

IP rights enforcement in Poland

The Polish legislation implementing the EU IP Enforcement Directive is something of a curate's egg: while it introduced numerous improvements, it has also abolished several remedies that were previously available

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As a member of the European Union, Poland has implemented the EU IP Enforcement Directive.

The main legal act governing industrial property rights in Poland is the Law on Industrial Property of 30th June 2000 (as amended), which contains provisions on patents, trademarks, utility models, industrial designs and topography of integrated circuits, and which took effect on 22nd August 2001.

The IP Enforcement Directive was implemented through amendments to the act that were adopted on 9th May 2007 and became effective on 20th June 2007. These amendments have had a significant impact on the civil enforcement of industrial property rights.

The latest amendments to the criminal provisions of the Law on Industrial Property came into force on 31st August 2007 and were driven by internal reasons (unrelated to implementation of the directive) concerning the criminal enforcement of exclusive rights deriving from trademark registrations.

The main aim of the IP Enforcement Directive is to improve the protection and enforcement of IP rights. As a consequence, the Polish legislation which implemented the directive introduced

substantial changes to the Law on Industrial Property, the Copyright Law and other laws concerning the protection of IP rights (ie, those on database rights and plant variety protection rights).

However, implementation of the directive in Poland has brought certain disadvantages with regard to the protection of industrial property rights. Greater protection is afforded to copyrights than to industrial property rights, and a number of remedies previously available have been abolished.

Civil actions

Before implementation of the directive, rights owners could seek the following claims/remedies:

- Cessation of infringement and redress of its consequences.
- Surrender of unlawfully obtained profits.
- Compensatory damages in accordance with the relevant principles of the Civil Code.
- Publication of the relevant statement/apology in the press (at the rights owner's request).
- In case of intent on the part of the infringer, payment of an appropriate sum to an organisation supporting industrial property.

At the rights owner's request, the court could also order the destruction of the unlawfully manufactured products, together with the means used to manufacture them.

Following the implementation of the directive, the following remedies are now available to rights owners:

- Cessation of infringement.
- Surrender of unlawfully obtained profits.
- Compensatory damages in accordance

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with the relevant principles of the Civil Code, or payment of a lump sum equivalent to a licence fee or any other remuneration which would have been due had the infringer been authorised to use the right. In such case the rights owner must prove that the infringement was committed intentionally.

- Announcement to the public of the court decision (at the rights owner's request), in whole or in part, or publication of information on the decision.
- Disposal, at the rights owner's request, of unlawfully manufactured or marked products, and means used for their manufacture or marking, which constitute the infringer's property. In particular, the court may order that such products be removed from the market, destroyed or surrendered to the rights owner. In reaching this decision the court will take into consideration the gravity of the infringement and the interests of third parties.
- Payment, at the infringer's request in case of unintentional infringement, of a relevant sum to the benefit of the right owner if cessation of the infringement or forfeiture of the goods would be disproportionately punitive and if the relevant sum would be adequate satisfaction for the rights owner.

Under the directive, the rights owner can also ask the court to impose on the infringer, or on a third party, an obligation to provide information on the infringing goods, referring in particular to:

- The origin of counterfeit/infringing goods.
- The distribution channels for counterfeit/infringing goods.
- The names and addresses of manufacturers and suppliers.

- The amount of goods manufactured, sold and put in trade.

It thus seems apparent that the implementation of the directive, while improving certain regulations, has also abolished several methods of enforcement which were previously available.

For example, publication of the relevant statement/apology in the press (at the rights owner's request) has been reduced to public announcement of the court decision (at the rights owner's request), in whole or in part, or publication of information on the decision. The previous remedy was frequently availed of by rights holders as a way of redressing moral harm, as well as a simple and adequate manner of notifying customers of the infringement. The removal of this remedy seems unnecessary and harmful to rights holders, especially given that it is still available to copyright owners.

Similarly, payment of an appropriate sum to an organisation that supports industrial property is also no longer possible under the Law on Industrial Property, although this claim is still available under other laws such as the Copyright Law.

Finally, unlike copyright owners, industrial property rights owners may seek redress of the consequences of infringement – in particular:

- Removal from the market of unlawfully manufactured or marked products.
- Destruction of unlawfully manufactured or marked products and the means used for their manufacture or marking.
- Surrender of those means to the rights owner.

However, the court may order these remedies in regard to the infringer's

property only. Previously, this remedy had more general application and could be used to a broader extent. Once again, the scope of this remedy is now more limited than the corresponding remedy available under the Copyright Law.

Civil cases involving the infringement of industrial property rights are examined by the higher district courts. Disputes between companies are examined by the commercial divisions of the district courts. Decisions of higher district courts may be appealed to the Court of Appeal. Cassation complaints against Court of Appeal decisions may be filed with the Supreme Court.

