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London calling
British Airways has been lean and mean to cope with its low-cost competitors, but commercial lawyer Daniel Peck says a full-service airline wants for something. **see record p10**

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After almost 600 years, the Lobkowicz Brewery is finding new ground and to boost exports are on the move. **see Jiří z Poděbrad be proud. business p13**

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To send Jiří Janošik to Chelsea put the spotlight back on Czech football and the move is renewed hope to local agents. **see p29**

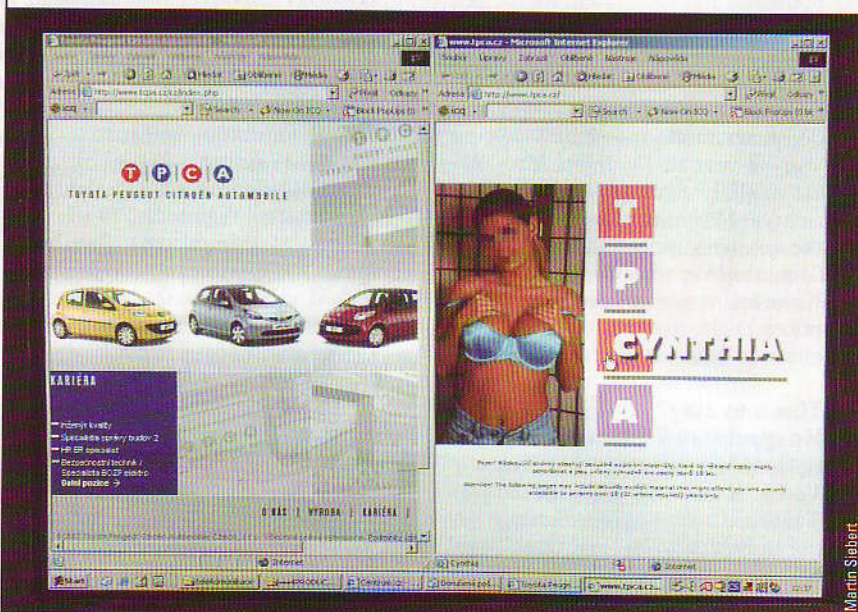
Enter Wonderland
The botanical gardens are a tropical oasis that is a warm escape from winter blues. **About p21**

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Auto erotic



Martin Siebert

Automaker Toyota Peugeot Citroen Automobile (TPCA) hit a slight bump in the road when a Web-savvy entrepreneur decided to build a porn site using the company's logo.

BY SEAN B. CARNEY

Just when the heads of TPCA thought they had enough on their hands trying to hire another 1,000 workers for after production is launched in March, they now find themselves locked in a legal battle over a pornographic Web site bearing the company's name. The Franco-Japanese joint car venture — the largest greenfield investment in the country's history — has now summoned its lawyers to try to wrestle what it considers its rightful Web address, www.tpcz.cz, from a Web-savvy entrepreneur trying to cash in on the company's presence in the country.

New rules have been introduced to curb the prevalence of cyber squatting — registering a domain name specifically for the purpose of selling it to the company that considers itself the rightful owner. And TPCA is hoping that it can get a preliminary injunction this week to shut down a site that, instead of cars, shows scantily clad "TPCA" girls — Theresa, Pauline,

Cynthia and Adriana. These are not the models that TPCA wants potential customers to be focusing on.

The controversy dates back to 2002, when the name of the small-car venture was announced. The corporate abbreviation TPCA was quickly bought up in the .cz as well as in the .com domain. In both cases, the owners of the URLs are speculative buyers who hope to sell the Internet addresses to the car maker — the owner is asking \$10,000 (Kč 230,332) for tpcz.com and, according to TPCA spokesman Matěj Matolín, the owner of tpcz.cz, a Prague Web designer, wants an "incredible" Kč 500,000 (€16,500).

When the cyber squatters offered the domain names to the car maker, it refused to deal. TPCA instead registered the inaccurate tpcz.cz and the unwieldy tpcz-cz.cz.

Fast forward to late 2004, and Jan Vopička, the Web designer who owns tpcz.cz, upped the ante on the car maker by changing the Web site from **see TPCA p15**

Dewey Ballantine office ditches U.S. moniker

BY PETRA PASTERNAK

Where's Dewey Ballantine?

According to local sources in the legal community, the New York-based law firm has closed its Prague office. Dewey has at least scaled back its Prague presence this month, when three longtime associates took over the office as partners and shed the Dewey name. The new name of the office is **Kotlík Bourgeault Andruško**.

But headquarters and the firm's local lawyers are downplaying the shift, pointing out that the change at their office is not that dramatic. Both sides say close cooperation continues.

The New York office issued a brief official statement, stressing that Dewey Ballantine, which has 550 lawyers worldwide, continues to serve global clients through its Prague, Warsaw and London offices. "Dewey Ballantine has not closed its Prague office," said **see Dewey p04**

Travel deal may end in lawsuit

BY PETRA PASTERNAK

A much-trumpeted deal merging the **Marco Polo International** and **CK Fischer** travel companies has apparently dissolved into threats of legal action.



