INTERLOCUTORY JUDGMENT

Regarding the case of **R**, the plaintiff, vs. **1) CZ.NIC** and **2) O.**, the defendants, the Municipal Court of Prague decided on 10 February 2003 in favour of protection against the infringement of trademark and trade name rights, moving for the order to issue a preliminary ruling as follows:

I. The Court shall issue the following preliminary ruling:

a) As from delivery of this decision the defendant No. 1) CZ.NIC is obligated not to make changes in the registration of the domain name **"x+y+z.cz"** with the exception of transferring the name from the defendant No. 2) O to the plaintiff.

b) As from delivery of this decision the defendant No. 2) O is obligated not to transfer the domain name **"x+y+z.cz"** with the exception of transferring it to the plaintiff.

II. Regarding the demand for measures which would order the defendant No. 2) not to use the domain name **"x+y+z.cz"** and transfer this name free of charge to the plaintiff instead, and which would order the defendant No. 1) to register this transfer, the motion for preliminary ruling is denied.

The plaintiff sought a judicial decision under which the defendant No. 1) would be obligated to refrain from changing the registration of the domain name **"x+y+z.cz"**, with the exception of transferring it from the defendant No.2) to the plaintiff, and the defendant No. 2) would be obligated to refrain from using the domain name **"x+y+z.cz"** and transferring this name, with the exception of transfer to the plaintiff. The above-mentioned decision would order the defendant No. 1) to transfer the domain name **"x+y+z.cz"** free of charge to the plaintiff and register the transfer, all this within three days after the day when this judgement becomes effective. Further, the plaintiff moved for a preliminary ruling ordering both the defendants the same obligations as the motion for the case.

The plaintiff stated to be a business organization, registered in the Commercial Register from 29 December 1990, and described his business objective by means of the products produced and services provided. The plaintiff also claimed to be the owner of a combined trademark which includes the dominant element of **"X+Y+Z"**, registered in the Register of Trademarks at the Office of Intellectual Property. The first defendant is an organization qualified, inter alia, to register Internet domain names, administer them, establish rules for allocating domain names under the highest domain CZ, and arrange for the registration of second-level domain names under the highest domain CZ. The second defendant is a business organization, registered in the Commercial Register from 7 October 1997. The business objective of the second defendant was described by the plaintiff. The plaintiff stated that on 1 December 2002 the second defendant registered with the first defendant the domain name **"x+y+z.cz"** in spite of never using the name either for his company, or for products or services. This way the second defendant made it impossible for the plaintiff to register the above-mentioned domain, identical with the plaintiff's trade name and the dominant element of his trademark, which, according to the plaintiff, resulted in infringement of the plaintiff's rights, namely his trademark and trade name rights, as the domain **"x+y+z.cz"** is identical with the dominant element of the plaintiff's trademark and his trade name. The plaintiff cannot offer his products or services under the above Internet domain. The second defendant does not actively use the domain and only prevents the plaintiff from pursuing professional interests. The fact that the second defendant does not use the domain **"x+y+z.cz"** is attested by the executor's record of 3 February 2003. The plaintiff, trying to avoid litigation, asked the second defendant in a letter of 10 January 2003 to take all measures to cancel the registration of the domain name **"x+y+z.cz"** and transfer this domain free of charge to the plaintiff. The second defendant did not respond to the letter. The plaintiff assumes that, in compliance with the provisions of Section 102 further to the provisions of Section 74 et seq. of Civil Proceedings, the

conditions under which the proposed preliminary ruling may be ordered have been attested. The provisional regulation of circumstances is needed, according to the plaintiff, because without a preliminary ruling the second defendant might transfer the above-mentioned domain to a third party (not using it himself), while it is essential to preserve the status quo and avoid any changes of legal proceedings participants. Furthermore, the plaintiff assumes that the issue of domain names has been governed by established practice of the courts, the contents of which agree with the plaintiff's claim. Therefore the plaintiff proposes the above-mentioned preliminary ruling, stating that all his allegations have been not only attested, but also proven by means of the documentary evidence attached. In such a case it is against the merits if a preliminary ruling does not exactly follow the meritorious decision, especially if the prevention of damage or its expansion is crucial.

The plaintiff attached to the motion the following documents: a certificate of registration of the trademark **"X+Y+Z"** No. 123456, registered 25 January 1999 (priority from 29 June 1998), for the stock company R in product categories 6, 7, 8, 10, 12, 17, 24, 28 and 37; the current Internet entry in the Commercial Register of the company as of 4 February 2003; a complete Internet entry of the defendant No. 2) as of 16 December 2002; a page from the on-line database of domains concerning the present owner of the domain **"x+y+z.cz"**, i.e. the defendant No. 2), as printed from the Internet; a solicitor's letter from 10 January 2003 addressed to the defendant No. 2); the executor's record EZ 1/2003 from 3 February 2003; a copy of an entry in the register of the interest groups of legal entities, administered by the department of internal affairs, the Municipal Council of Prague 6, concerning the defendant No. 1) CZ.NIC; three decisions on preliminary rulings, printed from the Internet database of CZ.NIC; and rules for registration of domain names in the domain "cz", as published by the defendant No. 1).

