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INTERNET CORPORATION FOR
7 ASSIGNED NAMES AND NUMBERS

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **COUNTY OF LOS ANGELES**

11 VERANDAGLOBAL.COM, INC., a Florida
12 corporation, and BRYAN TALLMAN, a
13 California citizen,

14 Plaintiffs,

15 v.

16 INTERNET CORPORATION FOR
17 ASSIGNED NAMES AND NUMBERS, a
18 California Corporation, and DOES 1–10,

19 Defendants.

Case No. 23STCV19554

Assigned to Hon. Stephen I. Goorvitch

**DEFENDANT ICANN’S REPLY IN
SUPPORT OF DEMURRER TO THE
VERIFIED COMPLAINT OF
VERANDAGLOBAL.COM, INC. AND
BRYAN TALLMAN.**

Date: February 15, 2024

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1 INTRODUCTION

2 Plaintiffs’ Opposition to ICANN’s Demurrer highlights the fundamental flaw with
3 Plaintiffs’ Complaint: ICANN has not made a statement, or issued any “policy,” that entitles
4 Plaintiffs to the domain names they seek to operate, and Plaintiffs will *never* be able to allege
5 otherwise. Nor do Plaintiffs allege facts in the Complaint that could demonstrate any
6 “relationship” between Plaintiffs and ICANN because there is none. The absence of any
7 “policy,” combined with the absence of any “relationship” means that Plaintiffs do not and cannot
8 plead a viable cause of action, and their Complaint should be dismissed with prejudice.

9 Plaintiffs’ contentions about ICANN’s alleged Bylaws violations and fiduciary obligations
10 are all contingent upon ICANN having “adopted” as “policy” the contents of a letter *Verisign*
11 *wrote to ICANN* by ICANN merely *posting the letter on its website*, along with thousands of
12 other letters written by third parties. (Compl. ¶¶ 55–58.) Nowhere do Plaintiffs allege—because
13 they cannot—that ICANN’s posting of a letter constitutes a “policy” that ICANN has adopted.
14 Plaintiffs’ addition of quotations from Christmas stories and new, yet irrelevant, factual
15 allegations cannot cure the Complaint’s obvious defects.

16 The law is clear: a demurrer should be sustained “when [t]he pleading does not state facts
17 sufficient to constitute a cause of action.” *Roy Allan Slurry Seal, Inc. v. Am. Asphalt S., Inc.*, 2
18 Cal. 5th 505, 512 (2017) (quoting Cal. Civ. Proc. Code § 430.10(e)) (internal quotation marks
19 omitted). Plaintiffs’ Opposition further illuminates why the Complaint fails. For example, the
20 Complaint does not specify what the contract between ICANN and Plaintiffs actually is, when it
21 was formed, or what the terms are—nor do Plaintiffs dispute in their Opposition that they cannot
22 assert any such allegations. Ironically, Plaintiffs’ Opposition argues that ICANN is trying “to
23 confuse the issues.” (Opp’n at 2:13.) But there is little doubt that the Opposition intentionally
24 attempts to distract the Court from how simple this case really is: Plaintiffs do not, and cannot,
25 allege that there is a policy, action, contract, or duty that entitles Plaintiffs to any relief under the
26 law.

1 ARGUMENT

2 **I. PLAINTIFFS FAIL TO STATE A CLAIM FOR DECLARATORY RELIEF.**

3 A claim for declaratory relief requires an actual controversy involving justiciable
4 questions of law relating to the rights and obligations of the parties. *Wilson & Wilson v. City*
5 *Council of Redwood City*, 191 Cal. App. 4th 1559, 1582 (2011). Plaintiffs have not adequately
6 pled legal rights against ICANN that are capable of declaration, and Plaintiffs’ Opposition does
7 not cure the deficiency. *Otay Land Co. v. Royal Indem. Co.*, 169 Cal. App. 4th 556, 563 (2008)
8 (“[o]ne cannot analyze requested declaratory relief without evaluating the nature of the rights and
9 duties that plaintiff is asserting, which must follow some recognized or cognizable legal
10 theories[.]”).

