# VERDICT

On 31 March 2004, the Municipal Court in Prague determined the case of Plaintiff K. versus Defendant 1, C. C. and Defendant 2, CZ.NIC, regarding the petition to ban an act of unfair competition as follows (the judgement came into effect as of 13 May 2004):

I. I. Defendant No. 1 shall refrain from using the domain names of "x+y+z.cz" and "t+u+v.cz" and shall suppress the unlawful situation by transferring the registration of the domain names of "x+y+z.cz" and "t+u+v.cz" to the Plaintiff as the legitimate user in three days after this judgement comes into effect; Defendant No. 1 is entitled to a reimbursement of costs connected with the registration.

II. II. Immediately after this Decision comes into effect, Defendant No. 2 shall refrain from enabling any disposal of the domain names of "x+y+z.cz" and "t+u+v.cz" until they are transferred to the Plaintiff, and shall transfer the domain names of "x+y+z.cz" and "t+u+v.cz" to the Plaintiff in three days after this judgement comes into effect.

III.III. Defendant No. 1 shall pay to the Plaintiff a sum of CZK 9,125 as a reimbursement of the costs of the proceedings in three days after this judgement comes into effect; the sum shall be paid to the Plaintiff's legal representative.

IV.IV. The Plaintiff and Defendant No. 2 have no mutual titles to the reimbursement of the costs of proceedings.

The Plaintiff claimed that Defendant No. 1 should be banned from using the domain names of "x+y+z.cz" and "t+u+v.cz" and that he should be ordered to transfer these domain names to the Plaintiff, substantiating that the Plaintiff was the legitimate user of the names of X+Y+Z on the basis of his incorporation in the Companies Register as of 28 April 1993 (with the trade name of X+Y+Z s.r.o.) and on the basis of his registration of the trademark of "X+Y+Z" with the Industrial Property Office under file No. of 123456 as of 24 July 1996. This trademark is registered for the categories of products and services complying with the Plaintiff's sphere of business - categories 5, 9, 10 and 42 including pharmaceutical and health care products, operation of health care facilities providing health care, operation of a diagnostic monitoring network etc.; the Plaintiff pursues business activities in the field of health care in the field of X+Y+Z - diagnostic and monitoring network, operation of a non-state-owned health care facility, field of internal medicine, cardiology, purchase of goods to be resold. The designation of X+Y+Z has become known and associated with the Plaintiff in connection with its long-term use.

The Defendant deals with the purchase of goods to be resold, the operation of regeneration and reconditioning facilities, the operation of a non-state-owned health care facility in the field of internal medicine, rehabilitation, medicine of physical training, and cardiology and therefore is the Plaintiff's direct competitor and a participant in economic competition. As of 21 March 2000, the Defendant registered the national domain name of "x+y+z.cz", i.e. the name identical to the Plaintiff's trademark and trade name. He also registered the phonetically identical national domain name of "t+u+v.cz". When an Internet user gets connected to either of the addresses: http://www.x+y+z.cz or http://www.t+u+v.cz, an offer and promotion of services rendered by the Defendant's company appears. Such a registration of domain names by the Defendant constitutes an act of unfair competition pursuant to Articles 47 and 48 of the Commercial Code and pursuant to the General Clause of Article 44; the Plaintiff therefore also claims protection against such a conduct and suppression of the unlawful situation by transferring the registration to the Plaintiff as the legitimate entity.

An action was lodged against Defendant No. 2 in connection with his position as the registrar of domain names providing - besides others - services related to the registration of domain names within the national domain of "cz".

Defendant No. 1 objected the Plaintiff's statement pertaining to the general recognition of the trademark of "X+Y+Z" and its connection with the Plaintiff. He referred to the semantic translation of the name of "X+Y+Z" as a medical term denoting the heart which is therefore generally known to medical public. He disputed the aptness of this denomination being registered as a trademark. Regarding the name of "T+U+V", he referred to the Greek translation of the medical term of "kardia", which is a part of the stomach, claiming that these are two different medical terms with an identical pronunciation. The Defendant registered the domain name of "t+u+v.cz" as the denomination of "t+u+v" represented a dominant part of the Defendant's trade name and this denomination together with the domain name of "x+y+z.cz" marked the major object of the defendant's business, i.e. the provision of health care, besides others in the fields of cardiology and gastroenterology and the Defendant chose generally known and used medical terms whose use could not constitute an infringement of third parties' rights. The Plaintiff therefore cannot have the exclusive right to use them and cannot claim unfair competition with other competitors. Considering the above-mentioned reasons, the Defendant proposed that the action be dismissed.