Courtesy of Fischer

The Marco Polo-Fischer deal crashed

Marco Polo minority shareholder Jarmila Muchová plans to file an unfair competition suit against both companies with the **see Atlantik p15**

BY

ČEZ targets Temelín

CHRIS JOHNSTONE

Looking to complete a cost-cutting program this year at its two plants, Temelín and Dukovany, that would reduce average production costs by Kč 100 crowns/or around 10 percent of the sale price of its electricity. Zdeněk Linhart, the operating manager of ČEZ's nuclear division, says the budget for 2005 was based on getting the cost-cutting target fully set in 2004. The main target to cut costs comes from the older and more controversial Dukovany plant, which has experienced



Martin Siebert

Shutdowns required

such as the failure of the primary in the first block and that the cooling system in the second last year, resulting in expensive seen shutdowns. Temelín's second block was again shut down for days from Jan. 8 following a problem in the cooling system.

The older Dukovany plant is one of the cheapest electricity producers in Europe, according to ČEZ, but the company has identified room for improvement here as well.

Several projects to cut costs have been incorporated in this year's budget, including reducing the number of days either plant is shut down for routine maintenance. ČEZ management count on reducing Dukovany's

current average of being off line 32 days a year to 25-28. Getting more consistent production at Temelín is a bigger challenge. The first block of the reactor was scheduled to be out of operation for 93 days last year and was actually shut down for 109. The second block was scheduled to be out of action for 60 days and was eventually closed for 81 days.

Savings of around Kč 16/MWh are envisaged at Dukovany as the result of an ongoing modernization program to boost production capacity by around 41 MW. Part of the program involves improving the turbines. The downside is that the reactor would run at a basic load level while changes are made. A similar output boost at Temelín would also be possible. ČEZ will also benchmark its nuclear operations with those in other European countries.

Separately, ČEZ should decide this month what sort of re-fit to undertake at the 35-year-old, 800 MW capacity brown-coal burning Tušimice plant in northern Bohemia. ČEZ has three re-fit scenarios: a conservative plan that would leave technical operations and efficiency largely unchanged; a standard upgrade that would boost its electricity production efficiency to current industry norms of around 40 percent; and a refit using the Best Available Technology that would increase efficiency to 40.5 percent. The starting costs for the plans are around Kč 1 billion. Following the Tušimice project, ČEZ will have to carry out a similar evaluation of re-fit options for its nearby Prunéřov plant, its largest coal plant, with a production capacity of 1,050 MW.

ČEZ bosses expect to approve construction of at least one new coal-fired plant this year. Počerady north Bohemia is one of the favorite sites for a new plant, but ČEZ is toying with foreign destinations as well. ■

LAW FIRMS

Dewey to keep presence

continued from p01

a firm spokesman who wished to remain anonymous. "We've merely changed the nature of our legal relationship with the office and it is now treated as an associate office."

Dewey doesn't expect to lose clients as a result of the restructuring. But the global firm isn't the first to reassess its position on the hyper-competitive Czech market. Legal insiders say reasons for such a split are many. Commonly it is a decision from headquarters that clients can be serviced just as well through a partnership and without a direct local presence. Other times offices break off because of internal conflicts between headquarters and partners here, with expectations clashing because of geographical distance.

The partners didn't want to give details on the reason for the split, but said the office is doing well and gearing up for growth. Petr Kotlík, a former managing partner of Dewey Ballantine in Prague and now managing partner of the new office, said that restructuralization is happening, but that it "certainly doesn't mean the exit of Dewey Ballantine from this market."

He said the office is staffed by the same people and work continues for the same clients. The new office's marketing materials will continue to use the Dewey Ballantine name. "The tie remains," he said. "What it means for us is a more flexible relationship with clients," Kotlík added.

Partner Martin Bourgeault said the firm now can be more flexible in its billing practices, with the ability to introduce fees based on success and caps. Dewey closed a successful 2004 and Bourgeault expects better days to come, especially if some of

the deals Dewey Ballantine worked on last year come to fruition. The firm represented Polish petrochemical company **PKN Orlen** in its \$505 million (Kč 11.63 billion/€382 million) acquisition of Czech **Unipetrol** and advised **Central Media Enterprises** in its \$642 million takeover of **TV Nova**.

What's in a name?

Dewey Ballantine isn't the first to scale back in favor of servicing its clients through a local partner office. In 2003, **Freshfields Bruckhaus Deringer** and U.S. firm **Skadden Arps Slate Meagher & Flom** pulled out of the market altogether. Freshfields' split gave rise to the firm **Vejmelka & Wünsch**, which works in large part for Freshfields' clients.

But some lawyers say giving up a well-known moniker for independence can be double-edged. Josef Vejmelka, a name partner with **Vejmelka & Wünsch**, said the transition is easier if the office has a strong base of long-term clients. "We didn't know what effect it would have on our current clients," he said. "But we were pleasantly surprised. We didn't lose a single one," he said.

But there is a flip side to losing the big name. **Vejmelka** said acquisitions of major new projects become tougher when the new office has to do it on its own. "Unfortunately, many clients, international and Czech both, make decisions based on name. Their impression is that the name is important," he said.

He said that current Dewey clients have to ask themselves what the change means in practical terms for them and how important it is to work with a firm that carries a label with a global reputation. "For many clients, it doesn't mean much," **Vejmelka** said. ■

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