

# Rules for Auctions of Priority Right to Register Domain Names

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## 2. INTRODUCTORY PROVISIONS

- 2.1. This document sets out the rules for auctions of the priority right to register domain names in the .cz Top Level Domain (ccTLD) and defines the relationships between CZ.NIC and the participants in these auctions.
- 2.2. The terms and expressions used in these Rules have the following meanings ascribed:
  - 2.2.1. **Auction** – Auction of the Priority Right to register a Domain Name organized by CZ.NIC according to these Auction Rules.
  - 2.2.2. **CZ.NIC** – CZ.NIC, interest association of legal entities, identification number 67985726, which is the administrator of ccTLD .cz, and which operates the Central Registry of Domain Names and the primary name server for ccTLD .cz.
  - 2.2.3. **ccTLD .cz** – Czech Republic’s country code Top Level Domain.
  - 2.2.4. **Domain Name** – second-level domain name registered with ccTLD .cz.
  - 2.2.5. **Auction Rules** – the document titled “Rules for Auctions of Priority Right to Register Domain Names” issued by CZ.NIC.
  - 2.2.6. **MojeID Rules** – the document titled “Rules of mojeID Service for End Users” issued by CZ.NIC.
  - 2.2.7. **Registration Rules** – the document titled “Rules for Domain Name Registration in ccTLD .cz” issued by CZ.NIC.

- 2.2.8. **Rules of Operation** – the document titled “*Rules of Operation for Auctions of Priority Rights to Register Domain Names*” issued by CZ.NIC in accordance with these Auction Rules, which stipulates operating conditions of the Auction system.
- 2.2.9. **Priority Right**: the right of a Participant to register one particular Domain Name before other registrants obtained in the Auction. This right can only be obtained in the Auction and must be exercised within the set time limit, failing which it will expire.
- 2.2.10. **Participant** – a person participating in an Auction under these Auction Rules.
- 2.2.11. **Privacy Policy** – Principles governing personal data processing issued by CZ.NIC
- 2.3. Other terms used in the Auction Rules that are not defined in Article 2.2 will have the meanings set out in the Registration Rules.
- 2.4. CZ.NIC is neither the holder nor the owner of the rights to Domain Names that have not yet been registered or whose registration has been terminated.

### 3. AUCTION

- 3.1. The Auction concerns Priority Rights to register a specific Domain Name. The Auction takes place in the environment of the CZ.NIC “Domain Browser” service. (<https://www.domenovyprohlizec.cz>).
- 3.2. The Priority Right will be auctioned if the registration of a Domain Name is terminated for any reason specified in the Registration Rules, except pursuant to Article 3.3 of these Auction Rules, or if the Registration Rules expressly provide that the Priority Right to register a particular Domain Name cannot be auctioned.
- 3.3. The Priority Right to register a Domain Name cancelled by a court or other authority (Article 18 of the Registration Rules) will be auctioned only after the expiration to no effect of the time limit in which third parties may apply for the registration of such Domain Name pursuant to Article 19 of the Registration Rules.
- 3.4. The list of Domain Names to which Priority Right of registration may be auctioned is published before the start of the Auction for the period specified in the Rules of Operation through the Domain Browser service (<https://www.domenovyprohlizec.cz>).
- 3.5. The Auction of a Priority Right cannot start and cannot be continued if CZ.NIC is served with a judicial, administrative or other decision that prohibits or otherwise prevents the Auction or the inclusion of a Domain Name in the Auction; the decision must be submitted to CZ.NIC in the original or in a certified copy and must be accompanied by a certification of legal force and enforceability (the certification is not required in the case of interim measures).

### 4. PARTICIPATION IN AUCTION

- 4.1. Only the following persons may participate in the Auction as Participants:
  - 4.1.1. a natural person with a MojeID contact who is verified for electronic identification purposes in accordance with the legislation (Article 3.5 of the MojeID Rules), with at least “substantial” level of assurance, or
  - 4.1.2. a natural person holding an electronic identity of another Member State of the European Union in accordance with the eIDAS Regulation<sup>1</sup>, with at least “substantial” level of assurance, or

<sup>1</sup> REGULATION (EU) No 910/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market

- 4.1.3. a legal entity with a MojID contact that is validated in accordance with the MojID Rules.
- 4.2. A person who:
  - 4.2.1. participated in another Auction, auctioned a Priority Right and failed to pay the price for the auctioned Priority Right or failed to pay the contractual penalty according to Article 5.5; or
  - 4.2.2. participates in the Auction using more than one identity service according to Article 4.1 (each Participant may participate in an Auction only once); or
  - 4.2.3. seriously jeopardized or disrupted the Auction (e.g. overloaded it or made it inaccessible to other Participants or users, e.g. by sending an excessive number of requests or unsolicited requests, attacked, attempted to manipulate the result of the Auction, obtained an undue advantage, etc.) or the operation of the Auction system as such; or
  - 4.2.4. in other cases where these Auction Rules so provide, cannot bid in the Auction.
- 4.3. The Participant participates in the Auction at his own expense and responsibility. CZ.NIC will not be liable if the Auction is not available for the Participant and the Participant is not able to bid.
- 4.4. CZ.NIC reserves the right to limit the number of Auctions tracked (followed) by the Participant and/or the number of Auctions in which the Participant is active (i.e. in which the Participant bids). These limits are set by CZ.NIC in the Rules of Operation.
- 4.5. The Participant's personal data is processed in accordance with the Privacy Policy.

