

**NEWSLETTER NO 28.**  
**Of the Association of Corporate Lawyers**

For all those who has forgotten or has not know, the web site of the Association is  
[www.udruga-korporativnih-pravnika.hr](http://www.udruga-korporativnih-pravnika.hr)

**WHAT WAS HAPPENING DURING MAY**

- 1. We represent you our colleague lawyer, a member of the Association**
- 2. Nomination of judges of the Court of Honour at the Croatian Chamber of Commerce**
- 3. ACADEMY OF EUROPEAN LAW (ERA)**
- 4. Annual General Meeting of the Association successfully hold**
- 5. Events prior to the LAWYERS GATHERING in Opatija bound to the fifth anniversary of signing of the Statement on the position of lawyers in economy**

**1. We have visited MOTUS CEE**

This month we are introducing you the company MOTUS CEE and our colleague Duško Margušić. We have appointed a meeting with him in Samobor, in a beautiful country house from the 19<sup>th</sup> century, but not because of a beautiful ambience, but for the fact that the headquarters of the company MOTUS CEE is placed in this historical building. This company has a wonderful offices and even more beautiful location, but its mayor strength (as, after all, of all the other companies as well) rests on its employees.

To Duško Margušić, we can righteously assign the attribute of being successful. Although young, he has succeeded to establish himself and to take a very important position in the company. We have talked with him about the structure of the company, and about his personal future plans.

*First of all a few words about the company:*

Valvoline CEE Group was established in 2006 as a part of VALVOLINE EUROPE, specialised for the territory of the Central and Eastern Europe (CEE).The headquarters of the Group – the company Valvoline CEE Ltd. was placed in Croatia because of beneficial tax aspects. The company was created as holding and a central management controlling distribution of Valvoline products in the territory of the Central and the Eastern Europe. Speaking more precisely 13 countries made the stated region: in addition to the ex-Yugoslavia countries, these are Bulgaria, Romania, the Check Republic, Slovakia, Hungary and Albania. The Central Management – because this liability company employed only experts and managers from various business areas: sales, marketing, law, finances, etc. and the central holding since daughter companies are placed in countries of the region and they distributed Valvoline products there. In Slovenia, in the town of Maribor, we bought an oil and lubrication refinery in which have produced licensed Valvoline products in addition to our own oil brand.



At the end of 2009 the company turned over from the exclusive distribution of Valvoline products to so-called multi-brand distribution founding on Spanish brand REPSOL and our own brand STORM that has been manufacturing in the stated refinery in Maribor. The whole group went out from the Valvoline structure, and we choose MOTUS CEE Group as a corporate name. We have kept the existing holding and management structure, while the business activities were expanded to Austria and Greece.

*What is the structure of the legal services and how many employees do they have? Which status do lawyers have within your company?*

In the same headquarters of MOTUS CEE Group – the company MOTUS CEE Ltd, there are no legal services at all. Therefore my position is the *Head of legal affairs*, and not a head of legal services. Looking in a wider organisational sense, I manage colleagues lawyers employed in daughter companies, in the total there are four colleagues. In other companies no lawyers are employed, and necessary legal counselling is usually outsourced and contracted with local attorneys-at-law. In the headquarters, we have fifteen employed experts, while the Group employs 200 persons.

*Could you describe your relationship with other professions in the company?*

MOTUS CEE Ltd. employs only a narrow circle of experts from various business activities. Besides me, the head of sales of lubricants per segments (motor vehicles, industry, etc.), the head of marketing, the head of finances, the head of customer support services and a few of colleagues performing auxiliary and administrative activities are present.

*Which activities do you perform within legal affairs? Do you have any contacts with foreign law / jurisdiction / arbitration?*

I manage complete legal affairs of the Group. It is partially independent job, in the first line on affairs that are strictly at the level of the group: providing for legal support to the Group management, establishment of business affair strategy, establishment and organisation of the holding group, compilation, revision and comments to international contracts on distribution of goods, licenses, know-how and processing of intellectual property protection of corporate and manufacturing brands. I also take care on coordination and monitor implementation of the business activity strategy of the Group at the level of each daughter company.

I perform activities that are at the level of each individual country, that is each individual daughter company in cooperation with my colleagues - lawyers and local attorneys-at-law, respectively.

I am in contact with foreign law almost daily. At the moment we have several arbitral and court proceeding in England, Netherlands and Slovenia.

