

JURISDICTION SUBGROUP ICANN LITIGATION SUMMARY v2.1

Reviewed by:	Greg Shatan
Name of Case:	Image Online Design, Inc. v. ICANN
Parties: ¹	P: Image Online Design, Inc., D: ICANN
Citizenship of Parties:	Image Online – US (California), ICANN – US (California)
Court/Venue:	U.S. Federal District Court for the Southern District of California
Was a contract involved? Did it have a Choice of Law provision; if so, which jurisdiction?:	Yes -- 2000 New TLD Registry Application Form, with certain additional documents incorporated by reference. No choice of law provision.
Law used to determine conflict of laws issues (i.e., to determine which substantive law applies):	Not stated
Substantive Law Governing the Dispute (i.e., which law applies to the dispute and/or interpretation of contracts):	US Federal Trademark Law (Lanham Act); California law
Date Case Began:	October 17, 2012
Date Case Ended:	February 7, 2013
Causes of Action: ²	Breach of Contract, Breach of Covenant of Good Faith and Fair Dealing, Trademark and Service Mark Infringement Under 15 U.S.C. Sec. 1114(1), Trademark and Service Mark Infringement and False Designation of Origin Under 15 U.S.C. Sec. 1125(a), Contributory Trademark and Service Mark Infringement Under 15 U.S.C. Secs. 1114(1) and 1125(a), Intentional Interference with Contractual Relations, Intentional Interference with Prospective Economic Advantage
Issues Presented/Brief Summary of Case:	IOD applied for .WEB in the 2000 round, but it was not given to anyone. IOD then operated .WEB as a TLD on an alternative root. IOD had a trademark registration for .WEB, but for mouse pads and backpacks (not registry services). IOD sought to prevent ICANN from

¹ Show each party and their status (Plaintiff (P), Defendant (D), or other). Please list any non-party participants, such as Amicus Curiae (AC).

² For example, breach of contract, tortious interference with contract, violation of antitrust laws, etc. (state which laws)

	delegating .WEB and sought to include itself in the application process for .WEB without reapplying or following instructions that ICANN had provided for prior applicants. IOD was not included among the applicants for .WEB. IOD contended offering .WEB to others before dealing with IOD’s application constituted breach of contract (i.e., the 2000 Application), when taken together with certain statements made by ICANN Board members. IOD also contended that if ICANN allowed another party to operate .WEB it would constitute trademark infringement and/or contributory trademark infringement. IOD also claimed that such use would infringe purported common law trademark rights for .WEB for registry services. IOD also claimed that offering .WEB to other parties constituted intentional interference with contractual relations (i.e., IOD’s customer contracts) and intentional interference with prospective business advantage.
Was Preliminary Relief Requested (and if so, was it granted)?:	Yes, IOD asked for a TRO and PI to prevent ICANN and all other persons acting with ICANN from using the .WEB TLD in a manner that is likely to cause confusion. It does not appear that the TRO request was argued. The case was dismissed before reaching the preliminary injunction request.
Relief Requested by Plaintiff:	Damages, ICANN’s profits resulting from infringement of .WEB Mark, accounting and disgorgement of amounts by which ICANN has been unjustly enriched, treble damages for willful trademark infringement, punitive and exemplary damages, Permanent Injunction, attorneys’ fees and costs.
Outcome of Case and Relief Granted (if any):	ICANN filed a Motion to Dismiss, which the Court granted, dismissing for failure to state a claim, for unripeness of statutory trademark claims, for lack of likelihood of confusion for statutory trademark claims, for lack of a common law trademark in .WEB for registry services on ICANN’s Motion to Dismiss. No relief was granted to IOD.
Was Jurisdiction contested, and if so, what was the outcome?: ³	No. Note that both parties were California corporations.
Relevance of the case to the Jurisdiction Subgroup mandate:	US Federal Court provided a forum for IOD to seek to hold ICANN accountable for actions that IOD believed were improper. IOD was able to do this without a significant risk of cost-shifting, since the US is not a “loser pays” jurisdiction, except in specific or exceptional cases.

³ For example, was there a challenge to venue, challenge to change of venue, challenge to governing law, challenge to application of “choice of law” provision. Please describe the outcome as well as the challenge.

	The standards for several of the causes of action were stated in the Complaint and in the Court's Order, demonstrating that US Federal law (with regard to the trademark claims) and California state law offered reasonably clear standards for each cause of action. The claim for breach of a covenant of good faith and fair dealing was based on an implied covenant stated in California law and not on an express covenant in the agreement. This implied covenant provides additional protection to contracting parties (note that it did not figure in the decision here),
Impact of case on ICANN accountability/operations: ⁴	ICANN's operations in connection with the New gTLD Program were protected from interference by the operator of the .WEB alternative TLD
Impact if case were decided for the other party?:	
Did the Court comment on any jurisdiction-related matters?:	No.
Did the Court comment on the merit, lack of merit and/or frivolity of the plaintiff's claims?:	The court found that IOD had failed to state a claim on each of its causes of action. The court did note that some of the claims were not well-supported, e.g., the likelihood of confusion claim presented no argument or basis for the claim. It did not state that any of the claims were frivolous.
Key Documents:	Complaint, Motion to Dismiss and Response, Court Order

⁴ Indicate whether the case had, will have or could have an effect on ICANN's accountability mechanisms or the operation of ICANN's policies.