

Protection of trademarks and the Internet with respect to the Czech law

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Abstract

The use of a sign on the Internet has caused infringement of trademark rights in the territory of a particular state, if its use has a commercial effect in that state. States may adopt different standards for consideration factors for establishing such a connection with a particular state. The first step in harmonization of applicable law at the international level represents the WIPO Joint Recommendation which contains provisions on relevant factors determining the commercial effect, infringement and liability, remedies, etc. The Czech law does not determine factors whether the use of the sign on the Internet is in the course of trade in the Czech Republic. Due to the strict procedural rules, Czech courts may not proceed flexibly at imposing measures. Criteria concerning jurisdiction and applicable law should be set at the international level in order to foresee in which state the use of signs on the Internet might become legally relevant.

Key Words: trademark, sign, infringement, Internet, WIPO

1. PROTECTION OF TRADEMARK RIGHTS AND THE INTERNET

Trademark rights are, like all intellectual property rights, based on the principle of territoriality. The territorial nature of these rights means that each state or region determines, for its own territory and independently from any other state, what is to be protected as trademark, who should benefit from such protection, for how long and how protection should be enforced. Trademarks may be granted by formal or informal proceedings. In registration-based system creation and extinction of trademark rights depends upon registration in a relevant national or regional register maintained by competent authority. In use-based systems (such as the traditional system USA), the acquisition, maintenance and enforcement of rights require use of the trademark by the owner. A trademark owner has exclusive right to use the trademark throughout the territory of a particular state and this right may have an indefinite duration. The trademark enables the owner to build goodwill and reputation in its enterprise and to prevent others from misleading consumers by false association with an enterprise, with which they are not connected.

However, another consequence of the territorial nature of trademark rights is that different persons may own rights in the identical or similar trademark or other sign for the identical or similar goods or services in different states. This can create problems if the trademark or the other sign is used on the Internet. The Internet is an interactive medium for communication, which contains information that is simultaneously and immediately accessible irrespectively of territorial location to public from any place and at any time. In this respect the development of the Internet has raised a number of new legal issue, most of which stem from its global nature.

Whoever participates in the market of a particular country must also respect the laws of that country. The question is whether this principle can also be applied to activities carried out on a worldwide-basis on the Internet. Globalization has changed the territorial scope of a producer's interests but the rules for protection of trademarks remain the same in their nature. Therefore, the source of problems is the extension of typical local trademark problems to a geographically unlimited market mediated by the Internet. These problems are not limited to trademarks and exist with regard to all kinds of distinctive signs online, including domain names, business names, geographical indications, etc.

The use of a trademark or another sign on the Internet can infringe trademark rights of a different person only if such use is deemed to have taken place in the state where the trademark enjoys protection. Many forms of conflicts may occur, e.g. between signs (domain names, business names, etc.) and pre-existing trademarks. Even in the absence of bad faith, the use of a sign on the Internet may violate the rights of a trademark owner from a different state. The requirement is priority of the trademark and danger of confusion between the sign and the trademark. Another conflict may occur between two identical or similar trademarks of different owners from different states. However, a danger of confusion exists in such cases only where the goods or services, for which the two trademarks are registered or used, are identical or sufficiently similar. Exceptions may apply for example where the trademark has a

reputation in a particular state and the sign may affect the distinctive character or reputation of the trademark.¹

A trademark is infringed if a third person “uses” an identical or similar sign and simultaneously this person is not holder of a right in the sign or is not otherwise permitted to use this sign in the particular state. According to the Czech legal system claims based on trademark infringement require that the trademark be “used” as well. The question arises under what conditions the appearance of an identical or confusingly similar trademark or the other sign on the Internet might constitute “use” and give rise to infringement. This question is considered by legal systems of different states by different ways.²