*How did you choose the job in this company, how long have you been working here and how do you see your future?*

I think that the Valvoline brand talks for itself. That is what attracted me initially. The things that have kept me are extreme dynamism and various business operations including activities I have been performing. I have earned an immeasurable experience in international business operations, contacts with foreign attorneys-at-law and our colleagues, corporate lawyers. Due to the needs of business I travel a lot and that makes me pleasure. I have been working with the company since 2006, from the very beginning.

Since I am professionally satisfied with the present position, I will try to keep this professional profile in the future as well.

*How are you keeping in pace with changes in jurisdiction and education?*

That is pretty hard to do taking into consideration numerosness of changes on the one hand and lack of time on the other. Seminars organised by the Association represent a precious help.

*What do you think about the activities of the Ministry of Justice?*

I think they are insufficient and not harmonised. Activities performed by the Ministry are dictated by the European Union with the aim of as fast accession to the European Union as possible. I believe that professionals like us have only incidental benefit of their activities.

*Which is the position of lawyers in the Company – do you have any influences to managing?*

I certainly influence management, not only with current legal opinions and advices, but also participating in establishment of initial strategies of business operations.

The thing that I can emphasise as a bother for me is the fact that lawyers are not consulted frequently enough *ante festum*, or prior to appearance of a problem, but always *post festum*, when the problem is already in front of us. That is also where I see the largest room for improvements.



## **2. Nomination of judges of the Court of Honour at the Croatian Chamber of Commerce**

In addition to the Arbitration Tribunal and Conciliation Centre at the Croatian Chamber of Commerce the Court of Honour also works and makes decisions

on violation of morale (good business customs) during performance of business activities and sales of goods and services in the region of the Croatian Chamber of Commerce, lack of fulfilment of obligations of members of the Croatian Chamber of Commerce and violation of the Statues and other general acts of the Croatian Chamber of Commerce, regardless the fact whether it was done by members during mutual business operations or towards third persons for which sentencing of disciplinary measures is foreseen.

The Court works through its bodies that are: the presidency, the president, the secretary, the first instance and the second instance committees and individual judges.

The Managing Board of the Croatian Chamber of Commerce nominated judges of the first instance and the second instance committees of the Court of Honour at the Croatian Chamber of Commerce for the term of office from 2010 to 2014. The nominated judges gave oaths in ceremony to the president of the Croatian Chamber of Commerce.

Judges of the first instance and the second instance committees of the Court of Honour at the Croatian Chamber of Commerce were nominated from independent legal experts, representatives of trading companies and consumer representatives.

It is a special honour and satisfaction that 10 members of our Association were nominated to be judges of the Court of Honour of the Croatian Chamber of Commerce.

Prior to swearing in ceremony, the Court of Honour at the Croatian Chamber of Commerce introduced a Codex of Decisions reached during the time period from 2006 to 2009 to the recently nominated judges. The Codex was published by the Croatian Chamber of Commerce in April 2010 and it comprises 134 cases. It is also provided with rules and regulations the Court of Honour basis its decisions.



We hope that the members of our Association would promote and strengthen scrupulousness and honour, morale rules, influence education and ethical development of the members of the Croatian Chamber of Commerce, protection of the members of the Croatian Chamber of Commerce and consumers and act with the aim to improve legal profession and economy as a whole, each one in the area for which he/she was appointed to be a judge of the Court of Honour. We wish them a lot of success in their operation.

### **3. ACADEMY OF EUROPEAN LAW (ERA)**

During the time period from 17<sup>th</sup> to 19<sup>th</sup> May, 2010, members of our Association were students of the training under the title "Intensive legal English course - focus on writing skills" organised by the Academy of European Law (ERA) in Trier. The number of students was limited to 12 participants from Germany, Lithuania, Moldavia, Poland, Luxemburg and Croatia. During three days topics from the following areas were discussed interactively between the trainer and the students: legal sources, sales contracts, trading company law, litigation and criminal proceedings, labour law, criminal law, etc.

What is ERA?

The Academy of European Law (ERA) started its activities in March 1992 in Trier. Its foundation was bound to a quick tempo of European integrations and spreading of European jurisdiction. In other words a need for additional education of attorneys-at-law, judges and other legal practitioners through trainings and discussion forums appeared.

In 1990 the European Parliament recommended to the European Commission to invest assets into a Centre for improvement of lawyers with the aim of perfection of implementation of the European standards and norms. On 8<sup>th</sup> to 9<sup>th</sup> November, 1991 the decision on foundation of ERA was reached, while the project of the Academy was initialised officially at a ceremony in Trier.