11 Plaintiffs rely on *Kremen v. Cohen*, 337 F.3d. 1024 (2003), which actually supports
12 ICANN’s position. Indeed, Plaintiffs fail to acknowledge that the court in *Kremen* held that the
13 plaintiff lacked legal rights as a matter of law on claims similar to those at issue here. *Id.* at
14 1028–29. In *Kremen*, the court dismissed the breach of contract action on summary judgment
15 after finding there was neither an express contract between Kremen (a registrant) and the registrar
16 nor consideration given for the domain name at issue. *Id.* at 1028. As demonstrated in ICANN’s
17 Demurrer, there is no express contract here either and, like in *Kremen*, no consideration has been
18 provided for the ASCII domain names Plaintiffs seek to acquire because Plaintiffs have not
19 registered or otherwise paid for the rights to use those domain names. Instead, Plaintiffs’ entire
20 claim for declaratory relief hinges on a letter that was neither written by ICANN nor directed to
21 Plaintiffs. Further, Plaintiffs’ Opposition does not even try to respond to the fact that ICANN
22 posts thousands of pieces of correspondence on its website in an effort to be open and transparent
23 with the public.¹ Nor do Plaintiffs identify any other basis on which this letter could have created
24

25 _____
26 ¹ See <https://www.icann.org/resources/pages/correspondence> (“This page provides a centralized location to publish
27 letters received by ICANN from external sources and track outgoing letters. As part of our commitment to
28 transparency, ICANN publishes applicable written communication to this public Correspondence page.”). Nowhere
on ICANN’s Correspondence page (or anywhere else on ICANN’s website) is there any indication that all this
correspondence, which dates back to ICANN’s founding in 1998, is intended to form or in any way constitutes
ICANN policy. Indeed, many of the letters are complaining to ICANN about various positions ICANN has
considered or taken.

1 “ICANN policy.”²

2 The bottom line is that all of Plaintiffs’ claims depend on a letter written by Verisign and
3 posted on ICANN’s website in 2013, and that letter cannot possibly give rise to any claims
4 against ICANN. Any other interpretation would be untenable and would result in hundreds of
5 millions of potential claimants asserting claims against ICANN for statements *not* made by
6 ICANN but merely posted on ICANN’s website as part of ICANN’s transparency activities.

7 **II. PLAINTIFFS FAIL TO STATE A CLAIM UNDER CALIFORNIA’S UNFAIR**
8 **COMPETITION LAW.**

9 **A. Plaintiffs Lack Standing to Sue Under the UCL.**

10 In order to have standing under the UCL, a plaintiff must: “(1) establish a loss or
11 deprivation of money or property sufficient to qualify as injury in fact, i.e., *economic injury*, and
12 (2) show that that economic injury was the result of, i.e., *caused by*, the unfair business practice
13 or false advertising that is the gravamen of the claim.” *Kwikset Corp. v. Superior Court*, 51 Cal.
14 4th 310, 322 (2011). Plaintiffs’ Opposition introduces facts not alleged in the Complaint (i.e.,
15 that Plaintiffs’ allegedly “lost money in that they paid \$0.18 for each domain name they
16 registered or renewed each year”), and Plaintiffs do not cite to any portion of their Complaint that
17 establishes standing. (Opp’n at 7:16–17.) Indeed, it is impossible for ICANN to *cause* the
18 economic injury Plaintiffs allege when *ICANN did not make any statement*³ that entitles Plaintiffs
19 to use the domain names they seek to use. (See Compl. Exhibit A1, A2.)

20 Plaintiffs’ introduction of new facts in their Opposition is improper.³ Even so, Plaintiffs’
21 have *not* registered or paid any money for the domain names they seek to operate. (See Compl.
22 Ex. A1, A2.) Moreover, ICANN does *not* receive any fees or monies directly from registrants,
23 contrary to Plaintiffs’ claim. (Opp’n at 1:17.) Plaintiffs cite to an ICANN webpage titled
24

25 ² Plaintiffs argue that ICANN has stated that registrants could rely on policies created by registries (Opp’n at 2), but
26 there is no indication whatsoever that the “letter” Plaintiffs reference created a policy by Verisign (the registry for
27 .COM), much less an ICANN policy.