Under an extensive concept of infringement, it would suffice that a sign is visible on a computer screen in the state where a conflicting right exists.³ The exclusive right in a trademark would then have an almost worldwide effect. Under this view, use of a sign on the Internet could provoke infringement claims in potentially every state in the world. For example, this concept was reflected in the case of *SG 2 v. Brokat informationssysteme GmbH*⁴ where the Nanterre, Court of Appeals in France concluded that an infringement had occurred by mere use of the sign on the Internet. In this case a German company, with its registered seat in Stuttgart, was the owner of registered trademark “payline” in Germany for internet payment system “Brokat-payline”, which was used on its web site www.brokat.de. A French company was the owner of prior trademark “payline” in France for identical services. The French plaintiff sought an injunction against the allegedly infringing use of its registered French trademark on the German web site. Although the German defendant had never sold its internet payment system in France (and even could not do so because of French cryptography regulations) and used the trademark only on a German web site, the court issued the injunction against the internet use of the trademark. The court based its decision on the finding that the German web site was worldwide accessible and an infringement had thus also occurred in France. Therefore the court assumed jurisdiction over the German defendant under Article 5 (3) of the Brussels Convention. Although the Court’s injunction against the use of the trademark on the Internet had effects beyond France, the injunction was territorially unlimited in the Internet context; otherwise, the French trademark owner’ rights would be continually infringing. According to German scholars, the unrestricted application of trademark-law concepts is unsuitable as a means of solving trademark disputes on the Internet.⁵ If such a judicial practice were to establish itself worldwide, a large number of companies would no longer be able to use the Internet as an advertising platform.

Under a more restrictive concept, the mere accessibility of a web site containing a sign from a particular state is not sufficient and the finding of an infringement would require a connection between the use of a sign on the Internet and the state in which the trademark enjoys protection.⁶ The problem is that different states may adopt different standards as consideration factors for establishing such a connection with a particular state. This is shown by the decision of the Ontario Court of Appeal in the case of *Pro-C Ltd v Computer City*⁷, where the court has clarified the circumstances in which advertising on the Internet originating outside of Canada can constitute use of a trademark in Canada pursuant to the Canadian Trademarks Act. In this case, a small Canadian company Pro C (plaintiff) was the owner of the trademark “WINGEN” registered in Canada and the United States for computers programs used to

¹ See Article 5 (2) of the First Council Directive 89/104/EEC of 21. December 1988 to approximate the laws of the Member States relating to trade marks.

² If a website clearly does not address users in the state where the conflicting trademark is registered, can be said that any marks contained in the website are not “used” in this state. This view is confirmed by the reports for Belgium, Germany, Finland, Italy, Portugal, Spain and Sweden. According cases discussed in the reports for the United Kingdom and the United States, the use within the respective state was not an issue. See Mattias W. Stecher, *Unfair Competition and Trademarks on the Internet* (Kluwer Law International, 1999 and International Association of Young Lawyers).

³ See *Intellectual Property on the Internet: A survey of issues*, WIPO/INT/02 (December 2002), <http://ecommerce.wipo.int>, 73 (visited March 13, 2006).

⁴ See *SG 2 v. Brokat Informationssysteme GmbH*, Nanterre Court of Appeals, October 13, 1996, discussed in Torsten Bettinger and Dorothee Thum, *Territorial Trademark Rights in the Global Village – international Jurisdiction, Choice of Law and Substantive Law for Trademark Disputes on the Internet (Part one)*, 31 I.I.C. 166-167 (2000).

⁵ See Torsten Bettinger and Dorothee Thum, *Territorial Trademark Rights and Internet – Part Two*, *International Review of Industrial Property and Copyright Law*, IIC Vol 31, No 3/2000, 291.

⁶ See *Intellectual Property on the Internet: A survey of issues*, supra note 3.

