



**World
Trademark
Review**

Trademark Litigation 2017

A Global Guide

Poland

Kulikowska & Kulikowski

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KULIKOWSKA & KULIKOWSKI

Intellectual Property Attorneys

TEAM

Established on the 1 July 1991 as one of the first private law firms in Poland rendering intellectual property services for both the domestic and the foreign Clients. Ranked among the leading IP law firms in Poland.

SCOPE
OF ACTIVITY

All aspects of IP law - protection of patents, trademarks, designs, geographical indications, copyright, domain names, new technologies, e-commerce and IT as well as counteracting unfair competition.

EXPERIENCE
AND
EXPERTISE

Providing best quality service requiring disengagement from schematic thinking, tailored analysis of specific needs, searching for new solutions and concentrating on effective communication. Knowledge of market realities combined with high level of specialization and rich experience enables to come up with optimal legal solutions in every situation.





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Legislative framework and causes of action

Trademark law, rules and regulations

The laws governing trademark litigation in Poland are:

- the Industrial Property Law of June 30 2000 (*Journal of Laws* 2013, item 1410);
- the Act on Combating Unfair Competition of April 16 1993 (*Journal of Laws* 2003, 153, item 1503);
- the Civil Procedure Code of November 17 1964 (*Journal of Laws* 2014.0.101); and
- EU Regulation 207/2009, with regard to EU trademarks.

The protection rights stemming from the registration of trademarks by the Polish Patent Office are absolute and effective *erga omnes* – meaning that the trademark owner has exclusivity over the use and economic exploitation of such rights (Article 154 of the IP Law), and other parties must refrain from using such rights (Article 296 of the IP Law).

The Polish legal system offers immediate and effective solutions to protect industrial property assets, including trademarks,

through both court proceedings and out-of-court proceedings.

Causes of action

The IP Law provides the causes of action for infringement of national trademarks and international trademarks designating Poland under the Madrid Protocol; the EU Trademark Regulation provides the causes of action for infringement of EU trademarks. Where the unauthorised use also meets the criteria for unfair competition, the Act on Combating Unfair Competition applies as well.

Alternative dispute resolution

Alternative dispute resolution in Poland may take the form of mediation, conciliatory proceedings or arbitration.

Mediation

Mediation is voluntary. It is conducted on the grounds of a mediation agreement between the parties or a court decision referring the parties to mediation.

Where mediation is conducted on the basis of an agreement, the parties may define

the subject of mediation and select a mediator or indicate how to choose a mediator. Mediation can be conducted before instituting the proceedings or, with the parties' consent, when the court case is pending (Article 183 of the Civil Procedure Code).

Where the court orders mediation, it may do so until the closing of the first hearing. The court appoints the mediator. Mediation cannot proceed, if the parties do not agree to it within one week of the court's referral being announced or delivered.

The court must approve any settlement concluded before a mediator to give it the same legal force as a court order (Article 183 of the Civil Procedure Code).

Conciliatory proceedings

Conciliatory proceedings are initiated by filing a motion to set a conciliatory hearing with the regional court that has general jurisdiction over the opponent (Articles 184 to 186 of the Civil Procedure Code). The court conducts the proceedings in the course of which either the parties sign the settlement agreement or their inability to sign the settlement agreement is declared. Setting a conciliatory hearing interrupts the running of the limitation period.

Arbitration

Another option to resolve a dispute is to initiate proceedings before the Arbitration Court (Articles 1154 to 1217 of the Civil Procedure Code). This is possible only if a pre-existing agreement between the parties includes an arbitration clause.

An arbitration clause is rebinding – once the parties have agreed to solve any disputes

through the Arbitration Court, they cannot file a complaint before a civil court with regard to the same subject matter.

The parties may specify the composition of the Arbitration Court in an agreement. If they fail to do so, the Arbitration Court will appoint three arbitrators. The Arbitration Court resolves a dispute pursuant to the law applicable to the particular relationship or when the parties have clearly authorised the court to do so, pursuant to the general principles of law or the principles of equity.

