

NEW DEAL FOR CONSUMERS, NO DEAL FOR BUSINESSES



In April, the European Commission proposed a new Deal for Consumers which should strengthen EU consumer rights and enforcement. But who is it for and how significant is it? Actually, it will bring a small benefit to consumers and it could seriously harm businesses. So-called class actions or collective redress have showed that in practice they can create a profitable business for a category of lawyers whose interests are not necessarily matching those of the consumers they are supposedly representing. According to figures from the US Chamber Institute for Legal Reform, a consumer in the United States who gets relief in a class action receives on average only \$32, whereas class action lawyers have an

average recovery to the tune of \$1 million. This cannot be the objective. When creating such a legal instrument it should be safeguarded against misuse or unwanted results. However, many of the safeguards which were included in the Commission's own Recommendation on collective redress of 2013 were discarded. One example is the introduction of an opt-out regime, whereas the Recommendation was championing an opt-in system. Businesses stress that the focus should continue to be on public enforcement, efficient out-of-court dispute resolution tools and awareness of the many rules among both consumers and businesses, rather than creating new rules that are not well-balanced.

News FLASH

>BARNIER PREPARES THE GROUND FOR A SMOOTH RATIFICATION OF THE FUTURE EU-UK TREATY

The EU's chief negotiator for Brexit Michel Barnier has started preparing the ground for a smooth approval of the future treaty with the UK. The future treaty, certainly with mixed competences, will require the ratification of the European Parliament and national, or in some cases regional, parliaments. As part of his capital tour, Barnier discussed the Brexit issue with the Czech government, the Czech Parliament and various stakeholders in Prague on April 19th.

>CZECHS ARE READY TO PAY MORE IN THE EU BUDGET

At the beginning of April, EU Commissioner Günther Oettinger visited the Chamber of Deputies of the Czech Parliament. Oettinger discussed with Czech MPs the EU Multiannual Financial Framework after 2020 that must reflect new priorities and Brexit. Czech MPs stated that the Czech Republic is ready to react on the need of an increase in EU budget in connection with Brexit.

>GDPR – LOST MOMENTUM

The Czech Republic will apparently not be able to approve a draft amendment to the law, which will specify the new European rules for the protection of personal data, on time. We are therefore losing the momentum to use national legislation that could specify GDPR rules within the Czech context.

MEP CORNER



"A New Deal for Consumers has a potential to reinforce consumer rights and at the same time contribute to a fairer Single Market. Although there is a quite robust legal framework that in general enables consumers to make informed choice and protects them, at least on paper, from different kind of unfair practices, what is still lacking is better enforcement and possibility to get compensation once something goes wrong. Proposals for both individual and collective instruments that will enable consumers effectively and in justified cases to seek a redress are win-win situation for both consumers and businesses. Indeed, the proposal is an opportunity for compliant traders as well. It is not intended to increase administrative burden, on the contrary, it can get rough traders out of the market by penalizing illegal behavior. Last, but not least, I am particularly interested to work on legal provision that aims to tackle a dual quality of products at European level by amending the Unfair Commercial Practices Directive. I would like to invite the industry concerned to cooperate in a constructive way on finding solution that will avoid misleading of consumers while preserving their choice. A common responsibility we share in this regard cannot be jeopardized by unjustified excuses anymore as consumers' trust is at stake."

Olga Sehnalová,
Member of the European Parliament (S&D, ČSSD)



CZECH PRIORITIES FOR BREXIT NEGOTIATIONS

On 12th April, the EU chief Brexit negotiator Michel Barnier visited Prague, where he met Czech Prime Minister Andrej Babiš, Minister of Foreign Affairs Martin Stropnický, Minister of Industry and Trade Tomáš Hüner, Members of the Committee on EU Affairs of the Chamber of Deputies of the Parliament of the Czech Republic and several senators. The Prime Minister expressed his support to the negotiating team of Michel Barnier. He was also pleased by the fact that the EU took into account the remarks of the Czech government, especially those related to the rights of citizens. According to the Prime Minister, there are around 50 000 Czech citizens living in the United Kingdom today, and therefore one of the main priorities for the Czech government is to maintain their rights after Brexit. Furthermore, Prime Minister Babiš stressed the need to cooperate in the field of security, especially when it comes to information exchange, free movement of people and personal data flows. The ideal scenario is to keep things as closely as possible to the current status even after Brexit. It

is probably no surprise that the Czech Republic, as a very open and export oriented country has a positive trade balance with the UK as it is one of its most important business partners. Therefore, Czech businesses are equally as interested in the outcome of Brexit negotiations as the government. Czech businesses therefore urge the decision makers to evade the cliff-edge scenario that would significantly disrupt business cooperation with the UK. As a first step, it is crucial to endorse the Brexit agreement that would also set up the transition period of at least two years. After that, it is necessary to negotiate a free trade agreement that would cover all the essential aspects of mutual trade cooperation. To name a couple of specific measures, businesses want to maintain the same standardization and homologation system that would significantly facilitate mutual trade relations, secure free flow of data and abidance of data protection rules, provide access to public procurement and ensure smooth intercompany transfers with fully coordinated social security systems.



EESC CORNER: INTELLECTUAL PROPERTY PACKAGE



Intellectual property systems are a crucial tool for innovation and growth and enable companies, creators and inventors to generate a return on their investment in knowledge and creation. Studies estimate that intellectual property right-intensive sectors account for around 42% of EU GDP (worth some EUR 5.7 trillion annually), generate 38% of all jobs, and contribute to as much as 90% of EU exports. The digital revolution has opened up a wealth of new opportunities, but has also exposed EU IPRs to new and greater risks by facilitating the on-line movement of counterfeit goods and content, confusing consumers as to what is counterfeit and what is genuine and legal, and making it more difficult to identify criminals. Counterfeit or pirated goods currently account for 2.5% of global trade and EU industry is badly affected, especially in sectors where EU businesses are world leaders. The Commission proposes

measures to ensure that intellectual property rights are well protected, thereby encouraging European companies to invest in innovation and creativity. The package set out measures in four main sections: measures to make it easier for IP stakeholders to benefit from a homogeneous, fair and effective judicial enforcement system in the EU; actions to support industry-led initiatives to combat IP infringements; initiatives to strengthen the capacity of customs and other authorities to enforce IP rights; measures to strengthen efforts to fight IP infringements on a global scale, by promoting best practices and stepping up cooperation with third countries. The EESC draws attention to the importance of safeguarding the general interest of society as a whole by ensuring that the value created is distributed fairly between the different intellectual property stakeholders and also supports the FRAND (fair, reasonable and

non-discriminatory) principles in relation to standard-essential patents. More specifically, the Committee advocates a balance between the fair recognition of intellectual property rights and the development of innovations that can bring real benefits to society as a whole. In order to improve management of conflicts, the EESC recommends that a European mediation network be set up, to work in line with the decisions of the Court of Justice of the European Union. With a view to strengthening the enforcement of intellectual property rights, the Committee supports all the Commission's recommendations aimed at improving the legal forum instrument.



Marie Zvolská,
Group I – Employers

CEBRE CALENDAR:

- **15th May** – Debate on online platforms in accommodation services (European House, Prague)
- **25th May** – Debate on next MFF (European House, Prague)
- **15th June** – CEBRE founders meet Czech MEPs (Prague)

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CEBRE was founded in 2002 by the three most important Czech business organizations – Czech Chamber of Commerce, Confederation of Industry of the Czech Republic, Confederation of Employers' and Entrepreneurs' Associations of the Czech Republic with kind support of the Ministry of Industry and Trade via its Trade promotion agency CzechTrade.