28 ³ “A demurrer tests the legal sufficiency of factual allegations in a complaint.” *Rakestraw v. Cal. Physicians’ Serv.*,
81 Cal. App. 4th 39, 42–43 (2000) (citing *Title Ins. Co. v. Comerica Bank-California*, 27 Cal. App. 4th 800, 807
(1994) (emphasis added). *Rodas v. Spiegel*, 87 Cal. App. 4th 513, 517–518 (2001) (internal citations and quotations
omitted) (finding that the court could only consider facts pleaded in plaintiff’s complaint, facts capable of judicial
notice, and admissions in plaintiff’s opposition to demurrer).

1 “Registrar Fees,”⁴ but the text of the webpage clearly states that Registrars, *not registrants* like
2 Plaintiffs, pay ICANN a transaction fee of \$0.18 per transaction.

3 **B. Plaintiffs Cannot Properly Allege Unlawful, Unfair, or Fraudulent Action by**
4 **ICANN.**

5 **1. Plaintiffs are *required* to plead a violation of an independent statute**
6 **under the law.**

7 As the California Supreme Court stated in *Berryman v. Merit Prop. Mgmt., Inc.*, 152 Cal.
8 App. 4th 1544 (2007), “a violation of another law is a predicate for stating a cause of action under
9 the UCL’s unlawful prong.” *Id.* at 1554. Nevertheless, Plaintiffs do not reference any statute that
10 ICANN has allegedly violated.⁵ Indeed, even if Plaintiffs listed a host of statutes that ICANN
11 allegedly violated, Plaintiffs would still be required to plead facts to support their allegations,
12 which Plaintiffs are unable to do. *See id.* (“While purporting to incorporate its factual allegations
13 by reference, the SAC nonetheless fails to plead facts to support its allegations that [the
14 defendant] has violated each of these statutes.”). Without a reference to a statute allegedly
15 violated by ICANN (and supported by facts), Plaintiffs’ UCL claim must fail as a matter of law.

16 **2. Plaintiffs do not properly allege unfair acts under the UCL.**

17 When pleading an action under the unfair prong of the UCL, the burden is on Plaintiffs to
18 show why ICANN is not permitted to take a certain action. *Berryman*, 152 Cal. App. 4th at 1555
19 (finding plaintiff’s allegations insufficient and noting that “we are unaware of any statutory or
20 case law that requires a for-profit business to point to a statute or contract that allows it to charge
21 a fee for a service.”). The same logic applies here: ICANN is not required to point to a statute or
22 case that allows it to act. Rather, Plaintiffs must set forth a statute or case that prohibits the
23 conduct. But Plaintiffs cannot do this because, no matter how many times Plaintiffs cite the
24 provisions of ICANN’s Bylaws, Plaintiffs cannot point to any statement made by ICANN that
25 entitles Plaintiffs to the “sole right” to operate the “English/Latin Script” versions of the domain
26 names in Exhibits A1 and A2.

27 ⁴ Opp’n at 12 n.10 (citing <https://www.icann.org/resources/pages/registrar-fees-2018-08-10-en>).

28 ⁵ Plaintiffs reference Evidence Code § 669 but then specifically state that “Plaintiffs do not allege a violation of the California Evidence Code to meet the ‘unlawful’ prong of their UCL claim,” which further highlights the unintelligible nature of their Complaint. (Opp’n at 8:3–4). Indeed, despite directly referring to Evidence Code § 669, with no explanation for its reference, Plaintiffs now admit this is not a statute ICANN violated and Plaintiffs present no additional basis for their claim under the unlawful prong of the UCL. (*See* Compl. ¶ 112.)

1 **3. Plaintiffs do not properly allege fraudulent acts under the UCL.**

2 Plaintiffs’ Opposition cites to four statements in their Complaint that allegedly plead
3 fraud. (Opp’n at 9.) These statements, however, are conclusory and non-particular and therefore
4 insufficient, such as “[ICANN is] knowingly and willfully making false and misleading claims
5 regarding its promise to comply with its own policies and procedures regarding the issuance of
6 Single-Character domain names listed in Exhibit A1 and A2.” (Compl. ¶ 114.)