An appeal against the Arbitration Court decision can be filed with the common court; however, such decision can be overturned for formal reasons only or if, according to the statutory provisions, the dispute:

- should not have been submitted to the Arbitration Court; or
- is contrary to the fundamental principles of the legal order in Poland.

Litigation venue and formats

Article 283 of the IP Law provides that civil claims covering intellectual property, including trademarks, are decided in civil proceedings in accordance with the general principles of law.

Essentially, these cases are examined in contentious proceedings in ordinary procedure (Article 13 of the Civil Procedure Code), although a separate procedure applies in some cases. Thus, if a trademark infringer acknowledges a debt to the mark owner in writing at a pre-trial stage, the mark owner may bring an action to obtain an order of payment under the payment order proceedings (enforcement) (Articles 484 and



The plaintiff may request the payment of unlawfully gained profits, as well as compensation resulting from the infringement. A compensation claim is possible only if the infringer's actions were culpable

following of the Civil Procedure Code). Also, a mark owner may bring an action to obtain an order of payment under writ of payment proceedings (Articles 4971 and following of the Civil Procedure Code) if the claims are based on a licensing agreement.

Court system

Trademark disputes fall under the jurisdiction of the district courts, regardless of the value of the subject of dispute (Article 17(2) of the Civil Procedure Code).

A single judge examines the case at first instance (Article 47(1) of the Civil Procedure Code).

In second-instance proceedings, the court of appeal adjudicates as a three-judge panel (Article 367(3) of the Civil Procedure Code).

Competent jurisdiction of the court

The plaintiff must establish the jurisdiction of the court in the lawsuit.

Articles 27 and 30 of the Civil Procedure Code provide that a lawsuit should be filed with the court that has jurisdiction in the area where the defendant either resides or has its registered seat (general jurisdiction). Alternatively, under Article 33, a trademark owner may bring a case before the court with jurisdiction in the area where the defendant has its principal place of business or branch, if the claim relates to the business activity of principal place of business or branch.

IP-related contractual claims may be brought before the court with jurisdiction over the place of performance of the agreement (Article 34 of the Civil Procedure Code).

Moreover, where the infringement is a matter of tort, the lawsuit may be brought before the court with jurisdiction where the harmful event occurred, such as where a counterfeit product was first placed on the market (Article 35 of the Civil Procedure Code).

The Court for Community Trademarks and Community Designs in Warsaw has jurisdiction over all disputes involving infringement of EU trademarks and EU designs.

Lawsuit

In civil proceedings, an action before the court starts with a lawsuit. The suit should set out the remedies sought, the value of the subject

of dispute and any references to factual and legal circumstances that justify the remedies and establish the court's jurisdiction.

Before initiating the action, the plaintiff may move to secure evidence or information held by the infringer or other persons. Under Article 2861(1) of the IP Law, a court that is competent to examine an IP infringement case may, within three days of the date of filing with the court or seven days where the case is particularly complex, examine a motion to:

- secure evidence in the case (eg, documents, financial statements or reports);
- secure claims by obliging the infringer or other persons to reveal information that is essential to pursue the claims and relates to the origin and distribution networks of the defendant's goods or services, if the infringement of these rights is highly probable.

Article 2861(2) allows the following information to be secured by a court order:

- company names and addresses of the producers, manufacturers, distributors, suppliers and other previous holders of the goods or providers of services that infringe the right to a trademark, as well as planned wholesale or retail customers of these goods or services; and
- the amount of infringing goods or services produced, manufactured, sold, received or ordered, as well as prices paid for these goods and services.

The plaintiff may also file a motion for an interim injunction based on the general rules set out in Articles 730 to 757 of the Civil Procedure Code.

Pursuant to Article 730, a security motion may be requested in relation to each civil case brought before a civil court or Arbitration Court. Such request may be filed either before instituting legal proceedings or during the course of the proceedings.

To obtain an interim injunction, the applicant must substantiate its claim and legal interest in having such security granted. The purpose of security is to ensure the enforceability of a future order.

