



BALÁZS & KOVÁTSITS  
LEGAL PARTNERSHIP



Dear Readers,

It is my pleasure to inform you that in our present Newsletter we will highlight some of the hottest issues our Legal Partnership has been dealing with nowadays. One of the most relevant recent issues is where we can initiate a legal procedure when the head-quarters of the legal parties in the procedure are in two different countries. In addition, you can also read about how you can protect European trademarks in the EU, and about the procedure of purchasing an agricultural land in Hungary. In our Guest Page you will have the opportunity to have an insight into the programmes of *East-European Business Club*, Dr. György GILYÁN vice-president of the club, ambassador will introduce the activities and programmes of the club.

Finally, let me call your kind attention to the fact that our Legal Partnership has become a member of *Legal Netlink Alliance*.

Should you have any remarks, questions regarding the articles presented in our newsletter or the activity of our Legal Partnership, please do not hesitate to contact us.

Best regards,

Éva SÁNDOR  
Marketing Manager

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## **IN WHICH COURT OR ARBITRATION COURT CAN WE INITIATE A LEGAL PROCEDURE IF THE HEAD-QUARTERS OF THE TWO LEGAL PARTIES ARE IN TWO DIFFERENT COUNTRIES?**

In case the contracting parties have stipulated in their contract that the law of Hungary shall apply to their possible legal disputes arising from the contract, the rules of jurisdiction and jurisdiction of the courts in Hungary shall be laid down in the Code of Civil Procedure (Act CXXX of 2016). In interpreting the law, the following order of priority may be established with regard to the court(s) entitled to proceed. In accordance with international practice, the provisions of Hungarian law must be taken into account in the general stipulation of Hungarian law as applicable law, including the determination of the court having jurisdiction, however, if on the basis of the relevant rules and/or the provisions of the contract it might be concluded that from the Hungarian point of view proceedings must still be brought before a foreign court, the foreign court would obviously act on the basis of Hungarian substantive law, but on the procedural law of the country where the court is located, or in the case of an arbitration court, according to the rules of procedure of the arbitration court.

As long as the law does not appoint a court for the given case group, whose procedure is mandatory in the given case group, the parties are free to stipulate the exclusive jurisdiction of a court or an arbitration court within certain limits (§ 27 of Act CXXX of 2016).

If the contracting parties stipulate the exclusive jurisdiction of an arbitration court which does not exist, then in Hungary the other general provisions of the Civil Procedure Act concerning the jurisdiction of the courts shall be taken into account.

In case of general rules of jurisdiction, that court is competent in whose territory the defendant has its registered office or central administration.

Alternatively, the applicability of the provisions of § 28 of Act CXXX of 2016 Section 1 may arise, e.g. in the case of legal persons, proceedings may also be brought before a court having territorial jurisdiction according to the place where the transaction is concluded or the service is provided. Please kindly note that the issue of jurisdiction according to the place of provision of the service can be applied in Hungarian legal interpretation and according to court practice in cases where the place of performance can be physically separated from the defendant's registered office due to the nature of the transaction, for instance, in case of construction contracts.

Dr. Tamás BALÁZS

Managing Partner  
Attorney at law



## EUROPEAN TRADEMARKS

### PROTECTING YOUR PRODUCTS AND SERVICES FROM COMPETITORS IN THE EUROPEAN UNION

Developing a product or service that is unique, highly competitive, and have been successfully marketed assumes major creative and fiscal investment. When you have such a product that is being offered across the European Union, you probably want it to be protected from unfair and unlawful competition. Success of such product or service is bound to attract admirers, and of course, copycats who would rather take a shortcut around investing hard work and financing of developing, marketing and successfully deploying a product or service. It is so much easier to come up with something that is quite similar, though not quite the same to yours, letting them profit from all of your hard work.

