

ACT No. 221/2006 Coll.

of April 25, 2006 on Enforcement of Industrial Property Rights and on the Amendment of Industrial Property Protection Acts (Enforcement of Industrial Property Rights Act)

The Parliament has adopted the following Act of the Czech Republic:

PART ONE

Enforcement of Industrial Property Rights

Section 1

Subject Matter of the Regulation

This Act shall incorporate the respective regulation of the European Communities¹ and shall regulate the legal remedies serving for the enforcement of industrial property rights² (hereinafter referred to as the “Right”).

Section 2

Persons Authorized to Enforce Rights

(1) The authority to enforce Rights under this Act shall have the Right holder or proprietor pursuant to the respective act regulating the industrial property protection, person entitled under a special legal regulation² to use the Rights, in particular a licensee and a professional organization engaged in protection of rights which is duly recognized in the country of origin as an organization with authority to represent the industrial property rights holders or proprietors (hereinafter referred to as the “Authorized Person”).

(2) The licensee may enforce the Rights only upon the consent of the Right holder or proprietor. The consent shall not be required where the holder or owner of the Right failed to commence the proceedings on the infringement or endangering of the Right himself within a time limit of 1 month from the receipt of the licensee’s notification of the infringement or endangering of the Right.

¹ Directive 2004/108/EC of the European Parliament and of the Council of 29th April 2004 on the enforcement of intellectual property rights.

² Act No. 527/1990 Coll., on Inventions and Rationalization Proposals, as amended.

Act No. 529/1991 Coll., on the Protection of Topographies of Semiconductor Products Topographies, as amended.

Act No. 478/1992 Coll., on Utility Models, as amended.

Act No. 207/2000 Coll., on the Protection of Industrial Designs and on the Amendment to Act No. 527/1990 Coll., on Inventions, Industrial Designs and Rationalization Proposals, as amended.

Act No. 452/2001 Coll., on the Protection of Designations of Origin and Geographical Indications and on the Amendment to Act on Consumer Protection, as amended by Act No. 131/2003 Coll. and Act No. 501/2004 Coll.

Act No. 441/2003 Coll., on Trademarks and on the Amendment to Act No. 6/2002 Coll. , on Courts, Judges, Lay Judges and the State Administration of Courts and on the Amendment to some other Acts (Courts and Judges Act), as amended, (Trademarks Act), as amended by Act No. 501/2004 Coll.

Section 3

Right to Information

(1) The Authorized Person may require towards a third person

- a) which for the purpose of direct or indirect economic or commercial benefit possessed the goods infringing the Right, or
- b) which for the purpose of direct or indirect economic or commercial benefit used the services infringing the Right, or
- c) of which it has been ascertained that for the purpose of direct or indirect economic or commercial benefit it rendered services used in the course of activities infringing the Right, or
- d) which has been designated by a person mentioned in paragraphs a), b) or c) as a person participating in manufacture, processing, storing or distribution of goods or rendering services,
information related to the origin and the distribution networks of the goods or services by which the Right has been infringed.

(2) Should the information under Subsection 1 fail to be volunteered within a reasonable time limit, the Authorized Person may claim such information by lodging an action with the court relating to the infringement upon the Right. The court shall dismiss the action where it would bear no proportion to the importance of endangering of or infringement upon the Right.

(3) The information shall include

- a) name and surname or corporate name or business name and place of permanent residence or registered office of the manufacturer, processor, distributor, supplier and other previous possessor of the goods or service infringing the Right,
- b) details of the manufactured, processed, supplied, stored, received or ordered quantity and of the price received for the given goods or services.

(4) Provisions of Subsections 1 and 2 shall not prejudice provisions of special legal regulations providing for, in particular,

- a) right to obtain information in a broader range,
- b) use of information in the civil or criminal proceedings,
- c) responsibility for the abuse of right to information,
- d) duty of confidentiality³,

³ For example Act No. 85/1996 Coll., on the Legal Profession, as amended, Act No. 417/2004 Coll., on Patent Attorneys and on the Amendment to Act on the Industrial Property Protection Measures.

- e) right to deny the disclosure of information should a person mentioned in Subsection 1 admit its own participation or next of kin's participation in the infringement upon the Right,
f) protection of confidentiality of the information sources or personal data processing⁴.

Remedial Measures

Section 4

(1) Should an infringement upon the Rights occur, the Authorized Person may seek a judicial decision that the infringer refrain from acts by which the Right is infringed or endangered, and that the consequences of the endangering or infringement be removed, namely in particular

- a) by recall of products the manufacture or launch or storage of which resulted in endangering of or infringement upon the Right,
- b) by permanent removal or destruction of products the manufacture or launch or storage of which resulted in endangering of or infringement upon the Right,
- c) by recall, permanent removal or destruction of materials, tools or equipment intended for or used exclusively or mostly in the course of activities endangering or infringing the Right.

