INDEPENDENT REVIEW PROCESS

INTERNATIONAL CENTRE FOR DISPUTE RESOLUTION

DONUTS INC.,	) ICDR CASE NO. 01-14-0001-6263
	)
Claimant,	)
	)
and	)
	)
INTERNET CORPORATION FOR ASSIGNED	)
NAMES AND NUMBERS,	)
	)
Respondent.	)
	)

**ICANN'S POST-HEARING BRIEF IN RESPONSE TO CLAIMANT DONUTS INC.'S
REQUEST FOR INDEPENDENT REVIEW PROCESS**

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29 October 2015

I.   INTRODUCTION

At the request of this IRP Panel, the Internet Corporation for Assigned Names and Numbers ("ICANN") hereby submits its Post-Hearing Brief in support of its overall response to claimant Donuts Inc.'s ("Donuts") Request for Independent Review Process ("IRP Request").

1.   On 8 October 2015, the Panel heard oral argument with respect to Donuts' IRP Request. The next day, 9 October 2015, the IRP Panel in *Vistaprint Limited v. ICANN*, ICDR Case No. 01-14-0000-6505 (*Vistaprint* IRP Panel) issued its final declaration ("*Vistaprint* Final Declaration"), which declared that ICANN to be the prevailing party.[1] On 12 October 2015, ICANN submitted the *Vistaprint* Final Declaration for the Panel's consideration. This Post-Hearing Brief is submitted pursuant to the Panel's 14 October 2015 request for limited briefing to address the *Vistaprint* Final Declaration.

2.   The Panel's invitation for post-hearing briefing specified that the parties should submit simultaneous briefs that would address two matters. First, the Panel noted that "there is a new IRP precedent for the Tribunal to consider" and requested that the "only new matter addressed" in the post-hearing briefing should be the *Vistaprint* Final Declaration. Second, the Panel invited the parties to "consolidate, clarify, and refine its positions, with a view to assisting the Tribunal in composing its Declaration in this case."

II.   ARGUMENT

3.   ICANN's position in this IRP remains straight-forward: Donuts does not challenge **any** Board action, much less any Board action that is inconsistent with any provision of ICANN's Articles of Incorporation ("Articles") or Bylaws. Since an IRP Panel has only one

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[1] *Vistaprint* Final Declaration, *available at* https://www.icann.org/en/system/files/files/vistaprint-v-icann-final-declaration-09oct15-en.pdf.

responsibility – to "declar[e] whether the Board has acted consistently with the provisions of [ICANN's] Articles of Incorporation and Bylaws"[2] – Donuts' IRP Request must be denied.

4.　　　Vistaprint Limited ("Vistaprint") raised claims that are remarkably similar to those brought by Donuts. As discussed below, the *Vistaprint* Final Declaration found that Vistaprint had failed to identify any action of the ICANN Board that violates the Articles or Bylaws, and that decision has precedential value here pursuant to ICANN's Bylaws.[3] Therefore, as occurred in *Vistaprint*, this IRP should be resolved in ICANN's favor.

A.　　　THE *VISTAPRINT* FINAL DECLARATION CONFIRMS THAT DONUTS' ARGUMENTS CANNOT FORM A BASIS FOR AN IRP.

5.　　　In order to demonstrate the relevance of the *Vistaprint* Final Declaration, we briefly reiterate the pertinent facts in this matter. Donuts' wholly owned subsidiaries Steel Edge LLC and Atomic Cross LLC, respectively (separately and collectively "Donuts") submitted applications to operate the .SPORTS and .RUGBY gTLDs ("Applications"). Those Applications were "standard" (not "community") applications, meaning that any person or entity would be able to obtain a domain name in that gTLD as opposed to limiting the distribution to persons/entities within the "community."

6.　　　SportAccord, an entity that submitted a community application to operate the .SPORT gTLD, filed a "community objection" against Donuts' application for the .SPORTS gTLD, arguing that it should be rejected because Donuts did not propose to operate the .SPORTS gTLD only on behalf of a community.[4] Similarly, the International Rugby Board[5] ("IRB") filed a community objection against Donuts' application for the .RUGBY gTLD, claiming, among

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[2] Bylaws, Art. IV, § 3.4.
[3] *Id*. § 3.21.
[4]*See* Expert Determination, *SportAccord v. Steel Edge, LLC*, ICC Case No. EXP/486/ICANN/103, *available at* https://newgtlds.icann.org/sites/default/files/drsp/27jan14/determination-1-1-1614-27785-en.pdf, at 18.
[5] The International Rugby Board is an affiliate of applicant IRB Strategic Developments Limited, which submitted a standard application for the .RUGBY gTLD.

