

Example of cooperation in ADVOC Network between UEPA advokáti s.r.o. (Czech Republic & Slovakia) and Robinson & Cole LLP (U.S.A.)

In the beginning of December 2023 our law firm UEPA advokáti s.r.o. was contacted by our client (a Czech company) in regard to a planned transaction. The client intended to sell an invention, specifically a radar system which is primarily used for firearm projectile speed detection, measuring and tracking, to an American company registered with the SEC. The subject of sale consisted mainly of the right to use a patent registered in Germany and other related assets, rights and obligations.

Initially we expected that the transaction shall be governed by Czech law. However, during the initial negotiations we have discovered that regardless of the choice of law and depending on the circumstances certain tax obligations could arise for the client as the seller, specifically U.S. withholding tax which is generally 30%.

Since we were not able to provide legal advice in regard to U.S. tax law we reached out to our ADVOC colleagues at Robinson & Cole LLP. After quick agreement on the conditions we were able to start the cooperation.

During the contract negotiations the buyer insisted that the contract documentation as a whole should be governed by the law of Delaware. Luckily, we were already in touch with Robinson Cole who were able to give us their legal advice not only in regard to the tax issues but also IP law and the contract conditions in general.

The transaction was very time sensitive for our client and the buyer due to a planned business fair participation. Also, the discussions and negotiations took place before, between and right after the Christmas holidays. The time difference between Czechia and Connecticut did not make the time management easier.

Despite the complications the colleagues from Robinson Cole were very effective and flexible in providing their legal advice and after many e-mails and several videocall discussions we were able to amend the contracts and successfully sign the documentation in the second half of January 2024.

Should you be interested in cooperation with our law firm, please do not hesitate to contact us for further consultation.

UEPA advokáti s.r.o.

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