## **5. CONDUCT AND SETTLEMENT OF THE AUCTION**

- 5.1. The opening time of a Priority Right Auction and its duration is specified in the Rules of Operation.
- 5.2. The starting price of the Priority Right is set in CZK including VAT at the statutory rate and is defined in the Rules of Operation together with the minimum bid, which depends on the current price offered in the Auction.
- 5.3. If no bids are made during the Auction, the Domain Name will be released for regular registration after the Auction ends, in accordance with the Registration Rules. If the price of the Priority Right pursuant to Article 5.4 is not paid or the Priority Right pursuant to Article 5.6 is not exercised, the relevant Domain Name will be included in the list of Domain Names pursuant to Article 3.4; this may happen repeatedly (as defined in the Rules of Operation).
- 5.4. The Participant who has made the highest bid in the Auction (the Auctioneer) is obliged to pay the ending price of the Priority Right to CZ.NIC within the time limit specified in the Rules of Operation, provided that the amount is deemed to be paid on the day of crediting CZ.NIC account. The amount includes VAT in the amount according to legislation in force.
- 5.5. In the event that the price according to Article 5.4 is not paid properly and on time, CZ.NIC is entitled to a contractual penalty in the amount corresponding to the unpaid price, but at least CZK 1,000. The Participant will be obliged to pay the contractual penalty upon CZ.NIC request within the time specified in the Rules of Operation.
- 5.6. Upon payment of the price for the Priority Right pursuant to Article 5.4, the Participant will be allowed to exercise this right, within the time limit specified in the Rules of Operation, by registering the Domain Name through the Designated Registrar selected by the Participant. Domain Name can only be registered via the Contact Identifier used for the identification of

the Participant in the Auction. The price of the Priority Right won in the Auction is exclusive of the price for the registration of the Domain Name according to the valid price list of the Designated Registrar selected by the Participant. Any delays in exercising the auctioned Priority Right will be attributable to the Participant (including without limitation, delays in contacting the Designated Registrar, the chosen method of payment, the choice of communication, etc.).

- 5.7. The Participant's Priority Right won in the Auction will expire if the Participant has not paid the price or has not exercised this right within the specified time limit, and has not registered the Domain Name.
- 5.8. The Participant will not be entitled to a refund if the Domain Name is not registered even though the Participant has paid for the Priority Right.

## **6. AGREEMENT TO THE AUCTION RULES**

- 6.1. The Participant agrees to the Auction Rules and Rules of Operation by participating in any Auction.
- 6.2. Consent to the Auction Rules and the Rules of Operation is valid if the current version of the Auction Rules and the Rules of Operation has been accepted by the Participant in writing or in any other manner indicating the Participant's consent and it is possible to capture the content of the relevant communication and to identify the persons communicating.
- 6.3. Participation in any Auction, including any bid made by a Participant in any Auction, will also be deemed to constitute valid acceptance of the Auction Rules and Rules of Operation.

## **7. RIGHTS AND OBLIGATIONS OF CZ.NIC**

- 7.1. CZ.NIC is entitled to take technical measures aimed, by way of example and in no way limited, at restricting network traffic that threatens the stability of CZ.NIC systems, even if such measures lead or may lead to limitations in the availability of CZ.NIC services, including the Auctions. CZ.NIC will not be liable for any damage caused thereby, but will be obliged to make all efforts that may be fairly required to ensure that the measures taken are terminated as soon as possible. In connection with the measures taken (see Article 4.2) CZ.NIC is entitled, even without prior notice, not to allow a particular Participant to participate in the Auction (including without limitation to make a bid).
- 7.2. CZ.NIC is entitled to interrupt or limit the operation of the Auction system, including without limitation as part of maintenance. Details are specified in the Rules of Operation.

## **8. SUSPENSION OR CANCELLATION OF AUCTION**

- 8.1. CZ.NIC will suspend or cancel the Auction of the Priority Right to register any Domain Name if it is so ordered by an enforceable decision.
- 8.2. CZ.NIC will not allow registration of the Domain Name to which the Priority Right was auctioned if it is so ordered by an enforceable decision. In the event that the Participant has already paid the price of the Priority Right, CZ.NIC Association is obliged to make a refund to the Participant without undue delay.
- 8.3. None of CZ.NIC's actions under this Article will entitle the Participant to claim costs associated with participation in a suspended or cancelled Auction.