The aim of the European Law Academy is enabling individuals and bodies engaged in implementation and application of the European Law in the member states and other states interested in close cooperation with the European union to spread the European law, in the first line the law of the European Union and its implementation, and to enable their mutual and overwhelming exchange of experience.

The Academy tries to achieve the stated goal organising different training courses, conferences, seminars and expert symposiums, in the first line for needs of permanent professional education, issuing publications and holding discussion forums.

Each state investing into the development of the Academy has right to appoint its own member of the Academy Board of Directors. The representative of the Republic of Croatia (that is our "Patron"), or in other words the Croatian member of the Board of Directors is our Minister of Justice, Mr. Ivan Šimonović.

The Judiciary Academy in the Republic of Croatia closely cooperates with ERA and tries to include Croatian judges and state attorneys-at-law into the Academy activities.

#### **4. Annual General Meeting of the Association successfully hold**

The annual general meeting of the Association of Corporate Lawyers was held in the premises of the Croatian Conciliation Association in Zagreb, Teslina Street 1/1, on 27<sup>th</sup> May, 2010; 28 members of the Association and their attorneys from Zagreb, Split and the island of Rab were present.

The Association Annual General Meeting adopted the proposal to elect Ms. Josipa Jurinić to be the President of the Association, Ms. Marina Kralj Miliša, Ajka Ševerdija, Narcisa Knežević and Gordana Pandžić to be members of the Presidency of the Association, and Mr. Damir Lemaić, Hrvoje Miladin and Nikola Skenderović to be members of the Supervisory Board of the Association for the term of office from 5<sup>th</sup> June, 2010 to 4<sup>th</sup> June, 2011.

The Minutes of the Meeting is published at the web site of the Association.

#### **5. Events prior to the LAWYERS GATHERING in Opatija bound to the fifth anniversary of signing of the Statement on the position of lawyers in economy**

Prior to Opatija Conference, our colleague, Mr. Mitrović, the president of the Association of Lawyers in Economy of the town of Varaždin, contacted our Association with the proposal of giving of a common statement in Opatija. His initiative has motivated us for consideration and we have concluded that this is the best moment since this spring seminar celebrates the fifth anniversary of signing of the Statement on the position of lawyers in economy.

Let us remind you: At the 43<sup>rd</sup> traditional Conference LAWYERS GATHERING 2005, the President of the Union of Associations of Lawyers in Economy, the Academy Member, Mr. Jakša Barbić, signed the Statement on the position of lawyers in Economy in the name of the Union of Associations, together with the President of the Croatian Chamber of Commerce, Mr. Nadan Vidošević, the

President of the Croatian Craftsman Chamber, Mr. Stjepan Šafran and the Vice President of our initiative for establishment of the Bar of Corporate Lawyers, Ms. Marina Kralj Miliša. In the Document, they commonly established the position of the profession and invited all the legal professionals to make their best, and all the institutions to make conditions in which the wished goal could be achieved – to make Croatia a state of the rule of law.



The mentioned Statement declared that a Croatian Bar of Corporate Lawyers or Lawyers in Economy should be established to promote the profession and provide for a professional position of lawyers.

The Statement was published in the Magazine "Law in Economy" No. 1/2005, at pages 403-407.

### **Which goals established in the Statement are already achieved?**

The mentioned Statement has been used by the Academic Community and out of the goals established in the Statement only the part referring to education has been achieved preventing the implementation of three-year-long legal study for the needs of economy with a consequent two-year-long continuance, i.e. three-year-long faculty study for the needs of economy, but a five-year-long law study for corporate lawyers has been introduced in accordance with the Statement. We are conscious that this is a serious benefit, but we are also conscious that important parts of professional life do not consist of only rules and regulations prescribing education, but also the manner of practicing the legal profession in economy after the study as well.

The part referring to us, corporate lawyers has not become the reality yet. Even more this traditional conference of ours was the conference of lawyers in economy once, but in a moment it has turned to be only conference of lawyers. Are we, ourselves, also really ready to decrease the function of corporate lawyers as well?

Has that change happened subtly!?

Lawyers gathered around the Initiative have understood that in a situation when there is no enough consciousness about the bar associating of corporate lawyers, there is a need for some kind of institutionalised form through which the Initiative can act.

The results are known well. We have established the Association that has been working a little, we have been gathering, but nothing of the Bar. Unfortunately, establishment of the Bar is not in our hands. We have contacted all ministers of justice without results.