other things, that the "Rugby Community" would suffer material detriment should Donuts'

application for .RUGBY proceed. Pursuant to the terms of the Guidebook, these objections were

referred to the International Center of Expertise of the International Chamber of Commerce

("ICC"), the independent dispute resolution provider that ICANN selected to administer

community objections for the New gTLD Program.[6] The expert panels tasked with making these

determinations upheld the community objections. As a result, Donuts' Applications are not

proceeding.

7.   Many facts involved in the *Vistaprint* IRP are markedly similar to those in this

proceeding. Vistaprint's IRP Request related to its two applications to operate the .WEBS gTLD.

Several other entities applied to operate the .WEB gTLD. Pursuant to the Guidebook, one of the

applicants for .WEB challenged Vistaprint's .WEBS applications in a dispute resolution process

similar to the community objection process at issue here. The nature of the objection was a

"string confusion objection," whereby an expert panel selected by the ICDR[7] was tasked with

determining whether the relevant .WEBS and .WEB applications were so similar as to be

confusing to Internet users. The expert panel determined, pursuant to the process set forth in the

Guidebook, that these applications were confusingly similar, and as such, Vistaprint's

applications were placed into contention with the relevant .WEB applications (meaning that only

one of the TLDs can proceed).

8.   That the *Vistaprint* Final Declaration concerned string confusion objections and

not community objections does not render it less relevant to these proceedings: the Guidebook

provides similar guidance as to the ICC's role and implementation of the community objection

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[6] Guidebook § 3.2.3.
[7] The International Center for Dispute Resolution ("ICDR").

procedures as it does with respect to the ICDR and the implementation of string confusion

objection procedures.[8]

9. As the Panel will recall, Donuts did not file any Requests for Reconsideration,

which is an accountability process available under ICANN's Bylaws pursuant to which

ICANN's Board Governance Committee ("BGC") evaluates whether ICANN (or an expert panel)

properly followed established policies and procedures in connection with an expert

determination. By contrast, Vistaprint *did* submit a Request for Reconsideration to ICANN,

asking the BGC to evaluate whether ICANN properly followed its policies and procedures in

connection with the expert determinations finding that Vistaprint's applications were confusingly

similar to the relevant .WEB application; the BGC found that neither the expert panel nor

ICANN failed to follow policies and procedures, and it thus denied Vistaprint's reconsideration

request. In its IRP, Vistaprint challenged the underlying expert panel's determination upholding

the string confusion objections to Vistaprint's application for .WEBS, as well as the BGC's

denial of Vistaprint's reconsideration request.

10. The *Vistaprint* IRP Panel unanimously declared ICANN to be the prevailing party

and denied Vistaprint's IRP Request. A number of aspects of the *Vistaprint* Final Declaration

support ICANN's position in the instant proceeding.

11. First, the *Vistaprint* IRP Panel acknowledged that the scope of an IRP Panel's

review is limited to challenges to Board action or inaction, declaring that "the Panel is not tasked

with reviewing the actions or decisions of ICANN staff or other third parties who may be

involved in ICANN activities or provide services to ICANN (such as the ICDR or the experts in

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[8] Guidebook § 3.2.2.4 ("The panel will perform a balancing of the factors listed above, as well as other relevant information, in making *its determination*.") (emphasis added).

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the *Vistaprint [string confusion objection proceeding]*).[9] Similarly here, this Panel may not

assess the propriety of the ICC's rules and procedures, nor the substance of the community

objection determinations that Donuts challenges. Instead, this Panel's mandate is limited to

comparing actions of the ICANN Board to the Articles and Bylaws; if no violation is found, the

IRP request must be denied, as the *Vistaprint* Final Declaration confirms.

12.   Second, the *Vistaprint* IRP Panel declared that "the ICANN Board has no

affirmative duty to review the result in any particular [string confusion objection] case."[10]

Likewise, here, Donuts presents a list of reasons why it believes the Board had a duty (including

under its Articles and Bylaws) to intervene in the community objection proceedings related to its

Applications, whereas in fact, neither the Articles nor the Bylaws set forth any such duty. That

the Board may possess the ***discretion*** to intervene does not mean that the Articles or Bylaws

mandate Board intervention in independent dispute resolution procedures such as the community

or string confusion objections. The *Vistaprint* Final Declaration – like the *Booking.com* Final

Declaration – confirms that the Board has no such duty.

