

Slovakia

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Legal framework

The Slovak law on counterfeiting is set out in various acts which protect different aspects of intellectual property. Some of these acts also cover certain procedural aspects of IP rights enforcement.

The Slovak Republic is a signatory to all principal international IP treaties, including:

- the Paris Convention for the Protection of Industrial Property;
- the Madrid Agreement and Protocol; and
- the Agreement on Trade-Related Aspects of IP Rights.

When it joined the European Union in May 2004, Slovakia acceded automatically to all EU IP regulations and was obliged to transpose all respective directives into its national laws. Slovakia also became part of the system of Community trademarks and designs. The EU IP Rights Enforcement Directive (2004/48/EC) was implemented

into all individual national acts governing different areas of intellectual property.

Anti-counterfeiting measures depend on how the counterfeiting is being carried out. For example, if a product is launched on the Slovak market under a designation that interferes with a third person's trademark rights and both the infringer and the trademark owner are competitors on the relevant Slovak market, the trademark owner may use legal means of protection against trademark infringement and also against unfair competition. If the counterfeit goods are imported from abroad, the counterfeiter may be also subject to border measures. Combining different legal provisions in this way is possible even if only one act of counterfeiting has taken place.

The following principal laws apply in the Slovak Republic with respect to counterfeiting:

- the Criminal Code (300/2005 coll);
- the Civil Procedure Code (99/1963 coll);
- the Criminal Procedure Code (301/2005 coll);
- the Commercial Code (513/1991 coll);

- the Act on Measures against Infringing IP Rights by Import, Export and Re-export of Goods (200/2004 coll);
- the Consumer Protection Act (250/2007 coll);
- the Trademark Act (506/2009 coll);
- the Copyright Act (618/2003 coll); and
- other national laws governing specific areas.

Border measures

The trade in counterfeit goods has increased substantially in comparison to previous decades and effective border measures are believed to be a crucial weapon in the fight against this global problem. Upon acceding to the European Union, Slovakia also became part of the EU customs system.

The rules for applying border measures to counterfeit goods are set out in the Act on Measures against Infringing IP Rights by Import, Export and Re-export of Goods. This act operates on the basis of the EU Customs Regulation (1383/2003).

As a general rule, if goods which are subject to customs surveillance under the

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EU Customs Code are suspected of infringing IP rights, Customs may detain them. Under the simplified procedure, Customs is authorized to decide on the destruction of the seized goods without a court decision. However, in order for this to take place the rights holder's written consent, along with a written agreement between the rights holder and the customs declarant, owner or holder of such goods, is required. If the simplified procedure does not apply, the rights holder must prove to Customs that a judicial claim for determining whether the disputed goods are counterfeit has been filed within the specified timeframe. If the court proceeding ends with a positive judgment, Customs may destroy the goods or donate them to a humanitarian cause.

Criminal prosecution

Criminal prosecutions in counterfeiting matters are usually initiated by the rights holder. However, the prosecution may initiate proceedings *ex officio* (except for copyright crimes, where the approval of the copyright holder as an injured party is necessary). Although the rights holder may request damages, due to the complexity of calculating damages and the need for detailed proof, the court dealing with the criminal matter will likely delegate this to the competent civil court.

Following the general principle of the Criminal Code, only a natural person (not a company or other legal entity) can be subject to prosecution for this kind of criminal offence; in addition, the offender's intention must be proved. This means that while it is relatively straightforward to

prosecute a sole trader, where the counterfeiting is a result of a legal entity's activity it is not so easy to establish criminal liability. Establishing criminal liability for statutory bodies, acting in the name of legal persons (ie, companies), is a complex theoretical issue that is frequently discussed between academics and practitioners. The code establishes that the following are criminal offences:

- infringing a trademark, designation of origin or business name;
- infringing industrial property rights (including patents, utility designs, designs and semiconductor products); and
- infringing copyright.

The most usual punishment for these types of crime is imprisonment for up to three years in the case of basic crimes and up to eight years for more serious offences. In addition, the court may order a fine of up to €331,930 and/or seizure of the property or confiscation of goods. However, seizure or confiscation requires that the ownership title belong to the offender (which must be a physical person), and such penalties are disputable and even impossible where the counterfeit products are owned by a company. In such cases civil remedies are preferable, as explained below.

Civil enforcement

Since 2005 the civil protection of IP matters has been the responsibility of three district courts in Bratislava, Banská Bystrica and Košice – all of which are part of the general court system. All other matters are handled by local courts. These special courts were

established to improve the decision-making process in this area, but it is questionable whether this aim has been achieved.

In general the rules of procedure are fully harmonized with EU law. The courts directly apply EU Regulation 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters where applicable.

In principle, the jurisdiction of the Slovak courts is not problematic where the counterfeiting takes place within the Slovak territory, except in the case of sophisticated activities by foreign legal entities that have no establishment in Slovakia. Taking advantage of gaps in the law, these foreigners produce fake goods in their own territory (where the IP right in question is not secured) and – either directly or through unknown distribution channels – deliver the resulting counterfeit products to market in Slovakia. Although jurisdiction in Slovakia can be established based on Article 5/1/3 of EU Regulation 44/2001, such claims are extremely rare due to their complexity and the necessity of proving concrete damages in *causal nexus* and precisely calculating the amount. Although it is possible to stop temporarily the infringer's illegal activities through an interim injunction using Article 31 of Regulation 44/2001, this tool is also problematic due to the lack of a known jurisdiction. To the authors' knowledge, the problem has not yet been dealt with satisfactorily by Slovak law, legal theory or the Slovak courts.

