html>.

in conflict with ICANN's Bylaws."⁴⁸ The individuals who actively participated in the process also agreed that the review process would not be binding. As one participant stated: IRP "decisions will be nonbinding, because the Board will retain final decision-making authority."⁴⁹

37. In February 2010, the first IRP panel to issue a final declaration, the *ICM* IRP Panel, unanimously rejected the assertion that IRP panel declarations are binding⁵⁰ and recognized that an IRP panel's declaration "is not binding, but rather advisory in effect."⁵¹ Nothing has occurred since the issuance of the *ICM* IRP Panel's declaration that changes the fact that IRP panel declarations are not binding. To the contrary, in April 2013, following the *ICM* IRP, in order to clarify even further that IRPs are not binding, all references in the Bylaws to the term "arbitration" were removed as part of the Bylaws revisions. *ICM* had argued in the IRP that the use of the word "arbitration" in the portion of the Bylaws related to Independent Review indicated that IRPs were binding, and while the *ICM* IRP Panel rejected that argument, to avoid any lingering doubt, ICANN removed the word "arbitration" in conjunction with the amendments to the Bylaws.

38. The amendments to the Bylaws, which occurred following a community process on proposed IRP revisions, added, among other things, a sentence stating that "declarations of the IRP Panel, and the Board's subsequent action on those declarations, are final and have precedential value."⁵² *Vistaprint* argues that this new language, which does not actually use the word "binding," nevertheless provides that IRP panel declarations are binding, trumping years of

⁴⁸ ICANN: A Blueprint for Reform (June 20, 2002), available at <http://www.icann.org/en/committees/evol-reform/blueprint-20jun02.htm>.

⁴⁹ Becky Burr, Recommendations Regarding Accountability at II (August 23, 2002), available at <http://www.icann.org/en/committees/evol-reform/afap-report-23aug02.htm>.

⁵⁰ The *ICM* IRP Panel specifically rejected the claimant's contention that use of the word "arbitration" in the then-existing Bylaws was determinative of an arbitral process that produces a binding award. *ICM* IRP Panel Declaration, Cl. Ex. RM-21, ¶ 133.

⁵¹ *ICM* IRP Panel Declaration, Cl. Ex. RM-21, ¶ 134.

⁵² Bylaws, Cl. Ex. RM-2, Art. IV, § 3.21.

drafting history, the sworn testimony of those who participated in the drafting process,⁵³ and the plain text of the Bylaws. This argument is meritless.

39. First, relying on the use of the terms “final” and “precedential” is unavailing—a declaration clearly can be both non-binding and also final and precedential:

In the United States . . . [w]hen the prior court is the same as the subsequent court, the general rule is that precedent is not binding, even though a court may give great weight to its own prior decisions. If the prior court is at the same level as the subsequent court but the two courts are coordinate rather than identical, as in the case of two district courts in the federal system, then stare decisis is not binding on the subsequent court.”⁵⁴

40. Second, the language Vistaprint references was added to ICANN’s Bylaws to meet recommendations made by ICANN’s Accountability Structures Expert Panel (ASEP). The ASEP was comprised of three world-renowned experts on issues of corporate governance, accountability, and international dispute resolution, and was charged with evaluating ICANN’s accountability mechanisms, including the Independent Review process.⁵⁵ The ASEP recommended, among other things, that an IRP should not be permitted to proceed on the same

⁵³ Vint Cerf, the former Chair of ICANN’s Board, testified in the *ICM* IRP that the independent review panel “is an advisory panel. It makes recommendations to the board but the board has the ultimate responsibility for deciding policy for ICANN.” *ICM v. ICANN*, Hearing Transcript, September 23, 2009, at 592:7-11; *see also id.* at 585:3-5, 591:16-594:13, available at <http://www.icann.org/en/news/irp/icm-v-icann/transcript-testimony-icm-independent-review-proceeding-23sep09-en.pdf>. Alejandro Pisanty, the Chair of the ERC, testified in the *ICM* IRP that “[i]t was decided to make this arbitration nonbinding in the thought that the liabilities and responsibilities for anything that’s done should lie on the board.” *ICM v. ICANN*, Hearing Transcript, September 24, 2009, at 807, 813:17-20; *see also id.* 810:15-818:18, available at <http://www.icann.org/en/news/irp/icm-v-icann/redacted-transcript-testimony-icm-independent-review-proceeding-24sep09-en.pdf>.