Colleague Mitrović, in the function of the Association of the Lawyers in Economy of Varaždin, has contacted the Association of Lawyers in Economy of Zagreb, and indirectly the Union of Associations, to sum up the results of five-year-long activities and with concrete proposals:

- a) We consider that we should not spend our force on small, local associations, but we have to unite our forces and initiate a common action at the level of the Republic of Croatia. Maybe it is time for us to link and to unite with the Association of Corporate Lawyers.
- b) We consider that the time for education only has lapsed and the time for us to activate and fight for our professional position has matured. In which aspect do we, corporate lawyers, differ from other attorneys-at-law, judges, state attorneys-at-law and public notaries? Do not they need to be educated as well? Of course, they do, but it is not their purpose. In the same manner we should understand that education is only one of our tools, but that is also very important to strengthen our professional position as well
- c) We propose that our Association / Associations of Lawyers in Economy of Varaždin, that is the Union of Associations, declares itself whether it is interested in establishment of the Croatian Bar of Lawyers in Economy or Croatian Bar of Corporate Lawyers. The name itself is of less importance, what is really important is its purpose. In the same way, it should be irrelevant to us whether it is a separate Bar or a separate Class within the Bar. We are, naturally, talking about lawyers who passed the bar exam that is, fortunately, the same for all of us. We are afraid that after amendments of law and the reform of education of judicial officers, the situation will be even worse and that the mobility within the profession will be disabled.

As far as we monitor world trends, the situation is just opposite, and in France, that always represented a bastion of the exclusiveness in the field of legal profession, there is a trend of uniting the profession into a unique profession. Unfortunately, we are lagging behind, but also

accept things that have proven to be bad in other places and that in other places have been abandoned.

An explanation has been also written and attached:

**Why the Bar:** It has been proven in practice that only a lawyer employed in a trading company can offer a complete service. Especially on the basis of the statistics of our Courts it can be concluded that the procedural discipline is achieved in those litigations in which the lawyers from the economy are present, since their main aim is to resolve the matter as quickly and as efficiently as possible. Such a lawyer cannot afford himself or herself to postpone a hearing or to come to a hearing unprepared because he/she comes back to the company where he/she lives and there is no need or necessity for him/her to, neither he/she has the authority to use his/her own time and money or the time and money of other people.

a) On exactly that fact stated above, the main targets of our Association should be established upon, and that is the requirement for recognition of costs to the trading company represented by a corporate lawyer / a lawyer in economy. As you already know, pursuant the Civil Procedure Act in force, the trading company does not have right to the cost in case of a successful litigation when it is represented by a corporate lawyer. However, if the same company is represented by an attorney-at-law the company has right to the cost of representation in case of a successful litigation.

Such a provision does not have any sense and it is damaging for the economy and corporate lawyers as a profession, since it is one of the reasons for the existence of "wanton" litigations. All the stated is based on the supposition prescribed by the Civil Procedure Act that the company is represented by a corporate lawyer who has passed the bar exam. The different legal treatment of representation by an attorney-at-law or by a corporate lawyer in the same dispute has not economic or legal logic.

b) We have been recently witnesses of another unacceptable practice of our courts that refers to the requirement of the Zagreb Land Registry that the power of attorney issued by the Board of Directors of a company to its lawyer in economy should be certified by a public notary. That is a precedent which we shall not accept. Land Registry officers refer to an internal instruction they are not allowed to show us! Is the aim of our jurisdiction to burden that little of the economy that is still alive with public notary certifications for each power of attorney! Or even worse to underestimate our position of lawyers who passed the bar exam even more? Where is the end of that?

**Result:**

Colleagues from the Association of Lawyers in Economy of Zagreb, that is the Union of Associations, have not wanted to accept this topic or the text in Opatija even as an information.

Their comment was that the competitive association would be promoted in such a way. Dear Colleagues are we really competition to each other, can this small Croatia afford itself such a dissipation of forces?

**Conclusion:**

We hope that this article is going to have a resemblance among lawyers from the economy and that they are going to unite themselves better in the future to achieve the long time wished goal – a bar organisation.

## WHAT ARE WE PREPARING FOR JUNE?

We have been very busy with preparations for the Annual General Meeting of the Association and we are going to inform you with plans for June later on.

We are calling you again to participate in activities of the Association with your proposals, suggestions, comments – this is after all OUR ASSOCIATION!

**We invite you to be active!  
Send us letters, proposals, supplements for our and yours  
Newsletter – and web site.**

In Zagreb, May 2010

Assocaiton of Corporate Lawyers

[www.udruga-korporativnih-pravnika.hr](http://www.udruga-korporativnih-pravnika.hr)