⁷ See *Pro-C Ltd v Computer City*, Ontario Court of Appeal, September 11, 2001, commented in *World Trademark Law Report*, No. 1/2002, 35.

generate programs for Windows. A large American corporation, Computer City (defendant) subsequently developed an in-house line of computers that it called "Wingen". From the outset of the production of these computers, the defendant was aware of the registration of the trademark WINGEN owned by Pro C. The computers were offered for sale in all the United States outlets but not in the Canadian stores nor by means of the Internet, due to the costs in crossing the border. The court pointed out that the defendant had not used trademark WINGEN in Canada in connection with goods, which fall within the description of the goods covered by the trademark registration. Under the opinion of the court, the passive website of the defendant could not constitute use of a trademark under Canadian law, because by means of this website was not possible to transfer of ownership. The use of the trademark in Canada would require any possibility to purchase goods in its territory. However, in this particular case, it was not possible in stores nor by means of the Internet.

The problems of trademark law in connection with the use of a sign on the Internet are not limited only to issues of the substantial trademark law. The trademark law must also confront private international law issues. Main questions arising in relation to private international law consist in a determination of adjudicative jurisdiction of a particular national court, a determination of applicable law and recognition and enforcement of judgments. In disputes arising on the Internet, use of trademarks and other signs have to take into account that legal remedies are imposed by a competent authority (mainly by a court) of a particular state where the owner of a trademark claims protection (*lex fori*). Each state has its own competent authority, which may be called upon to rule upon disputes falling under their jurisdiction, mostly on the basis of the application of local laws.

Presently, private international law is not able to resolve existing conflicts based on the Internet use of trademarks and other signs which occur regardless the physical boundaries of the activity. Therefore, some scholars suggest reforms of substantive law for international conflicts between national trademarks at international level, which would take into account all circumstances of the individual case and both (or all) national trademark rights involved in the conflict.⁸ It is also suggested that the new forms of (binding) online-arbitration should be developed, where the arbitration board should consist of arbitrators with different nationalities.

At present there exist many private international law instruments, mainly at the regional level. In the EU, the most notable is the Council Regulation (EC) No. 44/2001 of December 22, 2000 on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters, which entered into effect on March 1, 2002 (Brussels I)⁹. With respect to EFTA states the Lugano Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters of September 16, 1988 (Lugano Convention) is applicable. The Brussels I. Regulation and the Lugano Convention contain a number of provisions relevant to intellectual property. Certain countries, the Czech Republic included, have concluded bilateral treaties dealing with certain private international law issues that might arise between them, especially treaties on legal aid.

2. WIPO JOINT RECOMENDATION

The Joint Recommendation Concerning Provisions on the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet¹⁰ (hereinafter „WIPO Joint Recommendation”) was adopted by WIPO Assemblies in 2001. This factors upon the importance of the above mentioned questions and diversity of court decisions in individual states. The WIPO Joint Recommendation’s aim is to facilitate the application of territorial laws regarding trademarks and other industrial property rights in signs and territorial laws regarding unfair competition, to the use of signs on the Internet. The provisions of the WIPO Joint Recommendation are intended to be applied in determining whether, under the applicable law, use of a sign on the Internet has contributed to the acquisition, maintenance or infringement of a

⁸ See Bettinger and Thum, *supra* note 5.

⁹ The Council Regulation (EC) No. 44/2001 of December 22, 2000 on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters replaced the Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters of September 27, 1968 (Brussels Convention).

¹⁰ The Joint Recommendation Concerning Provisions on the Protection of Marks, and Other Industrial Property Rights in Signs, on the Internet (with Explanatory Notes), adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organization (WIPO) at the Thirty-Sixth Series of Meeting of the Assemblies of the Member States of WIPO, September 24 to October 3, 2001.

mark or another industrial property right in the sign, or whether such use constitutes an act of unfair competition. These provisions are also applied to determine remedies, which a competent authority of a Member State can impose as a result of an action for the infringement of a right or an act of unfair competition.

The WIPO Joint Recommendation deliberately avoids the question of applicable law. The determination of the applicable law is left to the private international laws of individual Member States.