7 In *Daugherty v. Am. Honda Motor Co., Inc.*, 144 Cal. App. 4th 824 (2006), the court held
8 that plaintiff’s UCL claim under the fraudulent prong failed to state a claim because “[w]e cannot
9 agree that a failure to disclose a fact one has no affirmative duty to disclose is ‘likely to deceive’
10 anyone within the meaning of the UCL.” *Id.* at 838. The court went on to quote *Bardin v.*
11 *DaimlerChrysler Corp.*, 136 Cal. App. 4th 1255 (2006), stating “[i]n order to be deceived,
12 members of the public must have had an expectation or an assumption about [the matter in
13 question].” *Id.* at 1275 (holding that the plaintiff’s second amended complaint “merely
14 conclude[d] the public would likely be deceived, without pleading any facts showing the basis for
15 that conclusion.”). Here, like in the *Daugherty*, the Court has the power to find Plaintiffs’
16 allegations insufficient and their “expectations” unreasonable at the demurrer stage. Plaintiff
17 must adequately allege that “members of the *public* are likely to be deceived” by ICANN’s
18 practices.⁶ *Daugherty*, 144 Cal. App. 4th at 838 (emphasis added). Plaintiffs have not done so
19 nor could they. Indeed, the much more likely scenario is that no members of the public would
20 mistakenly believe that a third party letter posted on ICANN’s correspondence webpage
21 somehow constitutes an “ICANN adopted policy[.]” (*See* Compl. ¶¶ 55–58.)

22 **III. PLAINTIFFS FAIL TO STATE A CLAIM FOR BREACH OF CONTRACT.**

23 The elements of a breach of contract claim are simple: (1) the existence of a contract;
24 (2) plaintiff’s performance or excuse for nonperformance; (3) defendant’s breach; and (4) damage
25 to plaintiff. *Wall St. Network, Ltd. v. N.Y. Times Co.*, 164 Cal. App. 4th 1171, 1178 (2008).
26 Instead of pointing to statements in the Complaint that show the existence of a contract, Plaintiffs
27

28 ⁶ Plaintiffs concede the relevant standard for the fraudulent prong of the UCL is whether the public is likely to be
deceived by the defendant’s conduct. (*See* Opp’n at 9–10.)

1 devise an entirely new theory of contract in their Opposition—which is unstated in their
2 Complaint—and label it as an issue of “first impression” for the Court to decide.⁷ (Opp’n at
3 11:11.) Now, Plaintiffs want to allege a breach of contract claim on the basis that “[t]he
4 Complaint identifies numerous policies and Bylaws that ICANN breached[,]” and that “Plaintiffs
5 are performing on that contract in the form of payment[.]” (Opp’n at 11:25 & 12:1, 5.)

6 Such statements, even if they were present in Plaintiffs’ Complaint, do not adequately
7 plead a breach of contract claim. First, and foremost, there is no contract between Plaintiffs and
8 ICANN. And, as Plaintiffs admit, they have no legal basis for claiming that ICANN’s Bylaws
9 form any sort of contract between ICANN and Plaintiffs, and Plaintiffs do not allege any other
10 basis for a contract between them and ICANN, much less the terms of that alleged contract.⁸
11 (Opp’n at 11.) Second, ICANN does not receive payment directly from registrants, as evidenced
12 by Plaintiffs’ own citations.⁹ Finally, the legal standard is clear, as Plaintiffs cite, a complaint is
13 required to “set forth the essential facts of his [or her] case with reasonable precision and with
14 particularity sufficient to acquaint [the] defendant with the nature, source and extent [of the
15 plaintiff’s cause of action.]” *Doe v. City of Los Angeles*, 42 Cal. 4th 531, 550 (2007). Plaintiffs
16 have not met this burden in their Complaint or with the new facts and theories in their Opposition.

