

# Postcard: Ceske Budejovice. In a Czech town where the local beer is considered a national treasure, emotions are flaring over a famous brand name. **The battle for Budweiser**

BY KATERINA ZACHOVALOVA

**T**HOSE WERE EIGHT TOUGH YEARS during the communist era when Vaclav Moravec had no choice but to live in the Czech city of Pilsen. Though he was living in the cradle of the famed Pilsner beer, Budweiser, his favorite brew, was nowhere to be found—not that pale thirst-quencher produced by U.S. giant Anheuser-Busch, but the hearty, bitter lager from the small Budejovický Budvar brewery in the South Bohemian city of Ceske Budejovice. The town's German name, Budweis, gave both beers their name—and cause for their nearly century-long trademark war in courts worldwide. "Every time I arrived in Budejovice I first hurried to a pub," says the 65-year-old former engineer, now happily spending his retirement back in his—and Budvar's—hometown.

But Moravec faces a new ordeal: recent Czech press reports allege that Anheuser-Busch has been in talks with a close, though unofficial, adviser to the Czech Prime Minister about buying Budejovický Budvar, the last major post-communist brewery still in the hands of the Czech state. "I would have to quit drinking beer altogether," Moravec grunts at the prospect of a new owner tampering with the Budvar magic. "Better that than to drink some slop."

Beer has been brewed in this county capital of 95,000 since the Middle Ages, and the Budejovický Budvar brewery was founded in 1895. The company was nationalized after World War II, but has kept producing a premium brew using first-rate water, malt and hops, which are left to mature for three months in white lagering tanks in the brewery's chilly cellars. "It is a symbol of Budejovice," says 20-year-old resident Johana Stejskalova when asked what Budvar means to her.

Moravec is not the only denizen of Ceske Budejovice who fears for the fate of the town's favorite tippie if it were snatched up by Anheuser-Busch. Many locals believe it wants Budvar only for its trademarks, and might even shut the



**What's in a name** Stejskalova drinking Budvar's Budweiser beer at a pub in Ceske Budejovice

brewery down. Jan Vesely, the head of the Czech Beer and Malt Association industry group, dismisses such worries, saying: "I don't know of any brewery in Central Europe someone would buy to close."

The trademark tug-of-war intensified a decade ago when, in the aftermath of the fall of Czechoslovakian communism, Anheuser-Busch failed in a bid to buy Budvar. In more than 100 court cases and administrative proceedings worldwide, Budvar and Anheuser-Busch have tangled over which brewer gets to call its suds Budweiser. (The outcome of one agreement is that Budvar beer sold in North America, for example, is called Czechvar. In much of Europe, the Anheuser-Busch brand is known as Bud).

Although key government ministers have suggested publicly that they would ultimately like to sell off the government-

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owned brewer, there are no imminent plans to do so, and government and company officials have rushed to deny there were any talks at all. And even if Budvar does find itself up for grabs, says CEO Jiri Bocek, Anheuser-Busch would not be given preferential treatment. In January, the rivals announced a deal whereby Anheuser-Busch would import and distribute Budvar's Czechvar beer in the U.S. Rumors immediately swirled that the American brewer was maneuvering to get ahead of potential bidders in a future privatization. But Bocek insists they agreed on distribution and nothing more. "We are not in talks with any potential partners," he says.

That assurance may help calm those locals who subscribe to an anyone-but-Anheuser mentality, believing it would be an insult for their illustrious brew to be owned by what they consider a Budweiser pretender. "It would be a smack in the face," says Milos Homolka, a retired car repairman who lives in Ceske Budejovice. "Americans would still make beer, but it will not be the good old Budvar." Not that it would really affect Homolka either way. He has already switched to Pilsner. ■