According to Article 2, the use of the sign on the Internet is treated as the use in a Member State, only if the use has a commercial effect in that particular Member State. Further, the WIPO Joint Recommendation details the factors for determination whether the sign has a commercial effect in a Member State (Article 3). The list of potentially relevant factors is non-exhaustive. The list includes circumstances indicating that the user of the sign is doing or planning to do business in a particular Member State, the level and character of commercial activity of the user in relation to a particular Member State (e.g., any explicit disclaimer of the intention not to deliver goods or services in a particular Member State constitutes a relevant circumstance), the connection of an offer of goods or services on the Internet with a particular Member State (e.g., the currency in which prices are indicated on the web site constitutes a relevant circumstance), the connection of the manner of use of the sign on the Internet with a particular Member State (e.g. the language of the text used in conjunction with the use of the sign on the web site constitutes a relevant circumstance), and the relation of the use of the sign on the Internet with a right in that sign in a particular Member State (the link between the sign used on the Internet and the existence of rights in that sign is relevant in two situations: firstly, if the user owns a right in the sign; and secondly, if someone else owns a right in the sign and the user uses the sign in bad faith – frequent in “cybersquatting” cases - which leads to a decrease of the commercial value of the sign for the rights holder). These, as well as other variables could be relevant to any analyses of “commercial effect”.

The listed factors are intended to assist the competent authority to find out whether the use of a sign has produced a commercial effect in a Member State. A competent authority is free to determine which factors are relevant in a given case. In some case all of the factors may be relevant. In other cases, it may be that only some of the factors, or even none of them, are relevant; and the decision may be based on additional factors.

The aim of the above mentioned provisions is to reduce the number of likely conflicts of rights in identical or similar signs on the Internet. Notwithstanding, if the conflict occurs, the WIPO Joint Recommendation provides flexible rules of substantive trademark law that mediates such a conflict.

The above defined use of the sign on the Internet with “commercial effect” in the particular Member State is important in determining whether a right under the applicable law of that Member State (1) has been infringed, or (2) whether the use amounts to an act of unfair competition, and (3) consequent liability for the infringement act or the act of unfair competition, as well as (4) the application of exceptions and limitations to the scope of rights under the applicable law of that Member State.

With respect to the liability of the user of a sign who uses that sign on the Internet in a way that has a commercial effect in a Member State, it is stated that if such an user owns a right in the sign in another Member State, or uses the sign with the consent of the owner of such a right, or is permitted to use the sign, he will not be liable to the trademark owner in that other state prior to receiving a “notification of infringement”. However, this limitation of the liability requires that his rights were acquired in good faith and that his contact details are provided on the web site where the sign is used (Article 9). Even after receiving a notification, the user could avoid liability for the infringement of rights held by others by expeditiously taking reasonable measures to avoid commercial effect in the Member State referred to in the notification or to avoid infringement of the right referred to in the notification (Article 10). If a holder or another permitted user, who use the sign on Internet in good faith, uses a disclaimer in accordance with the terms of Article 12, the user gains certain legal certainty as to how to avoid liability for the infringement of rights held by others after having received a notification of infringement. To avoid confusion and/or conflict with the right owner, such disclaimer should, *inter alia*, include statements that the user of the sign does not intend to deliver the goods or services to customers located in a particular Member State where a conflicting right exists and that he or she has no relationship with the owner of the conflicting right.

This “notice and avoidance of conflict” procedure is an attempt to balance the interests of good faith legitimate users on the one hand and owners of rights which might be infringed by such use on the

other. By effectively retaining the exception prior to any notification, the WIPO Joint Recommendation enables the users of the sign to proceed with the Internet use of their signs without conducting a worldwide search for conflicting rights.

Thereinafter, the WIPO Joint Recommendation contains provisions that instruct the competent authority granting a remedy against the use of a sign on the Internet in a Member State to consider the effect of a potential injunction in other states (Article 13 - 15). Any remedy must be proportionate to the commercial effect of the use in that Member State. The competent authority shall balance the interests, rights and circumstances involved. The user of the sign should have the right to propose a remedy which is equally effective as the remedy envisaged by the competent authority. In determining remedies, the competent authority shall take into account limitation of use by imposing reasonable measures such as gateway web pages (Article 14). In particular, according to the WIPO Joint Recommendation, the competent authority should avoid imposing a remedy that would have the effect of prohibiting any future use of the sign on the Internet. If the user owns a right or other permitted user has acted in good faith, the competent authority shall not, in any case, impose a remedy that would prohibit future use of the sign on the Internet. Such global injunctions are expressly prohibited (Article 15). Global injunctions may, however, be appropriate in certain circumstances. Where bad faith use occurs by flagrant infringers, without any rights or privileges of use (such as cybersquatting), global injunctions are to be imposed.