13.   Third, Vistaprint asserted (as Donuts does here) that the Board had a duty to

establish an appeals process to challenge the determinations of the expert panelists appointed by

the third party dispute resolution services providers that administer the Guidebook's objection

proceedings. The *Vistaprint* IRP Panel rejected that notion because "the lack of an appeal

mechanism to contest the merits of the [string confusion objection] determination is not, in itself,

a violation of ICANN's Articles or Bylaws."[11]

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[9] *Vistaprint* Final Declaration ¶ 127.
[10] *Id.* ¶ 157.
[11] *Id.* ¶ 174.

14.   Fourth, the *Vistaprint* Final Declaration took note of the fact that gTLD applicants enjoy "recourse to an accountability mechanism such as [a reconsideration request]," the resolution of which engender Board action that could, in turn, potentially be susceptible to challenge in an IRP.[12] Despite the fact that Vistaprint had filed a reconsideration request, the *Vistaprint* IRP Panel denied the IRP request because the Board's actions in connection with the reconsideration request conformed with ICANN's Articles and Bylaws.

15.   Unlike Vistaprint, Donuts did not avail itself of the reconsideration request accountability mechanism. And while a reconsideration request is not necessarily a prerequisite for a successful IRP Request, the fact remains that Donuts had a specific opportunity provided under the ICANN Bylaws to challenge the community objection proceedings directly to ICANN's Board but choose not to avail itself of that opportunity. Because Donuts did not file any reconsideration requests on these two applications, there literally was not a single time that the ICANN Board (or any of its committees) was required to, or did, evaluate anything related to the expert determinations that are at issue in this IRP. This strategic decision on Donuts' part renders its IRP Request even less persuasive than Vistaprint's, which was itself unsuccessful.

B.   DONUTS' IRP REQUEST SHOULD BE DENIED.

16.   Donuts has not identified any conduct by the ICANN Board that was inconsistent with ICANN's Articles or Bylaws. In fact, no Board action took place here at all.

17.   Donuts argues that the Board had an obligation to create an appellate review of expert determinations, and that the failure to do so demonstrates the Board's lack of accountability. Yet, Donuts does not identify the source of such an obligation because none exists, as the *Vistaprint* IRP Panel found. Nothing in the Articles or Bylaws states that appellate

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[12] *Id.* ¶ 157.

mechanisms (or anything of the sort) are required for the New gTLD Program. At best, Donuts alleges Board *inaction* in this regard, but in the absence of an affirmative duty to create an appellate mechanism, the Board's failure to do so cannot result in a violation of the Articles or Bylaws.

18.   Next, Donuts invokes Article I, Section 2.7 of the Bylaws, alleging that the Board failed to "promote well-informed decisions based on expert advice" as required therein, but (as discussed at the hearing) this portion of ICANN's "Core Values" refers to policy development (*e.g.*, the policy recommendations that were implemented through the New gTLD Program), not expert determinations resolving objections administered by third-party dispute resolution providers. In short, the cited provision is inapplicable to the procedures at issue in this IRP, and Donuts has therefore failed to identify any violation of it (or any other Article or Bylaws provision).

19.   Donuts does not allege any other action or inaction on the part of the ICANN Board. Instead, the remainder of Donuts' arguments challenge the substance of the community objection determination or the ICC's implementation of its own rules, such as those related to purported conflicts of interest on the part of the expert panelist; however, there was no Board action related to the alleged conflict because the ICC is an independent dispute resolution provider that the Board is not required to oversee. Moreover, unlike Vistaprint, Donuts did not file a reconsideration request, by which it might have brought to the Board's attention its concerns about the ICC's implementation of the objection proceedings, including (for example) whether the ICC should have disqualified an expert for bias.

III.   CONCLUSION

20.   Donuts does not identify any Board action in connection with Donuts' Applications for .SPORTS and .RUBGY that violates ICANN's Articles or Bylaws, and this

position is supported by the findings of the *Vistaprint* Final Declaration. As a result, ICANN

urges this Panel to declare that ICANN is the prevailing party in this matter and to award

ICANN all of its allowable costs in this proceeding.

Dated: 29 October 2015   Respectfully submitted,

                                                     JONES DAY

                                                     By: */s/ Jeffrey A. LeVee*

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