In cases where the IP claim against the foreigner (with no relevant establishment in Slovakia) would otherwise apply in Slovakia, the lawyers face another problem – there is

no method of strictly determining local competence among the three Slovak IP courts, which leads to unnecessary delays. It would be helpful if local competence for such cases were set out in the law.

The most frequent claims in counterfeiting issues are those seeking protection with regard to:

- trademark use (and possible use of other industrial property rights);
- fair trading following the unfair competition rules governed by the Commercial Code; and
- works falling under the scope of the Copyright Act.

In addition, the material substance of intellectual property is protected by specific laws which claimants can use to seek relief.

Thus, a claimant may request the following under trademark and unfair competition regulations:

- a ban on the infringing designation and/or the product's removal from the market;
- an order obliging the infringer to abstain from illegal acts of unfair competition and to make reparations (this right applies not only to a harmed person, but also to legal entities authorized to protect the interests of competitors or consumers); and
- damages (including loss of profits) in case of material harm and/or appropriate satisfaction (including monetary) in case of immaterial harm (although, as noted above, a claim for immaterial harm is more straightforward and more likely to succeed than a claim for damages).

In all these cases, along with other possible counterfeiting matters, preliminary court injunctions apply within a fully harmonised legal environment.

Enforcing valid judgments – mainly where the judgment orders the ban of a particular infringing designation – is achieved by imposing fines of up to €30,000.

Anti-counterfeiting online

Pirated and counterfeit products represent a serious worldwide problem and it is an undisputed fact that most counterfeit goods are sold through the Internet.

Slovak law does not specifically regulate anti-counterfeiting online and there is a lack of judicial precedent in this field. There are no specific obligations for internet service providers where suspicious goods are sold through their websites.

Providers of online auctions often include in their terms of use clauses prohibiting the sale of counterfeit goods and reserve the right to ask the seller to provide certificates of origin in order to protect customers from buying counterfeits; failing which the provider may remove such goods from its portal. However, in practice, it is questionable whether such provisions help to prevent the sale of fake products.

Online anti-counterfeiting measures can be enforced in the same way as any other anti-counterfeiting measures – that is, through individual laws that protect the respective IP rights and the general codes (eg, the Criminal Code or the Customs Code), as explained above.

Under the Consumer Protection Act, which applies generally regardless of whether goods are sold in a shop or online, the Slovak Trade Inspection or other relevant authority may inspect *ex officio* or based on a petition filed by any person whether a sale of goods or provision of certain services is contrary to the general ban on misleading consumers, which includes offering and selling products or services that infringe IP rights. The inspection authorities may impose a fine of up to €66,388 on producers, sellers or suppliers for violations of the Consumer Protection Act, or up to €165,970 in the case of repeated violations. Inspection authorities that discover an IP rights violation which fulfils conditions of criminal liability should inform the police, which will then begin a criminal investigation.

Preventive measures/strategies

The effective enforcement of IP rights in Slovakia is still being developed. However, in recent years the ability to evaluate correctly and judge cases of counterfeiting has improved. This is probably because there are now specialized courts in this area and also because Customs is more familiar with how to proceed under EU regulations. So far, criminal authorities are not usually involved, which is probably a result of the above-mentioned difficulties in establishing criminal liability where counterfeiting is carried out on behalf of a legal entity.

Recommended methods of preventing counterfeiting should combine the following measures:

- protecting all registered industrial property rights;
- regularly monitoring online auctions and other similar sites;
- regularly monitoring the market using specialized market research agencies;
- requesting customs surveillance under

the EU Customs Regulation if there is a suspicion that counterfeit goods are being imported;

- initiating inspections under the Consumer Protection Act if there is a suspicion that counterfeit products are being sold on the local market; and
- initiating a police investigation if there is a suspicion that certain IP violations fulfil conditions for criminal liability.

Every rights holder should seek an effective protection system in the territories in which its rights are used. Cooperating with local legal counsel appears to be the most effective way of allowing them to take prompt action against counterfeiting once it is discovered. Local counsel can then use their experience and the results of their continuous day-to-day work with the rights holder to recommend the most appropriate means of legal protection. [WTR](#)

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Peter Stavrovský received his law degree in 1983 from Comenius University, Bratislava and began his career at the Bratislava district court. Between 1987 and 1995 he worked as the legal expert at the Ministry of Justice's law institute; in 1993 he was appointed head of the ministry's legal information section. From 1995 to 1997 Mr Stavrovský worked at the Institute for Approximation of Law as the deputy and later as director. In 1997 he joined Černejšová & Hrbek and became a partner in 1999. Mr Stavrovský has participated in internships abroad, including EU and English commercial law courses in London, and a human rights protection course in Birmingham. He has published a number of articles in magazines and journals.



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Tatiana Žiaková received her law degree from Comenius University, Bratislava in 1999 and joined Černejšová & Hrbek in May 1999 as a junior lawyer. In 2000 she completed a postgraduate programme (DESS) in international business law at the University of Jean Moulin, Lyon and in 2002 she participated in an internship with the International Chamber of Commerce's International Court of Arbitration, Paris. Ms Žiaková was admitted to the Slovak Bar of Advocates in December 2002 and since 2003 she has been associated with Černejšová & Hrbek as a licensed advocate; she became a partner in January 2008. Ms Žiaková specializes in corporate, commercial and IP matters. She is also a licensed trademark agent and regularly advises clients on matters related to trademark registration and infringement. She also has extensive experience regarding unfair competition claims and has represented clients in disputes in this area.