In civil proceedings, the rights holder may seek a preliminary injunction. The request for a preliminary injunction must be filed with the district court, together with evidence of:

- The rights holder's legal interest in requesting the injunction. This is deemed to exist where there is an indication that a failure to impose an injunction would seriously impede enforcement of the court's decision.
- Ownership of the infringed right.
- The fact that an infringement has been committed in respect of goods or services under the right of protection.

The request for a preliminary injunction may be brought before the statement of claim is filed or during the court proceedings once they have commenced. If the request for a preliminary injunction is filed before the start of the proceedings, the court, upon issuing a decision to grant a preliminary injunction, will designate a deadline for filing of the statement of claim. If the plaintiff misses this deadline, which cannot exceed two weeks, the entire claim is liable to cancellation.

Criminal actions

Criminal protection under the Law on Industrial Property covers trademarks only. Other industrial property rights (ie, patents) are protected by the Civil Law.

The latest amendments to the criminal provisions of the Law on Industrial Property, which came into effect on 31st August 2007, should have a significant impact on criminal case law and the enforcement of exclusive rights deriving from trademark registrations in criminal proceedings.

The changes concern, among other things, the introduction of goods bearing counterfeit trademarks onto the market, as set out in Article 305 of the Law on Industrial Property. This wording was changed from merely "introducing goods"

to committing acts resulting in the turnover of counterfeit goods, which should allow the relevant authorities (eg, the public prosecutor, police, the Customs Chamber and Customs Offices) to take more efficient action against crimes connected with counterfeiting and infringement of registered trademarks.

The Law on Industrial Property defines a "counterfeit trademark" as any trademark that is identical to, or indistinguishable in the course of trade from, a registered trademark and is unlawfully used in respect of goods covered by the trademark.

A party that either affixes a counterfeit trademark to goods with the intention of introducing them onto the market or commits an act resulting in the turnover of such goods may be subject to the following penalties:

- Fine.
- Restriction of liberty.
- Imprisonment for up to two years.

Criminal action requires evidence that the acts were committed with intent.

The victim of infringement must commence a criminal action. Only once a motion for criminal proceedings has been filed can proceedings be commenced *ex officio*. The sole exception is where a person committing a crime in respect of a registered trademark obtains permanent profits from such criminal activity, or commits acts resulting in the turnover of counterfeit goods bearing the trademark which are of significant value. In such case the infringer is subject to more serious criminal penalties and proceedings will be started *ex officio*.

The range of protection for trademarks under criminal law is limited compared to that available under the civil law. The criminal provisions of the Law on Industrial Property do not apply in situations where infringement has taken place in respect of an unregistered trademark, including unregistered famous and commonly known trademarks.

Customs actions

As an EU member state, Poland is bound by Council Regulation (WE) No 1383 dated 22nd July 2003, which came into effect on 1st July 2004 and which governs the actions that customs authorities can take against goods that are deemed to infringe the IP rights of third parties.

Under the regulation, a rights owner can file a request for customs protection with the Main Customs Chamber in Warsaw in order to prevent infringing

goods from being imported into or exported from Poland. The regulation concerns trademarks, patents, copyrights and registered designs.

If the request is granted, protection will be available for one year. The customs authorities across the country will be entitled to stop and seize suspect goods which may be counterfeit or pirated for 10 working days, which can be extended by a further 10 days where justified. The customs offices located throughout the country are automatically informed of the grant of protection for a given IP right – there is no need for the rights holder to file additional requests with the Main Customs Chamber in Warsaw. Customs protection entitles the rights holder to contact the local customs office which has seized the goods and request detailed information about the goods and the entity or person that declared them for customs clearance (eg, full name, address, Commercial Register number, recipient of the goods, amount seized, samples).

In case of seizure, the rights holder must notify the customs authorities of whether it intends to start an investigation, gather evidence (criminal proceedings) or secure a preliminary injunction (civil proceedings) within 10 working days of the date on which the rights holder is given written notification of the customs seizure. This 10-day term may be extended by a further 10 days upon providing the customs

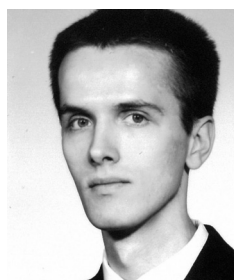
authorities with evidence that a motion for prosecution or a request for a preliminary injunction has been or will be filed. This means that the rights holder should file a motion for prosecution or a request for a preliminary injunction within 10 working days of the seizure.

Pursuant to Council Regulation 1383/03, the Polish customs authorities can also seize goods where customs protection has not been granted. Such seizures *ex officio* are made for three working days only, in order to enable the IP rights owner to file the request for customs protection. Otherwise, the goods will be released.

Conclusion

Although the IP Enforcement Directive was not intended to distinguish between the scope of protection for copyrights and industrial property rights, its implementation in Poland appears to have created stronger protection for copyrights than for industrial property rights. While it has introduced certain improvements, it has also abolished a number of remedies previously available under the Law on Industrial Property. These issues should be addressed in a new legislative initiative.

The implementation and its consequences will be the subject of a government report to the European Commission, which hopefully may result in further improvements to the protection of industrial property rights. **iam**



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