If the circumstances between legal proceedings participants must be regulated once the proceedings have commenced, the Court may order a preliminary ruling, as established in Section 102, paragraph 1 of Civil Proceedings. The conditions for a preliminary ruling, issued after the proceedings commence, are in principle the same as the conditions for such a ruling issued before the proceedings. First, the urgency of a provisional regulation must be attested (in this case a provisional regulation is involved, not the concern of a potential threat regarding the execution of a judgement). Second, the claim itself must be attested (not proven - the Civil Proceedings do not require proving, only attestation). Without this pre-condition being met, the claim cannot be successfully used in the proceedings and it may be excluded.

The documents submitted by the plaintiff attest that: the plaintiff uses the trade name **X+Y+Z**; the plaintiff produces machines for rubber-making, plastic and asbestos industry and provides maintenance and repairs of bag weirs; the second defendant registered with the first one the domain **"x+y+z.cz"** as of 1 December 2002; the business objective of the second defendant is automated data processing, purchasing and brokering of business, production and services. It can also be taken as attested that the second defendant did not use the domain **"x+y+z.cz"** to promote or present his business activities which are registered in the Commercial Register. Concerning the plaintiff's trademark, the document that was submitted does not attest that its owner is the plaintiff. According to the entry it is owned by R, a.s. Náchod, a company different from the plaintiff's, registered 30 April 1992 under the trade name "R, a.s." and from 13 January 2000 under a new trade name "R-T, a.s.", as indicated in a copy of the entry in the Commercial Register. However, the on-line database of trademarks shows that the plaintiff owns not only the above-mentioned combined trademark No. 123456, but also three other combined trademarks, all of them in black and white, denominated either **X+Y+Y** or **X X+Y+Z**, No. 234567, 345678 and 456789. The complete entry in the Commercial Register shows that the plaintiff was incorporated in the register on 29 December 1990 under the trade

name G., akciová společnost (stock company), not as "R". The original trade name was changed to "R., a.s." on 26 January 2000. The database of domains also shows that the second defendant was not the first user of the domain **"x+y+z.cz"**, as it was used by R., a.s. Náchod from 1997 to 2001, when the domain was annulled because of an unpaid maintenance fee. The websites of the second defendant, found at www.a+b+c.cz, show that the second defendant is directly involved in purchase and transfer of domains or participates in this business.

Conclusion of the Court based on the motion and the documents enclosed: at the moment when the second defendant registered the domain **"x+y+z.cz"**, using the service of the first defendant, the plaintiff was engaged in business under an identical trade name and owned a trademark with the dominant element **"X+Y+Z"**. The domain of the second defendant is therefore identical with the plaintiff's trademark and trade name. The domain is owned by the second defendant who is not related to the defendant and does not use the domain, preventing the plaintiff from offering products and services on the Internet. Such an action may infringe both the plaintiff's trademark and trade name rights. It is therefore essential to regulate the circumstances of legal proceedings participants in order to avoid transferring of the domain **"x+y+z.cz"** to a third party until the judgement on merits is issued. The Court ordered the first defendant not to make any changes in the registration with the exception of transferring the domain to the plaintiff, and the second defendant not to transfer the domain to a third party with the exception of the plaintiff. The plaintiff further asked the Court to order the second defendant to refrain from using the domain name **"x+y+z.cz"**. On the other hand he confirmed and stated repeatedly that the second defendant does not use the domain, only keeps it and prevents the plaintiff from executing his rights. The information from the Internet gives no evidence of the second defendant using the domain **"x+y+z.cz"** to promote his business activities either. As the using of the domain was neither claimed nor attested, the Court denied the motion for a preliminary ruling regarding this demand. The Court also denied the requirement for the second defendant to transfer the domain **"x+y+z.cz"** free of charge to the plaintiff and for the first defendant to register this transfer. A preliminary ruling is a provisional procedural ruling which can neither anticipate the meritorious decision, nor replace it. In such cases the version of a preliminary ruling often agrees with a motion for the merits. The preliminary ruling must always keep its provisional character and give an option to return to the status quo. Asking for a free transfer of the domain in the preliminary ruling, the plaintiff anticipates the expected result of the judgement on merits, i.e. to win the domain exclusively for him and his products and services. Demanding the same in the case is his choice, but it is absolutely inadmissible to claim the substance of an action in a preliminary ruling, as such a preliminary ruling is not provisional but final. Such a claim exceeds the scope of a preliminary ruling and is therefore denied by the Court.

The preliminary ruling ceases to exist on the date when a meritorious decision comes into force, if the proposal is not allowed. Should the proposal be allowed, the preliminary ruling ceases to exist after fifteen days from its enforceability. Should the reasons of the preliminary ruling cease to exist, the presiding judge may terminate it without a motion.

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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 a **wwwx+y.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 accidental.*

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 individual parties involved, and that the court may not have been concerned with some of these claims at all (e.g. with respect to the issue of interlocutory judgement) and that such claims represent merely a 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 experts in domain names and lawyers.