If your business already is, or likely will cover the entire European Union with its products or services, our advice is that you must take early legal steps to protect it. One of the best ways of legal protection your business assets is to register a so-called European Trademark (EUTM) for the name or graphical design of your goods or services, or even your trade name. EUTMs may consist of any signs, in particular words, including personal names, or designs, letters, numerals, colours, the shape of goods or of the packaging of goods, or sounds, provided that such signs are capable of clearly and precisely distinguishing the goods or services, and, provided they are not already in use by another entity.

Registering European Trademark is neither complicated, time consuming, nor expensive; yet it shall grant your products and service protection in all 28 Member States of the EU, on a market with nearly 500 million potential customers. You will also enjoy the key benefits of a common, harmonized market and legal system: the same registration fees, same procedures and most importantly, the same legal framework for protecting your product services in all the Member States. You may also register your EUTM in any of the Member States languages: it will also automatically cover all languages of the European Union – no more need for expensive translations, repeated national trademark registrations in every single Member State. A single registration covers them all. Once your product/service is protected by a European Trademark, it does not matter if you have registered your EUTM in one Member State, and someone is trying to sell poorly made copies of it in another: the same European laws and regulations shall be applied to the case, and same level protection shall be granted by a single designated (thus specialized for European Trademark cases) national court in each Member State.



Once registered, the violators of your European Trademark producing, for example, cheap knockoffs of your products, ideas or services can be cut off from doing so and can be quickly prevented from damaging your customer's hard-earned goodwill. They will soon find that any of the national Courts can effectively prohibit them from affixing your registered trademark as sign to their own goods or its packaging, or from even offering those goods, putting them on the market, or stocking them for those purposes under the sign, or offering or supplying services. Prohibition ordered by the Court may also extend to the illegal use of the registered European trademark or sign as a trade or company name, advertisement, including its use on their own products misleading and/or comparative advertising.

We have trust that we may soon greet you amongst our existing Clients who have already placed their trust in and have already secured their businesses against unfair and unlawful competitors by the expertise of BALÁZS & KOVÁTSITS Legal Partnership's experienced attorneys in the field of registering European Trademarks and/or trademark litigation in Hungary.

Dr. Ádám MILLEI  
Attorney at law





## The Procedure of Purchasing an Agricultural Land in Hungary

In recent times, our Legal Partnership received several requests for legal assistance in connection with purchase of agricultural lands. The proceeding of purchase of an agricultural land requires long time in Hungary and it has different parts which also have to be taken into consideration prior to signing the Sale and Purchase Agreement.

In case of purchasing an agricultural land (plough-land, forest, fruit-garden, garden, vineyard etc.), there is a list defined by the law about the people who have the right of pre-emption to acquire the agricultural land prior to other people. With regard to this right of pre-emption, the legislator has created a special procedure for purchasing an agricultural land.

First of all, one original copy of the Sale and Purchase Agreement of an agricultural land shall be a safety document which can be required from the Land Registry. The Sale and Purchase Agreement shall be signed by the Parties and countersigned by an attorney at law.

Within 8 days after signing the Sale and Purchase Agreement, it has to be delivered to the Local Government which is competent according to the location of the agricultural land. The Sale and Purchase Agreement is published for 60 days in order that the people having the right of pre-emption can practise their rights within this period.

After that, the Sale and Purchase Agreement is sent to the competent Agricultural Authority. The Agricultural Authority is entitled to define who can purchase the agricultural land. If a person having the right of pre-emption practice his right for purchase of the agricultural land, he can precede the purchaser according to the Sale and Purchase Agreement and in this case, the Sale and Purchase Agreement will enter into force between the seller and the person having the right of pre-emption. The Agricultural Authority has 80 days at least to approve the Sale and Purchase Agreement or to deny the approval of the Sale and Purchase Agreement.

In case of approval of the Sale and Purchase Agreement, the right of ownership can be registered by the Land Registry into the Land Register within 60 days after receipt of the approval decision of the Agricultural Authority.



As you can read above, the purchase of an agricultural land can take 6-8 months (included the time of postal delivery). In order to protect the interest of the purchaser according to the Sale and Purchase Agreement, the fact of sale of the agricultural land can be registered in favour of the purchaser according to the Agreement into the Land Register.

