Famous and well-known trademarks – the state of play

In order to protect their famous and well-known trademarks against unfair exploitation, owners must be able to prove that their marks carry information and ideas about high quality and high prestige – in other words, that they have a reputation

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As history has shown, protecting famous and well-known trademarks is not an easy task for owners of famous brands. However, Polish law offers a range of effective solutions. This article presents an overview of existing regulations and rules developed by the courts, as well as legal commentators.

The Patent Office may not grant a right of protection for a trademark if the mark is identical or similar to a well-known mark that has been registered or for which registration has been sought with an earlier priority (provided that the latter is subsequently registered) if it would bring an unfair advantage to the applicant or be detrimental to the distinctive character or reputation of the earlier mark. These rules also apply to famous trademarks. Infringing this right consists of unlawful use, in the course of trade, of a trademark identical or similar to a well-known mark registered for any kind of good if such use would bring unfair advantage to the user or be detrimental to the distinctive character or reputation of the earlier mark. A holder of a well-known trademark in Poland may demand the cessation of the use of identical or similar marks in respect of identical or similar goods if such use is likely to mislead the public as to the product's origin.

The courts are inclined to find that the degree of similarity between a famous mark and another designation which results in the public drawing associations between those marks is sufficient to decide that infringement has occurred. However, it is first necessary to determine whether a trademark is famous.

Any request for invalidation on the grounds that the right of protection conflicts with a well-known mark will not be admissible if the party entitled to the well-known trademark has been aware of and acquiesced to the mark's use for five consecutive years.

There is no legal definition for "reputation"; Polish legal doctrine and the courts have defined the essential criteria for determining what a well-known trademark is. Accordingly, a trademark's reputation is associated with the established opinion among customers about the characteristics of goods bearing the mark. A mark's reputation is not a simple consequence of its use and circulation, but is also a well-established and deeply rooted image in the minds of customers. A mark's reputation is established when sign-bearing goods satisfy customers who can easily recognise them and connect them with other goods marked by the rights holder, even when those goods are placed on the market for the first time. Reputation is then cemented and enhanced through long and intensive advertising, as well as positive perceptions of the sign-bearing goods. In assessing whether the sign is well known, one must take into account not only the degree of knowledge of a sign among customers and the extent and intensity of the advertising of goods bearing the sign, but also the quality of the goods. Prizes and certificates awarded to sign-bearing goods, expert opinions and the presentation of goods at trade fairs also serve to highlight a mark's reputation. It

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has been confirmed that the protection of famous trademarks extends beyond the scope of registration and selected classes, as famous marks enjoy stronger distinctiveness. However, the burden of proof lies with the holder of the famous trademark.

The distinction between well-known and famous trademarks is based on different criteria. A trademark’s reputation refers to its attractiveness, the value of advertising associated with it and its ability to stimulate sales of goods marked therewith. A famous or well-known mark serves to carry information and ideas/opinions about high quality and high prestige — this last word is synonymous with “reputation” in Polish. However, the concept of a famous trademark does not indicate an association with exclusive services or goods of significant value. A well-known trademark carries information on a specific, expected and tested quality of a sign. It includes a settled belief about the expected values of the goods in the minds of customers. The Supreme Court pointed out that famous marks are characterised by even stronger distinctive characteristics compared to other signs.

The concept of “famous trademarks” has also been discussed by Polish legal commentators. Every famous trademark is well known, but not every well-known mark is deemed to be famous.

Based on the relevant case law, legal commentators have established that as well as being recognisable, a famous trademark and its reputation must also be characterised by the following properties:

- A significant market share/participation (both in terms of quantity and value of the mark-bearing goods sold).
- The range and duration of advertising for the mark-bearing product.
- The territorial and temporal range of use.
- The licences granted for trademark use and the quality of the mark-bearing goods.
- The value of a given sign, as assessed by an independent financial institution.
- The size and extent of expenditure on promoting the mark.
- The relationship between the prices of good-bearing products and substitute goods.
- If (and to what extent) the mark is used by any third party.

The courts also held that the likelihood of obtaining an unfair advantage from a famous trademark is an obstacle that justifies the refusal to grant an exclusive right for a sign that is identical or similar to an earlier famous mark. However, it is also necessary to distinguish the renown of an entrepreneur — its good reputation and positive image — from the trademark’s renown. In the case of a trademark’s reputation, the subject of positive perception is the mark itself and the goods identified by it, while the entrepreneur’s reputation encompasses generally positive perceptions and assessments about its business.

The examination as to whether there are similarities between marks is a prerequisite for establishing whether a reputation has been used. The second step is to establish whether the subject trademark has a reputation. Signs that are not similar cannot be associated with one another by customers, so if no similarities are found, there is no need to examine whether the use of another person’s reputation has taken place.

A trademark’s reputation must be assessed and established in the country in which protection is sought. A mark will not qualify as famous in Poland merely by being

internationally famous. Instead, it must demonstrate that it has achieved a certain market share in terms of both quantity and value of the goods sold.

A well-known trademark is characterised by two elements. The first is related to the function of marking the origin of goods/services (ie, the distinctive function). A sign must have this feature in order to be registered as a trademark. The second element is a requirement that the mark has become commonly known as a result of use. According to Polish case law and legal doctrine, a well-known sign should be recognised in a predominant part of the territory by over half of the potential purchasers of the goods. The basic criteria for an objective assessment of whether a trademark has become well known include:

- The period of time for which it has been in use.
- The situation of goods on the market (eg, quantity, availability, method and scope of distribution).
- Advertising campaigns.
- Its strength/distinctive character.

The courts also decided that the use of a registered trademark that is similar to a previously registered and famous mark to designate goods that are identical or similar, but of poorer quality, is also an act of unfair competition.

According to case law, a trademark's reputation is irrelevant to any revocation proceedings.

Legal commentators argue that if a competitor's indication of products or services, or lack thereof, misleads customers in relation to the origin, quantity or quality of the goods, then unfair competition has occurred. In such cases the mark's reputation will be protected by the regulations set out in the Law on Combating Unfair Competition.

Protection for unregistered famous trademarks in Poland must be granted cautiously, as such protection is an exception to the principle of protecting industrial property rights by registration. This requires a lot of care in order that the importance of trademark registration is not devalued and registration itself does not become a purely formal procedure with no real legal value. Any application for the right of protection for a trademark that was made with the intention of using another mark's reputation should be judged as an application made in breach of the rules of social coexistence (ie, application made in bad faith), regardless of whether it concerns a famous registered or unregistered trademark.

Although on many occasions the protection and enforcement of famous and well-known trademarks is not easy in Poland, with appropriate preparation of evidence the owners of such marks can gain sufficient protection against the unfair exploitation of their investments and reputation. ***iam***



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