17 **IV. PLAINTIFFS FAIL TO STATE A CLAIM FOR BREACH OF DUTY OF GOOD**
18 **FAITH AND FAIR DEALING.**

19 Plaintiffs fourth claim for breach of the duty of good faith and fair dealing further
20 highlights the deficiencies with all of Plaintiffs’ contract actions (Counts Three through Five).
21 Plaintiffs cannot identify any contract provisions tasking ICANN with a specific duty to deal
22 fairly with Plaintiffs because there is no contract, which is a requisite for any duty of good faith
23 and fair dealing claim. *Racine & Laramie, Ltd. v. Dep’t of Parks & Recreation*, 11 Cal. App. 4th
24 1026, 1031–32 (1992). Simply alleging that ICANN violated its Bylaws does not create a

25 _____
26 ⁷ See *supra*, n.3.

27 ⁸ Plaintiffs also fail to acknowledge in their Opposition that Count Three for breach of contract fails to specify
28 whether the contract sued upon is oral, written, or implied by conduct, as is required under Cal. Civ. Proc. Code §
430.10(g).

⁹ Again, as clearly stated from the webpage Plaintiffs cite in their Opposition, Registrars—not registrants—pay
transaction fees to ICANN. (See Opp’n at 12 n.10) (citing <https://www.icann.org/resources/pages/registrar-fees-2018-08-10-en>). Plaintiffs are not Registrars.

1 contractual obligation on behalf of ICANN on which Plaintiffs could file suit. (See Opp'n at 11.)

2 **V. PLAINTIFFS FAIL TO STATE A CLAIM FOR QUASI-CONTRACT.**

3 Plaintiffs do not respond to ICANN's argument that the Court of Appeal's decision in
4 *Cal. Med. Ass'n, Inc. v. Aetna U.S. Healthcare of Cal., Inc.*, 94 Cal. App. 4th 151 (2001) is on all
5 fours.¹⁰ *Cal. Med.* held that at the demurrer stage plaintiff could not proceed under its quasi-
6 contract claim because the claim was based on the express terms of an actual contract. *Id.* at 172.
7 ("However, *as a matter of law*, a quasi-contract action for unjust enrichment does not lie where,
8 as here, express binding agreements exist and define the parties' rights.") (emphasis added).¹¹
9 Here, Plaintiffs want to maintain an action for breach of contract *and* quasi-contract, but they
10 cannot state either claim. Plaintiffs' quasi-contract claim alleges entry into "an *implied or actual*
11 contract with ICANN and/or its agents that is specified or governed by ICANN's policies and
12 procedures." (Compl. ¶ 152.) (emphasis added). Yet, the law is clear that Plaintiffs cannot
13 maintain an unjust enrichment claim off an actual contract. *Lloyd v. Williams*, 227 Cal. App. 2d
14 646, 649 (1964).

15 As for Plaintiffs' contention that ICANN retained an unjust benefit, *Cal. Med.* also held
16 that any benefit conferred on defendants that was simply incident to their own obligations is not
17 the basis for a quasi-contract action. *Cal. Med. Ass'n, Inc.*, 94 Cal. App. 4th at 174. Plaintiffs do
18 not allege a specific benefit ICANN gets from allegedly holding certain domain names.

19 **VI. PLAINTIFFS FAIL TO STATE A CLAIM FOR NEGLIGENCE.**

20 Plaintiffs' Complaint does not adequately allege any duty owed by ICANN to Plaintiffs.
21 Plaintiffs' Opposition cites to several statements describing what ICANN does as an entity,
22 including its general mission, but such statements do not even remotely establish a duty owed by
23 ICANN to the Plaintiffs. (See Compl. ¶ 24; Opp'n at 13-14.)¹² As noted above, Plaintiffs have

24 _____
25 ¹⁰ Plaintiffs' citation to *Fremont Indem. Co. v. Fremont Gen. Corp.*, 148 Cal. App. 4th 97, 113-14 (2007) is
irrelevant. Not only does *Fremont* have nothing to do with quasi-contract actions, but the portion of *Fremont*
Plaintiffs cite is in the context of judicial notice. See *id.*

26 ¹¹ Further, the court explicitly cautioned against plaintiff using contract claims interchangeably. "[T]he record
27 indicates that CMA is improperly seeking to proceed on a quasi-contract claim only after trying unsuccessfully by its
first amended complaint to enforce various express contracts against defendants directly." *Cal. Med. Ass'n, Inc.*, 94
Cal. App. 4th at 173.