The main contribution of the WIPO Joint Recommendation is in its application in situations of existing rights of different users to the identical or similar signs in relation to identical or similar goods and services, when both such users use the sign in accordance with the applicable law of a particular Member State and none of them do not intend to offer the goods and services in the Member State, where the rights to the sign belongs to another. In this connection, the WIPO Joint Recommendation implements the principle that no one should be obliged to conduct a worldwide search for conflicting rights before he starts to use a sign on the Internet.

3. PROTECTION OF TRADEMARKS IN CONNECTION WITH THE USE OF SIGNS ON THE INTERNET UNDER THE CZECH LAW

The Czech law shall be applied in cases of supposed infringement of trademark rights, if such infringement occurs in the territory of the Czech Republic. The Czech law determines the rights conferred by a trademark, limitation of these rights, legal remedies, etc. It should be noted that there are no Czech cases which have dealt with cross-border trademark infringement. Therefore, the following comment concerns possibilities which Czech law offers to protect trademark rights in such situations.

The substance of the legal protection of trademarks is to grant sufficient legal protection to trademarks owners' rights. Legal protection of trademarks in the Czech Republic is regulated by provisions of private law and public law. Both private law and public law have their specific remedies.

The basis of legal protection of trademarks rests traditionally in private law, especially in Act No. 441/2003 Coll. On Trademarks, effective since April 1 2004 (hereinafter "Act on Trademarks") and generally in the Act No. 40/1964 Coll. - Civil Code, as subsequently amended. In the territory of the Czech Republic are protected trademarks registered in the Register of trademarks maintained by the Industrial Property Office, international trademarks registered by the International Bureau of the WIPO, with effects for the Czech Republic trademarks registered in the register maintained by the OHIM and trademarks which are well known in the territory of the Czech Republic. Unregistered trademarks are protected like registered trademarks provided that they are "well known in the territory of the Czech Republic". Besides trademark rights (irrelevant if a trademark is unregistered and registered), other industrial property rights in signs can enjoy protection on the basis of unfair competition law under the Act No. 513/1991 Coll.- Commercial Code, as subsequently amended.

Under public law of the Czech Republic, trademark rights are protected in particular by the Act No. 140/1961 Coll. – Penal Code, as subsequently amended, in situations when a trademark infringement can constitute at the same time, a criminal offence. The other relevant legal regulations include the Act No. 634/1992 Coll. on consumer protection, as subsequently amended, or the Act No. 200/1990 Coll. on administrative infractions, as subsequently amended.

Throughout the past nearly twenty years, there has been also significant regional harmonization of substantive trademark law, particularly within the European Union (hereinafter „the EU“). The relevant EU Regulation is represented especially by the First Council Directive 89/104/EEC of December 21,

1988 to approximate the laws of the Member States regarding trademarks (hereinafter “the Directive”) and the Council Regulation (EC) No. 40/94 on the Community Trade Mark (hereinafter “the CTM”). The Czech Act on Trademarks is fully harmonized with the mentioned Directive.

The question is how far the above mentioned existing Czech laws and the relevant Community law regarding trademarks and other industrial property rights in signs enable an appropriate application, directly or by analogy, with respect to the global use of a sign on the Internet which exceed a boundary of the Czech Republic or as concerns the CTM a boundary of the EU.