If you have the intention to purchase an agricultural land in Hungary, please turn to our Legal Partnership in order to receive professional legal service with short deadline.

Dr. Károly BAGÓCSI  
Attorney at law





## **GUEST PAGE:**

### **The Events and Programmes of EEBC**

On behalf of *Eastern European Business Club (EEBC)*, I would like to welcome you in this Newsletter No. 1, 2021, and wish all of us minimal epidemic risks and maximum business successes in the New Year, to which our Business Club will do its best to contribute effectively with its specific tools and programmes.

You might know that our Business Club has been operating in Hungary for almost 30 years as a non-profit organization, the only non-governmental organization in Hungary promoting business cooperation between Hungarian and Eastern European companies and organizations. We have organized a lot of business programmes every year over the past 30 years, which include business conferences on different topics with wide international participation from countries of the post-Soviet space and also provided 3-4 times business club events yearly focusing on bilateral cooperation issues with the participation of Embassies and business associations of partner-countries.

In 2020, despite the Covid-19 pandemic and the connected restrictions that also made normal business activity difficult, we managed to organize important business relationship-building meetings. For instance, a Hungarian-Russian business forum with the participation of young businessmen, or the conference on Hungarian-Moldovan economic and business cooperation with the participation of the Embassy of the Republic of Moldova in Budapest. In September 2020, in strict compliance with the regulations on epidemiological restrictions, we organized an online conference on the economic impact of the pandemics in Russia, Belarus and Kazakhstan and on governmental and civilian measures mitigating its consequences. The event was unique, topics were presented by the three ambassadors of the partner countries in Budapest and they answered the questions of the audience with more than 350 people.

On 21 January 2021, *Eastern European Business Club* initiated and organized the presentation of the *International Investment Bank (IIB), Budapest*, which has been the Bank's first introduction to small and medium-sized enterprises in Hungary since the financial institution moved its headquarter to Budapest in autumn 2019. The two vice-presidents of the Bank, Mr. Georgi POTAPOV and Mr. Imre LASZLÓCZKI delivered authentic information about the status, strategic goals and specific financial instruments of IIB as an intergovernmental financial development institution in an online video conference viewed by almost one hundred businessmen and interested partners.



In addition, the Bank's senior manager, Mr. Balázs VÉRTES, provided detailed information on the Bank's products and the wide range financing opportunities open to Hungarian companies. The information about the event and the presentation of IIB are available on the website of *Eastern European Business Club* and on its Facebook account.

Hoping that the epidemic threat will be significantly lowering in the coming months of 2021 and the Club will be able to organize several events with Russian, Kazakh and Ukrainian partners. With our Eastern neighbouring partner a joint business forum has already been planned for 2020, but was delayed due to the pandemics.

*Eastern European Business Club* remains open to Russian, Belarusian, Kazakh, Ukrainian, Moldavian and other Eastern European-owned businesses and individuals, and we welcome them to our club events and as members as well.

*Eastern European Business Club* events and programs will be updated on the website of the Club: [www.eeb-club.hu](http://www.eeb-club.hu). We are available on Facebook as well: <https://www.facebook.com/keleteuropa.uzletiklub>

We invite and welcome you to the *Eastern European Business Club* events and to be our members.

Dr. György GILYÁN  
co-president of the Club  
ambassador







**Contact Person:**  
**Dr. Tamás BALÁZS**  
**Managing Partner**  
**Attorney at law**



**BALÁZS & KOVÁTSITS**

H-1055 Budapest, Honvéd u. 40. 3. em. Tel/Fax: +36 1 302 5697; +36 1 302 7938; +36 1 312 1103  
[www.bakolegal.com](http://www.bakolegal.com) [office@bakolegal.hu](mailto:office@bakolegal.hu) [balazs@bakolegal.com](mailto:balazs@bakolegal.com)