## 9. LIABILITY FOR DAMAGE

- 9.1. The Participant acknowledges that the Domain Name, its registration or use may infringe the rights of third parties to other Domain Names, trademarks, brands, trade names, business names, or laws relating to unfair competition, protection of personality rights, etc. By participating in the Auction, the Participant confirms that, aware of the possible infringement of these rights and laws, he has made every effort to ensure that the Domain Name he intends to register under the Auction will not infringe these rights and laws. The Participant is not entitled to use the Domain Name, or allow it to be used, for purposes that are contrary to the law or the rights or legitimate interests of third parties.
- 9.2. The Participant is liable for damage caused to CZ.NIC by providing false, incomplete, inaccurate or misleading information, or by participating in the Auction, bidding for the Priority Right, auctioning the Priority Right or subsequent registration of a Domain Name using the Priority Right in violation of the Auction Rules or the rights of third parties. In such a case, the Participant may be prevented by CZ.NIC from bidding in the Auctions pursuant to Article 4.2 these Rules.
- 9.3. CZ.NIC will not verify the legitimacy of the sale of the Priority Right in the Auction or the subsequent registration of the Domain Name using the Priority Right with regard to the rights or legitimate interests of third parties.
- 9.4. The Participant acknowledges that neither the auctioning of a Priority Right nor the subsequent registration of a Domain Name using the Priority Right means that the Participant will be protected against third party objections to the registration or use of that Domain Name.
- 9.5. CZ.NIC will not be liable for the use or non-use of the registered Domain Name or for the manner in which the Domain Name is used. Without limiting the generality of the foregoing, CZ.NIC is not liable for infringement of rights to trademarks, brands, names or business names of third parties arising from the registration or use of the Domain Name.
- 9.6. All liability for all damage arising from the actions or inactions of CZ.NIC towards the Participant in connection with the Auction of the Priority Right to register one Domain Name will be limited to the amount of CZK 250,000; this will not apply in the case of damage to the natural rights of a person or damage caused intentionally or through gross negligence.

## 10. MUTUAL COMMUNICATION

- 10.1. Communication between CZ.NIC and the Participant takes place via the Domain Browser service (<https://www.domenovypohlizec.cz>) and, depending on the capabilities and functions of this service, some notifications may be sent to the Participant via electronic mail or short text messages (however, CZ.NIC is not responsible for their display/reception on the Participant's device).
- 10.2. Communication by electronic means is equivalent to written form of documents sent via post. The Participant must ensure he may receive electronic communications at the electronic address he notified. The Participant bears sole liability if deliveries cannot be made to the Participant's electronic address.
- 10.3. Written form of communication under these Auction Rules will be deemed to be preserved if it is made by electronic or other technical means that enable the content of the relevant communication to be captured and the persons who made the communication to be identified.

## **11. DISPUTE RESOLUTION BETWEEN PARTICIPANTS AND CZ.NIC**

- 11.1. If the Participant and CZ.NIC fail to agree on the resolution of a mutual dispute concerning the Auction, and if the Participant files a motion against CZ.NIC to initiate proceedings before the Arbitration Court at the Czech Chamber of Commerce and the Agrarian Chamber of the Czech Republic, CZ. NIC will accept the jurisdiction of this arbitration court provided that the arbitration proceedings are conducted by three arbitrators in Prague in the Czech language according to the valid Rules of the said arbitration court, without excluding oral hearings, and the arbitral award is final and binding on both parties.
- 11.2. If the Participant is a consumer, in the event of a consumer dispute arising from participation in the Auction, the Czech Trade Inspection is the authority for out-of-court settlement of such consumer dispute ([www.coi.cz](http://www.coi.cz)).
- 11.3. In other cases, the ordinary courts of the Czech Republic have jurisdiction to resolve disputes between the Participant and CZ.NIC.

## **12. AMENDMENTS**

- 12.1. CZ.NIC is entitled to change the Auction Rules, Registration Rules, MojeID Rules, Privacy Policy and other related documents from time to time. The current version of these documents is always available at <https://aukce.nic.cz>.
- 12.2. Any additions, reservations, limitations to or derogations from these Auction Rules or any other related documents are excluded.
- 12.3. CZ.NIC is obliged to publish any change to the documents referred to in Article 12.1 at least 1 month before the effective date of such change on <https://aukce.nic.cz>.
- 12.4. CZ.NIC is entitled to unilaterally change the Rules of Operation. The Participant will be informed of the change, or the current version applicable to the relevant Auction, no later than at commencement of such Auction.