Under the provision of Section 8 of the Czech Trademarks Act, which is in compliance with the Article 5 of the Directive, the owner of the trademark is granted an exclusive right to use the trademark in relation to the goods or services covered by the trademark. Unless otherwise provided by this Act, third parties may not use without the consent of the owner of the trademark in the course of trade:

- a) any sign, which is identical with the trademark, for goods or services which are identical with those for which the trademark is registered;
- b) any sign which, because of its identity with or similarity to the trademark and because of the identity of similarity of the goods or services to which the trademark and that sign are affixed, creates a likelihood of confusion on the part of the public, including the likelihood of association between the sign and the trademark;
- c) any sign identical with or similar to the trademark for goods or services which are not similar to those for which the trademark is registered, where the trademark has a good reputation in the Czech Republic and where the use of that sign would without due course take advantage of or be detrimental to the distinctive character or the good reputation of the trade mark.

The use in the course of trade occurs, in particular, by affixing the sign to goods or the packaging thereof, offering goods for sale, putting them on the market or stocking them for those purposes under the sign, or offering or supplying services under the sign, importing or exporting goods under the sign and using the sign on business papers or in advertising. This list delineating the use in the course of trade is non-exhaustive and therefore other variables could be relevant (such as using the sign on the Internet).

Nevertheless infringement of the trademark occurs only if the use of the sign cannot be considered as the permitted use of the sign in the frame of the limitation of the effects of a trademark or exhaustion of trademark rights or if the user is not otherwise permitted to use the sign (e.g., fair use of generic or descriptive terms).

The Czech Trademark Act regulates the limitation of the effects of a trademark (the Section 10) in accordance with the Article 6 of the Directive. Under this provision the trademark owner is not entitled to prohibit third persons from using in the course of trade their name and surname, corporate name or name or address, indications concerning the kind, quality, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services and a sign, where it is necessary to indicate the intended purpose of a product or service. In particular, this is true for accessories or spare parts, provided the use is in accordance with honest commercial practices, good morals and competition rules. Further, the trademark owner has to tolerate the use of an identical or similar sign in the course of trade where the rights to this sign were created prior to the date of filing the application for registration and the use of that sign is in accordance with the laws of the Czech Republic. Furthermore, under the provision on exhaustion of trademark rights (the Section 11), the owner of a trademark is not entitled to prohibit its use in relation to goods which have been put on the market in the Czech Republic or in the member state of the EU or in another member state of the European Economic Area under that trademark by the owner or with his consent.

With respect to the WIPO Joint Recommendation and trends which follow the majority jurisprudence, practice of law and judicature, the infringement of trademark rights in the territory of a particular state, in connection with the use of a conflicting sign on the Internet, assumes particularly that the use has “a commercial effect” in that state. Czech law in accordance with the EU law requires that the conflicting sign has to be used “in the course of trade” and in connection with goods and services to which the trademark or sign are affixed. The use “in the course of trade” can be interpreted that the use has “a commercial effect” in the relevant territory.¹¹ However, it is a question of which factors should determine whether the use of the sign on the web site was in the course of trade on the territory of the

¹¹ Sylvie Sobolová, Global use of denomination on the Internet and from that arising requirement on the legal protection of trademark and its interpretation, Intellectual property 9-10/2004, 160 (available at Czech language).

Czech Republic (or the EU in the case of the CTM). Neither the act on Trademarks, nor the EU law contains any criteria in this matter. Thus, the Czech courts called to decide such cases have relatively wide space for their own consideration. It is possible to assume that, in the determination of whether the use of the sign has been in the course of trade or not, the Czech courts could apply factors mentioned in the WIPO Joint Recommendation (the Article 3) even without any corresponding legislative frame.

The Act on Trademarks settles claims which the owner of the trademark, or under certain conditions even a licensee, can prosecute in a court in case of infringement of his or her trademark rights (the Section 8 (4 – 7)). The claim has either a property or non-property character.