(2) The court shall not order the destruction where the infringement upon the Right may be removed in a different manner and the destruction would be inadequate to such an infringement. Should the remedial measures aim at products, materials, tools or equipment not owned by the infringer of the Right, the court shall take into consideration the interests of the third parties, in particular consumers and persons acting *bona fide*. The removal of label or counterfeited trademark from the products before launching thereof may be permitted only in extraordinary cases⁵.

(3) The Authorized Persons may also seek a court decision on claims mentioned in Subsection 1 against any person whose means and services are used by the third persons for the infringement upon the Rights.

(4) Instead of measures mentioned in Subsection 1, the court may, upon the motion of the infringer of Rights, order the payment of a pecuniary compensation to an Authorized Person, namely where the infringer neither knew nor was able to know, where these measures would cause him an inadequate injury and the pecuniary compensation to an Authorized Person proves to be sufficient.

(5) In the judgment, the court may award the Authorized Person whose motion has been satisfied a right to make the judgment public at the costs of the infringer who was defeated in the litigation, and also, as the case may be, specify the extent, form and manner of the publication.

⁴ For example Act No. 101/2000 Coll., on Personal Data Protection and on the Amendment to some Acts, as amended.

⁵ For example Section 7 of Act No. 64/1986 Coll., on the Czech commercial inspection, as amended.

Section 5

(1) Should the infringement upon the Rights result in an immaterial prejudice, the Authorized Person shall be entitled to damages, to a surrender of the unjust enrichment the infringer acquired as a result of the endangering of or infringement upon the Right, and to an appropriate compensation. An appropriate compensation may consist also in a pecuniary fulfilment.

(2) The court may upon a motion assess the damages, the amount of an unjust enrichment the infringer acquired as a result of the endangering of or infringement upon the Right, and the appropriate compensation in a flat amount not less than double the license fee which would have been usual upon the acquisition of a license to use the Right at the time of the infringement thereupon.

(3) If in the course of his activities the infringer neither knew nor was able to know that his acts constitute an infringement upon the Rights, the court may upon a motion assess the damages, the amount of an unjust enrichment the infringer acquired as a result of the endangering of or infringement upon the Right, and the appropriate compensation in a flat sum amounting to the license fee which would have been usual upon the acquisition of a license to use the Right at the time of the infringement thereupon.

(4) The court shall take into consideration all the relevant circumstances, e.g. the economic consequences including the loss of profits sustained by the Authorized Person, the infringer's ill-gotten gain and possibly also other than economic aspects, e.g. moral prejudice caused to the Authorized Person by the infringer.

PART TWO

SPECIAL REGULATION PROVIDING FOR JURISDICTION IN THE INDUSTRIAL PROPERTY MATTERS

Section 6

(1) The Municipal Court in Prague

a) shall decide as the court of the first instance disputes on claims resulting from the industrial property, on claims resulting from endangering of and infringement upon the industrial property rights and on claims to surrender of the unjust enrichment acquired to the prejudice of the beneficiary of the industrial property rights, and on claims under the Part One hereof,

b) shall decide as the court of the first instance in the Czech Republic on matters relating to Community trademarks under Article 92 of Council Regulation (EC) No. 40/1994 of 20th December 1993 on Community Trademark,

c) shall decide as the court of the first instance in the Czech Republic on matters relating to Community (industrial) designs pursuant to Council Regulation (EC) No. 6/2002 of 12th December 2001 on Community (industrial) designs,

d) shall review final administrative decisions of the Industrial Property Office under a special legal regulation⁶.

(2) The proceedings under Subsection 1 of the Municipal Court in Prague shall be conducted and decided in specialized panels composed of a presiding judge and two judges.

Transitional Provisions

Section 7

(1) The proceedings in matters of administrative justice related to the industrial property which have been commenced before the effective date of this Act shall be finished under the existing regulations.

(2) The first instance proceedings concerning the disputes on claims resulting from the industrial property, on claims resulting from endangering of and infringement upon the industrial property rights and on claims to surrender of the unjust enrichment acquired to the prejudice of the beneficiary of the industrial property rights which have been commenced before the effective date of this Act shall be finished under the existing regulations.

PART THREE

Amendment to Courts and Judges Act

Section 8

Act No. 6/2002 Coll., on Courts, Judges, Lay Judges and the State Administration of Courts and on the Amendment to some other Acts (Courts and Judges Act), as amended by Act No. 151/2002 Coll., Act No. 228/2002 Coll., Act No. 349/2002 Coll., Act No. 192/2003 Coll., Act No. 441/2003 Coll., Act No. 626/2004 Coll., Act No. 349/2005 Coll. and Act No. 413/2005 Coll., shall be altered as follows:

The wording of Section 39 (2) including Footnote No. 1a shall be:

“(2) The industrial property matters 1a) shall fall within the subject-matter and venue jurisdiction of the Municipal Court in Prague as the court of the first instance.

1a) Act No. 221/2006 Coll., to regulate the enforcement of industrial property rights and to alter industrial property protection acts (Enforcement of Industrial Property Rights Act).”

⁶ Act No. 150/2002 Coll., the Code of Administrative Justice, as amended.