28 ¹² The statements that Plaintiffs cite to in ¶ 24 of Plaintiffs' Complaint are taken from a lawsuit ICANN was involved
in. Such general statements about ICANN's mission cannot be mistaken for (or convoluted into) ICANN assuming a

1 had no interaction with ICANN; instead, Plaintiffs registered certain domain names through
2 Registrars, who pay a separate transaction fee to ICANN. This does not create a “duty of care”
3 that runs from ICANN to Plaintiffs or to any of the other millions of persons and entities that
4 have registered domain names.

5 Even more perplexing is Plaintiffs’ introduction of a new set of damages in their
6 Opposition, which were not raised in Plaintiffs’ Complaint¹³ and are plainly inapplicable under
7 the economic loss rule. The economic loss rule states that “[i]n general, there is no recovery in
8 tort for negligently inflicted ‘purely economic losses,’ meaning financial harm unaccompanied by
9 *physical or property damage.*” See *Sheen v. Wells Fargo Bank, N.A.*, 12 Cal. 5th 905, 922 (2022)
10 (emphasis added) (also noting “[a]n actor has no general duty to avoid the unintentional infliction
11 of economic loss on another.”) (citations omitted). Clearly, there has been no physical or
12 property damage to either Plaintiff and, despite Plaintiffs’ seemingly new theory that non-
13 economic damages are asserted in Plaintiffs’ negligence claim, the damages sought in Count Six
14 are clear. Specifically, paragraph 165 of Plaintiffs’ Complaint (pertaining to Count Six) seeks
15 only economic damages. (Compl. ¶ 165.) Plaintiffs’ Prayer for Relief is likewise devoid of any
16 reference to non-economic damages. (Compl. at 37.)

17 Plaintiffs’ analysis of the *Biakanja* and *J’Aire* factors are misguided. See *Biakanja v.*
18 *Irving*, 49 Cal. 2d 647, 650 (1958); *J’Aire Corp. v. Gregory*, 24 Cal. 3d 799, 804 (1979). It is
19 plainly not foreseeable that ICANN could cause harm to other entities, including Plaintiffs, based
20 on a letter written by a third party and posted on ICANN’s correspondence webpage, along with
21 the hundreds of other letters ICANN receives and posts each year. Moreover, there is no
22 “closeness of connection” between ICANN and Plaintiffs. Indeed, ICANN’s point is that ICANN
23 had virtually no relationship with Plaintiffs and took no action directed at Plaintiffs prior to
24 Plaintiffs’ initiation of this lawsuit.

25 Finally, Plaintiffs do not respond coherently to ICANN’s argument that “[i]f Plaintiffs are
26 in a special relationship with ICANN, it would follow that all other registrants and billions of
27

28 general duty to the public.

¹³ See *supra*, n.3.

1 individual Internet users are as well.” (Opp’n at 18:11–12.) Plaintiffs’ Opposition describes a
2 general “duty of care” owed by ICANN to all users of the Internet, but ICANN does not have
3 such a duty and certainly not to individual registrants. (See Opp’n at 13–14, 18.)

4 **VII. PLAINTIFFS FAIL TO STATE A CLAIM FOR FRAUDULENT INDUCEMENT.**

5 “In civil actions for fraud [i]t is a cardinal rule of pleading that fraud must be pleaded in
6 specific language descriptive of the acts which are relied upon to constitute fraud. It is not
7 sufficient to allege it in general terms, or in terms which amount to mere conclusions.” *People v.*
8 *Croft*, 134 Cal. App. 2d 800, 802 (1955) (internal quotation marks and citations omitted).

9 Plaintiffs’ Opposition does not dispute this point or cite any allegations that meet this burden.
10 (See generally, Opp’n.) Indeed, even the case cited by the Plaintiffs notes the importance of the
11 specificity requirement. See *Comm. On Children's Television, Inc. v. Gen. Foods Corp.*, 35 Cal.
12 3d 197, 216 (1983). First, specificity provides “notice to the defendant, to furnish the defendant
13 with certain definite charges which can be intelligently met[;]” and second, “a complaint should
14 be sufficiently specific that the court can weed out nonmeritorious actions on the basis of the
15 pleadings. Thus, the pleading should be sufficient to enable the court to determine whether, on
16 the facts pleaded, there is any foundation, prima facie at least, for the charge of fraud.” *Id.* at
17 216–17 (internal quotation marks and citations and omitted). Here, the sheer lack of any
18 specificity in Plaintiffs’ Complaint demonstrates that Plaintiffs’ fraud claim must be dismissed.

