

Vaše značka / Your reference

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Datum / Date

GEN/09-DVS

20th April 2009**Re: Community Industrial Property Rights Enforcement in the Czech Republic**

Dear Sirs,

we would like to inform you about the newest decision practice of the Town Court in Prague regarding enforcement of rights based *exclusively* on registered Community industrial property rights (Community trademarks, Community designs).

Recently, the Town Court in Prague issued two preliminary injunctions in proceedings based exclusively on registered Community rights, i.e. on Community trademarks and registered Community designs. These rulings are believed to be the first rulings in proceedings based exclusively on Community rights seeking *Community-wide effects* of the preliminary injunctions (decision of the competent court).

In the first case concerning several Community trademarks related to so-called stitching designs in the garment industry, the Town Court in Prague issued the preliminary injunction, *but* refused to take the requested territorial scope into the verdict of the Court, arguing that *“under Article 99 para 2 of the Regulation No 40/94, the jurisdiction of courts for Community trademarks for the issuance of preliminary injunction is given, while these preliminary injunctions are, subject of the fulfillment of all necessary proceedings for the recognition and enforcement of the decision under part III. of the Convention on Jurisdiction and Enforcement (now the Regulation EC 44/2001), effective in the territory of all member states. According to this provision, in order to achieve effectiveness of the court decision on the preliminary injunction it is necessary that the plaintiff files in the respective member state a request for recognition and enforcement of the respective decision according to the procedure as contained in the Regulation No 44/2001. Only if the conditions as contained in the said regulation are fulfilled, the Plaintiff shall obtain the requested effects also in other member states of the European Union.”*

The Court thus obviously did accept the infringement argumentation, but it did not accept the argumentation concerning the necessity of definition of the territorial scope in the verdict of the Court's decision (as this position can be found in some European case law, such as the OLG Hamburg 312 O 360/02, or OLG Hamburg 315 O 168/03, or the OGH Austria 4 Ob 185/02p or 4 Ob 5/06/y).

In the second case concerning registered Community designs, the Court (the same senate) proceeded analogously. First, the Court correctly assumed full jurisdiction for infringement of Client's registered Community designs by goods imported and sold in the Republic of Latvia by a trading entity domiciled in the Czech Republic.

Second, the Court again refused to take the definition of the territorial scope of the preliminary injunction into the verdict of the court by arguing that “...*At the same time, the Plaintiff requested the preliminary injunction be issued with effectivity in the whole territory of the European Union, in eventum in the Republic of Latvia. The Court has not found the request in this respect as justified / reasonable. According to the respective provision of the Regulation (EC) Nr 6/2002, on Community designs, this Court has the jurisdiction to issue a preliminary injunction that is /subject of the fulfillment of all necessary proceedings for the recognition and enforcement of the decision under part III. of the Convention on Jurisdiction and Enforcement/ effective in the territory of all member states. According to this legal regulation, in order to achieve effectiveness of the court decision on the preliminary injunction it is necessary that the plaintiff files in the respective member state a request for recognition and enforcement of the respective decision according to the procedure as contained in the Regulation No 44/2001. Only if the conditions as contained in the said proceeding are fulfilled, the Plaintiff shall obtain the requested effects also in other member states of the European Union. Thus, the Court refused the request for preliminary injunction in the respective part as mentioned in verdict V. of the decision.*”

The Court thus refused the approach taken e.g. by the London High Court of Justice (Chancery Divison) in the case HC-03 NO 2684, between Mattel Inc. versus Woolbro (Distributors) Ltd., Simba Toys (Hong Kong) Ltd and Simba Toys GmbH & Co KG, dated 23rd October 2003, where the territorial scope was stated directly in the verdict.

It remains to be seen what the approach of the appellate court (i.e. the High Court in Prague) will be, and whether the local national authorities would enforce such preliminary injunctions without specification of the territorial scope in the verdict.

I hope the above information will be of help to you. Should you need any further information, please do not hesitate to contact the undersigned, who has been representing both Plaintiffs in the above proceedings.

Yours sincerely

David Štros
attorney-at-law