PART FOUR

Amendment to Act on Inventions and Rationalization Proposals

Section 9

Act No. 527/1990 Coll., on Inventions and Rationalization Proposals, as amended by Act No. 519/1991 Coll., Act No. 116/2000 Coll., Act No. 207/2000 Coll., Act No. 173/2002 Coll., Act No. 501/2004 Coll. and Act No. 59/2005 Coll., shall be altered as follows:

1. Section 63 shall be amended by Subsection 3 the wording of which including Footnote No. 5i shall be:

“(3) The permissible remedy against the final decision of the Office shall be the action against the decision pursuant to special legal regulation 5i) .
5i) Act No. 150/2002 Coll., Code of Administrative Justice, as amended.”.

2. In Section 67, the word “by decision” shall be added after the word “Office”.

3. In Section 75 (1), the words “, except for the rights resulting from patents and additional protective certificates” shall be added after the word “Act”.

4. In Section 75, the Subsections 2 and 3 shall be repealed and therewithal the designation of Subsection 1 shall be repealed.

5. Section 75a shall be repealed.

PART FIVE

Amendment to Act on the Protection of Topographies of Semiconductor Products

Section 10

Act No. 529/1991 Coll., on the Protection of Topographies of Semiconductor Products Topographies, as amended by Act No. 116/2000 Coll. and by Act No. 501/2004 Coll., shall be altered as follows:

1. In Section 18 (2), the words “for the infringement upon rights and for the right to information” shall be repealed.

2. In Section 18, a new Subsection 3 shall be added after Subsection 2 the wording of which including Footnote No. 3a shall be:

“(3) The permissible remedy against the final decision of the Office shall be the action against the decision pursuant to special legal regulation 3a) .
3a) Act No. 150/2002 Coll., Code of Administrative Justice, as amended. ”.

The existing Subsection 3 shall be designated as Subsection 4.

PART SIX

Amendment to the Utility Models Act

Section 11

Act No. 478/1992 Coll., on Utility Models, as amended by Act No. 116/2000 Coll. and by Act No. 501/2004 Coll., shall be altered as follows:

1. In Section 21 (2), the words “and for the infringement upon rights, for the right to information” shall be repealed.

2. In Section 21, a new Subsection 3 shall be added after Subsection 2 the wording of which including Footnote No. 4a shall be:

“ (3) The permissible remedy against the final decision of the Office shall be the action against the decision pursuant to special legal regulation 4a) .

4a) Act No. 150/2002 Coll., Code of Administrative Justice, as amended. ”.

The existing Subsection 3 shall be designated as Subsection 4.

PART SEVEN

Amendment to the Protection of Industrial Designs Act

Section 12

Act No. 207/2000 Coll., on the Protection of Industrial Designs and on the Amendment to Act No. 527/1990 Coll., on Inventions, Industrial Designs and Rationalization Proposals, as amended, as amended by Act No. 474/2004 Coll., Act No. 501/2004 Coll. and Act No. 59/2005 Coll., shall be altered as follows:

1. Section 20 shall be repealed.

2. Section 21 shall be repealed.

3. In Section 47, Subsection 4 shall be repealed..

The existing Subsection 5 shall be designated as Subsection 4.

PART EIGHT

Amendment to the Protection of Designations of Origin and Geographical Indications Act

Section 13

Act No. 452/2001 Coll., on the Protection of Designations of Origin and Geographical Indications and on the Amendment to Act on Consumer Protection, as amended by Act No. 131/2003 Coll. and Act No. 501/2004 Coll., shall be altered as follows:

1. In Section 13, the existing text shall be designated as Subsection 1 and Subsection 2 shall be added the wording of which including Footnote No. 4c shall be:

“ (2) The permissible remedy against the final decision of the Office shall be the action against the decision pursuant to special legal regulation 4c) .

4c) Act No. 150/2002 Coll., Code of Administrative Justice, as amended. ”.

2. In Section 24, Subsections 2 to 4 shall be repealed and therewithal the designation of Subsection 1 shall be repealed.

PART NINE

Amendment to the Trademarks Act

Section 14

Act No. 441/2003 Coll., on Trademarks and on the Amendment to Act No. 6/2002 Coll. , on Courts, Judges, Lay Judges and the State Administration of Courts and on the Amendment to some other Acts (Courts and Judges Act), as amended, (Act on Trademarks), as amended by Act No. 501/2004 Coll., shall be altered as follows:

1. In Section 8, Subsections 4 to 7 including Footnote No. 5 shall be repealed.

The existing Subsection 8 shall be designated as Subsection 4.

2. In Section 18, Subsection 4 shall be repealed.

3. In Section 51 (2), the words “within the extent stipulated in Section 8 (5)” shall be replaced with words “within the extent stipulated by Act No. 221/2006 Coll., on the Enforcement of Industrial Property Rights and on the Amendment to the Industrial Property Protection Acts (Enforcement of Industrial Property Rights Act) ”.

PART TEN
OPERATION

Section 15

This Act shall come into force on the date of promulgation thereof, except for provisions of Section 6 and 8 which shall come into operation on 1st January 2008.

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