Communication concerning the decision of the Curia of Hungary in civil case number Pfv.IV.20.635/2021

In its judgment, the court of second instance, partially reversing the judgment of the court of first instance dismissing the action, found that the defendant had infringed the reputation of the plaintiff by changing the coat of arms of Újpest FC football club – competing in the Hungarian adult men's professional football league NBI and operated by the defendant – without the consent of the plaintiff and by using the changed coat of arms from 3 July 2017. The court of second instance ordered the defendant to cease the infringing conduct found within 30 days and prohibited the defendant from further infringement. In addition, it ordered the defendant to publish, within 15 days, the operative part of the judgment on the home page of the <u>ujpestfc.hu</u> website for a period of 30 days.

Acting upon the defendant's petition for judicial review, the Curia of Hungary quashed the final judgement and upheld the first instance judgement.

The Constitutional Court's decision number 3165/2021 AB (of 30 April 2021) found that the Curia's judgement had not been in compliance with the Fundamental Law of Hungary, consequently the Constitutional Court decided to annul the Curia's judgement. The Constitutional Court has pointed out that the protection of the personality rights of legal persons and the safeguarding of such rights in case of natural persons are to be interpreted differently, however, the Curia of Hungary – due to its diverging legal standpoint – failed to examine whether the changed coat of arms had any negative impact on the reputation of the petitioner.

Based on the findings of the Constitutional Court's above decision, the Curia of Hungary reopened its proceedings and established that the unilateral changing of the coat of arms as a brand image – which had not complied with the articles of association – without any regard to the traditions and past successes of the sports club and to the opinion of the sporting community had been objectively capable of adversely affecting the image of the plaintiff sports club, hence, such changing had entailed an infringement of the latter's reputation. Accordingly, the Curia of Hungary upheld the final judgement.

Budapest, 15 February 2022

Civil Department of the Curia of Hungary