The trademark owner has the right to apply to the court for an order prohibiting the infringement or the impending infringement and that the consequences of the infringement are to be remedied. The trademark owner may also claim appropriate satisfaction, including pecuniary appropriate satisfaction, the surrender of unjustified enrichment and the damages. Furthermore, the trademark owner may ask the court for the right to obtain information on the origin of the goods or of the documents accompanying the goods or services and for the right to withdraw from the market and destroy goods, whose manufacturing or introduction on the market would endanger or infringe the trademark rights. Finally, he can even obtain the destruction of materials and tools which are to be used or which are used for activities endangering or infringing these rights.

Under Act No. 99/1963 Coll. – Civil Procedure Code, as subsequently amended, the trademark owner may submit a petition for interlocutory injunction (the Section 74 and consequential) if this is necessary to regulate the parties' relationships in the interim, or if the execution of a court decision might be in jeopardy. An interlocutory injunction can be issued by the court even before the start of proceedings. The trademark owner also may pursue proceedings to determine whether a particular legal relationship or right exists or not, if there is an urgent legal interest in clarifying this issue (the Section 80 (c)). Furthermore, the trademark owner may demand the measures to secure the evidence (the Section 78 and 78a).

Taking into consideration that one of the main principles of private law is the non-mandatory principle, the trademark owner may prosecute in disputes regarding the use of sign on the Internet whichever from above mentioned claims and petitions in a court. It should be noted that Czech courts are bound by quite strict and rigid procedural rules and cannot proceed as flexibly as the WIPO Joint Recommendation provisions recommend, e.g. in connection with imposing alternative measures in determining remedies (the Article 14). The Czech courts may override claims and petitions of the parties and adjudicate more or anything else than they demand only if the proceedings could have been commenced even without a petition or if a specific manner of settlement between the parties ensues from statutory provisions (the Section 153 (2) Civil Procedure Code). Thus, Czech courts are limited in possibility to impose injunctions upon their consideration. Under Czech procedural rules a defendant has not a right to demand a remedy which would be equally or even more effective as the remedy envisaged by the court as recommended WIPO Joint Recommendation (the Article 13).

Disputes regarding the trademark rights and other industrial property rights in signs, based in the civil law, are in the competence of ordinary courts. In the first instance, regional courts act in such cases and in the second instance, high courts decide on appeals against decisions made by regional courts, which have acted as courts of first instance (the Section 9 (3) and 10 Civil Procedure Code). An extraordinary appeal against a decision of high courts, which acted as an appellate court, is considered by the Supreme Court of the Czech Republic (the Section 10a Civil Procedure Code).

4. CONCLUSION

Strict application of formal trademark laws of individual states or regions leads to high costs and uncertainties for producers operating in a global market by means of the Internet. The global character of business activities on the Internet in relation to protection of trademark rights requires changes in substantive rules of national or regional trademark laws as well as in international private law. The best way would be a harmonization of substantive trademark law on the international level. The first step represents the WIPO Joint Recommendation upon which the use of a conflicting sign on the Internet has caused infringement of trademark rights in the territory of a particular state, if the use has a commercial effect in that state. This document contains provisions on factors that can be relevant for determination of the commercial effect, infringement and liability, remedies, etc. It would also be desirable to set criteria concerning jurisdiction, applicable law and recognition and enforcement of judgments on the international

level, in order to foresee in which state activities of users of signs on the Internet might become legally relevant. Within the EU, such changes are matter of a Community law regulation. However, an international uniform regulation, probably within the framework of the Paris Convention or the TRIPS Agreement, would be necessary in the future.

Concerning the Czech law, legal regulation on trademark rights under the Act on Trademark and other relevant acts are not satisfactory enough in the light of the above discussed problems and issues. Substantive trademark law, especially, does not determine the factors of whether the use of the sign on the Internet is the use in the course of trade (in other words, if the use has a commercial effect) on the territory of the Czech Republic. Furthermore, Czech civil procedural rules are not flexible enough to enable Czech courts to determine remedies and to impose alternative measures. Czech courts are also significantly limited in imposing injunctions based on their own consideration. A defendant does not have any right to ask for a remedy, which would be equally or even more effective as the remedy envisaged by the court, etc.