⁵⁴ 18 James Wm. Moore et al, *Moore’s Federal Practice* § 134.02; *see also In re Silverman*, 616 F.3d 1001, 1004-05 (9th Cir. 2010) (affirming a bankruptcy court’s holding that a district court decision from another district constituted “non-binding precedent”); *Kuhns v. City of Allentown*, 636 F. Supp. 2d 418, 437 (E.D. Pa. 2009) (“the Opinions of other district courts are persuasive but not binding authority on this Court”); *McNamara v. Royal Bank of Scotland Group, PLC*, No. 11-cv-2137-L(WVG), 2013 U.S. Dist. LEXIS 66516, at *8 (S.D. Cal. May 8, 2013) (defining “persuasive authority” as “[a] precedent that is not binding on a court, but that is entitled respect and careful consideration”).

⁵⁵ ICANN convened the ASEP in April 2012, following the recommendation of the Accountability and Transparency Review Team 1 (“ATRT1”). *See* ATRT1 Recommendations, available at <https://www.icann.org/en/about/aoc-review/atrt/final-recommendations-31dec10-en.pdf>. The ATRT1 was itself convened in accordance with ICANN’s Affirmation of Commitments (AoC) with the Department of Commerce, in which ICANN committed to “maintain and improve robust mechanisms for public input, accountability, and transparency,” and “organize a review of its execution of [those] commitments” at least once every three years. *See* ICANN AoC, available at <https://www.icann.org/resources/pages/affirmation-of-commitments-2009-09-30-en>. Like the ASEP after it, the ATRT1 solicited community involvement and comment as part of its review process. *See* <https://www.icann.org/resources/pages/1-2012-11-14-en>.

issues as presented in a prior IRP. The ASEP's recommendations in this regard were raised in light of the second IRP constituted under ICANN's Bylaws, where the claimant presented claims that would have required the IRP Panel to reevaluate the declaration of the IRP Panel in the *ICM* IRP. To prevent claimants from challenging Board action taken in direct response to a prior IRP panel declaration, the ASEP recommended that "[t]he declarations of the IRP, and ICANN's subsequent actions on those declarations, should have precedential value."⁵⁶

41. The ASEP's recommendations in this regard did not convert IRP panel declarations into binding decisions.⁵⁷ One of the important considerations underlying the ASEP's work was the fact that ICANN, while it operates internationally, is a California non-profit public benefit corporation subject to the statutory law of California as determined by United States courts. As Graham McDonald, one of the three ASEP experts, explained, because California law requires that the board "retain responsibility for decision-making," the Board has "final word" on "any recommendation that . . . arises out of [an IRP]."⁵⁸ The ASEP's recommendations were therefore premised on the understanding that the declaration of an IRP panel is not "binding" on the Board.

CONCLUSION

42. ICANN's conduct with respect to Vistaprint's Applications for .WEBS was fully consistent with ICANN's Articles and Bylaws. ICANN's Board followed the procedures in the

⁵⁶ ASEP Report, October 2012, available at <http://www.icann.org/en/news/in-focus/accountability/asep/report-26oct12-en.pdf>.

⁵⁷ The ASEP confirmed the non-binding nature of the IRP on 17 October 2012 at a public session where community members were able to "give feedback [and] hear from the panel on the work that they [had] been doing so far." See Transcript of 17 Oct. 2012 Public Session with ASEP Panel, available at <http://toronto45.icann.org/meetings/toronto2012/transcript-asep-17oct12-en.pdf>.

⁵⁸ See *id.* at 5 ("As you would be aware, ICANN is an incorporated not-for-profit Californian company, and the corporations law of California applies, and as part of that law, the board has to retain responsibility for decision-making, so that in any recommendation that is made for -- or that arises out of a review, the board still has the final word on."); see also Cal. Corp. Code § 5210 ("[T]he activities and affairs of the corporation shall be managed and all corporate powers shall be exercised under the ultimate direction of the board.").

Guidebook and the Bylaws, and exercised its best judgment in evaluating Vistaprint's Reconsideration Request and in declining to intervene with respect to the Expert Determination. The fact that Vistaprint disagrees with the Expert Determination and would prefer not to be in a contention set with .WEB does not implicate Board action and cannot give rise to an IRP. Vistaprint's IRP Request should be denied.

Respectfully submitted,

JONES DAY

Dated: April 2, 2015

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