19 Plaintiffs contend that lesser specificity is needed for Plaintiffs’ fraud allegations because
20 ICANN supposedly knows more about the alleged fraud than Plaintiffs. (Opp’n at 19.) Plaintiffs
21 are mistaken. Less specificity is permitted *only* “when it appears from the nature of the
22 allegations that the defendant *must* necessarily possess full information concerning the facts of
23 the controversy[.]” *Comm. On Children’s Television, Inc.*, 35 Cal. 3d. at 217 (emphasis added)
24 (internal quotation marks and citations omitted). Here, the nature of the allegations reveal that
25 ICANN possesses no more knowledge than Plaintiffs. ICANN posted a letter it received, as is
26 ICANN’s standard practice,¹⁴ and now has been sued because Plaintiffs contend that the contents
27 of that letter magically constitute “ICANN policy.” Moreover, Plaintiffs plainly ignore that “[a]

28 _____
¹⁴ See <https://www.icann.org/resources/pages/correspondence>.

1 fraud claim based upon the suppression or concealment of a material fact *must* involve a
2 defendant who had a legal duty to disclose the fact.” *Hoffman v. 162 N. Wolfe LLC*, 228 Cal.
3 App. 4th 1178, 1186 (2014) (citing Cal. Civ. Code § 1710(3), defining deceit) (emphasis added).
4 ICANN owed no legal duty to disclose anything to Plaintiffs, and Plaintiffs cannot cite any
5 authority that states otherwise. (*See* Compl. ¶¶ 166–74) (merely using the word “concealment” ad
6 nauseum in Count Seven does not meet the specificity requirement).

7 **VIII. PLAINTIFFS LACK STANDING TO SUE ICANN.**

8 Plaintiffs plainly lack standing to sue ICANN. In the Complaint, Plaintiffs cite to various
9 alleged agreements¹⁵ to which Plaintiffs are not a party nor a beneficiary, yet try to argue that
10 these alleged agreements somehow confer standing on Plaintiffs. (*See* Opp’n at 21–22.) *Kremen*
11 (the case cited by Plaintiffs), however, explicitly held that the plaintiff *lacked* the ability to sue on
12 agreements and documents where the plaintiff was not a clear intended beneficiary. *Kremen*
13 noted in contracts with government entities, “[p]arties that benefit ... are generally assumed to be
14 incidental beneficiaries, and may not enforce the contract absent a clear intent to the contrary.”
15 *Kremen*, 337 F.3d at 1029 (citation omitted). Notably, “[t]he contract must establish not only an
16 intent to confer a benefit, but also ‘an intention ... to grant [the third party] enforceable rights.’”
17 *Id.* (citation omitted). The same is true with regard to the agreements (between ICANN and third
18 parties) that Plaintiffs reference in their Complaint—there is no clear intent, or even room for
19 misguided interpretation, to confer enforceable rights to Plaintiffs.

20 **CONCLUSION**

21 For the foregoing reasons, ICANN respectfully requests that this Court sustain ICANN’s
22 Demurrer and dismiss Plaintiffs’ Complaint with prejudice.

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27 ¹⁵ Plaintiffs cite to the following alleged agreements in their Complaint: Department of Commerce (“DoC”) License
28 Agreement (¶ 25); DoC Memorandum of Understanding (¶ 25); Cooperative Agreement between National Science
Foundation and Network Solutions (¶ 29); Cooperative Agreement and amendments between NTIA and Verisign (¶
31); and ICANN and Verisign’s Registry Agreements (¶¶ 32, 35, 70, 88).

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Dated: February 6, 2024

JONES DAY

By: /s/ Jeffrey A. LeVee
 Jeffrey A. LeVee

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