As specified in the Plaintiff's extract from the Companies Register kept by the Municipal Court in Prague, the Plaintiff was incorporated on 28 April 1993, with his object of business being health care in the field of X+Y+Z - diagnostic and monitoring network and advisory services, operation of a non-state-owned health care facility in the field of internal medicine, cardiology. According to the extract from the same register, the Defendant was incorporated as of 2 March 1999, with his object of business being the purchase of goods to be resold, operation of regeneration and reconditioning facilities, operation of a non-state-owned health care facility in the field of internal medicine, rehabilitation, medicine of physical training, and cardiology. The above-specified facts imply that the two parties are economic competitors, with their business activities in the field of health care (cardiology in concrete terms) being partly identical. The Plaintiff's company is substantially older than the Defendant's entity. To protect the name of X+Y+Z, the Plaintiff registered the trademark of X+Y+Z with the Industrial Property Office of the Czech Republic as substantiated by the appropriate Certificate issued by this office attesting the priority right to the wording of the trademark of X+Y+Z registered in favour of the Plaintiff under file No. 123456 on 7 April 1995.

According to the extract from the Domains Register, the domain name of "x+y+z.cz" was registered in favour of the Defendant as of 20 March 2000 and the domain name of "t+u+v.cz" was also registered in favour of the Defendant as of 20 March 2000. According to expertise executed by an authorised expert whose purpose consisted in identifying and documenting the contents of the Internet web site located at the addresses of "http.www.t+u+v.cz" and "http.www.x+y+z.cz", the web sites of the Defendant's company appear as a result of entering both the addresses.

As mentioned above, the two parties are economic competitors, pursuing their activities partly in the same, partly in a similar, field of business, i.e. primarily the provision of health care in the field of cardiology. The Plaintiff launched his business much sooner than the Defendant and it can be understood that he decided to protect the name of X+Y+Z, which he had chosen to be the name of his company, by means of registering a trademark. The Plaintiff has been entitled to this name since 7 April 1995, with his title regulated pursuant to the provisions of Article 13 and Article 14 of Law No. 137/1995 Sb. (Coll.), on trademarks, as amended with the current version of Law No. 400/2000 Sb. (Coll.). Pursuant to Article 15 of the above-specified law, the trademark owner may lodge a claim with the Court, requesting that the Court ban the use of the trademark or a designation confusable with such a trademark for identical or similar products or services. In general, trademark law is understood as formal law and as a part of competition law in a broader sense. For the purpose of assessing the legitimacy of the Plaintiff's claim to impose a ban on the Defendant using the domain name of "x+y+z.cz", the Plaintiff's title is clear, taking into account the identical character of both the expressions. Besides that, its use by the Defendant can be considered as an act infringing the ethics of economic competition pursuant to the General Clause of the provision of Article 44 of the

Commercial Code, particularly as an act leading to a potential confusion pursuant to Article 47, Letter a) and taking advantage of a third party's reputation pursuant to Article 48 of the Commercial Code.

Regarding the title to a protection against the name of "t+u+v" and its use in the domain of "t+u+v.cz", this name can be considered as containing confusable elements infringing the Plaintiff's rights pertaining to the trademark and placing the Plaintiff at a competitive disadvantage without authorisation. The phonetic identity of the expressions of "x+y+z" and "t+u+v" make this name evidently confusable with the Plaintiff's trademark and his trade name, implying an undue infringement of the trademark and therefore also an act of unfair competition, referring to the same facts of the case. The Court therefore granted the Plaintiff's claim to ban the use of the "x+y+z.cz" domain and also granted the petition regarding the order to transfer the registration of both the domains in favour of the Plaintiff in relation to Defendant No. 1 whose objections regarding the lack of aptness of the commonly used medical terms meaning the heart and the kardia for registration were not found to be grounded by the Court, referring to the provisions of Article 2 of the current version of Law No. 137/1995 Sb., on trademarks, which was also referred to by the Industrial Property Office when assessing the aptness of the required designation to be registered as a trademark.

The obligation imposed on Defendant No. 2 is based on his position as the registrar of domain names and as an association of interested parties with whom Defendant No. 1 has concluded a contract on registering the domain names of "x+y+z.cz" and "t+u+v.cz"; the imposition of this obligation is based on the positive result of the litigation with respect to Defendant No. 1.

The verdict regarding the costs of proceedings is based on the provisions of Article 142, Paragraph 1 of the Civil Procedure Code; the Plaintiff successful in the proceedings was granted a reimbursement of the costs of proceedings payable by Defendant No. 1. Defendant No. 2 waived the costs of proceedings and therefore, as a successful party, he was not ordered to carry costs.

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*Except for CZ.NIC, all participants of the proceedings are identified with the first letters of their surnames or trade names. The domain name in question is replaced with an x+y+z.cz sequence. All other domain names mentioned in the text have been also replaced with randomly chosen sequences of letters and signs. Except for the identification of the participants or other entities and the pertinent domain names, there were only minimal interventions in the text of the decision. Any relation between the abbreviations and dummy symbols used and the people or domain names using such abbreviations or dummy symbols for purposes of identification is merely coincidental.*

*When studying this decision, it is necessary to be aware of the fact that the decision comprises not only the verdict alone and the pertinent justification, but also a summary of the claims presented by the individual parties involved, that the court may not have been concerned with some of these claims at all (e.g. with respect to delivering an interlocutory verdict) and that such claims merely represent the legal opinion of the party concerned, not a finding of the court.*

*This decision may not be automatically applied to other instances even though they may be similar and the CZ.NIC association recommends consulting each particular case with domain name experts and lawyers.*