The court should examine the motion immediately and no later than seven calendar days after it was filed with the court. In

practice, however, the courts issue their decisions within one month of the date of filing the motion. In the event that the motion is filed before instituting the court action and the court accepts the motion, a lawsuit should be filed within the timeframe set by the court in its decision granting the motion – usually within 14 days of the date on which the court decision is served. Otherwise, the security will fail.

If the court ultimately rejects the plaintiff’s claims in the main proceedings, the defendant

may request compensation for the damage suffered as a result of the security motion.

Damages and remedies

A trademark holder may request the following remedies in civil proceedings:

- prohibition of infringement;
- removal of the effects of the unauthorised actions;
- restitution of the infringer’s profits;
- payment of damages; and



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Monika Chimiak is an advocate, Polish patent and trademark attorney and European patent attorney at Kulikowska & Kulikowski. She specialises in trademark and patent law, with a particular focus on pharmaceuticals and chemistry. She handles litigation in IP and industrial property law, as well as copyrights and unfair competition, representing clients before common and administrative courts, the prosecution authorities and customs offices, the Polish Patent Office, the EUIPO and the European Court of Justice.

She graduated in law and administration from Warsaw University and in English and EU law from Cambridge University; she also has a postgraduate diploma in IP law studies from Jagiellonian University, Cracow.

She is a litigator recommended by *IAM 1000*.

- publication in part or in full of the court judgment, information about such judgment or a statement with appropriate content in the press.

The court may also, at the request of the rights holder, adjudicate on the products, packaging, advertising materials and other objects that have a direct connection with an act of unfair competition. In particular, the court may decide to destroy them or recognise an account of compensation.

A claim for prohibition of infringement of an exclusive right is the most relevant remedy, since its primary aim is to stop the unlawful actions and counteract the adverse effects of the infringement, such as dilution or continuation of the infringement. A claim for removal of the effects of infringement may be fulfilled in the form of:

- publication of a statement or an apology, court judgment or information on such judgment, which is of crucial importance, especially with regard to online infringement; or
- a request for payment of adequate compensation.

When it comes to pecuniary claims, the plaintiff may request the payment of unlawfully gained profits, as well as compensation resulting from the infringement. A compensation claim is possible only if the infringer's actions were culpable, whereas a claim for unlawfully gained profits does not depend on the infringer's fault.

Compensation: It is possible to claim compensation based on the Act on Combating Unfair Competition and the IP Law, by indicating a causal connection between the actions and the damage. The damage may be material or non-material.

A claim for compensation serves mainly to equalise a loss incurred as a result of the infringement.

In view of the difficulties in estimating the value of the damage based on general legal rules, the IP Law provides for an alternative procedure to pursue a claim for compensation – namely, by paying an amount equal to a licence fee or other adequate remuneration

that would be due to the trademark owner for its consent to use the trademark.

Defining the extent of damage based on a fictitious licence fee involves calculating the hypothetical licence fee that the infringer would have had to pay to use the mark with the rights holder's consent. It is generally assumed that the onus of demonstrating what licence fee would be adequate lies with the trademark owner. If the fee cannot be established, the plaintiff should request an expert opinion through the court to do so.

Unlawfully gained profits: A claim for restitution of unlawfully gained profits aims to redress a material imbalance resulting from any unlawful profits made by the infringer.

The criteria for bringing such a claim are as follows:

- The trademark must have been infringed;
- The infringer must have enjoyed unjustified benefits as a result of the infringement; and
- There must be a direct link between the infringement of the trademark and the unjustified benefits enjoyed by the infringer.

It is possible that the infringer may not have gained any profits as a result of the infringement. Even in this case, however, the rights holder may request compensation to the value of use of a protected trademark, based on the fictitious licence fee.

It is possible to pursue cumulatively claims for compensation and claims for restitution of unlawfully gained profits.

Evidencing the case

To succeed in an infringement action, the plaintiff must demonstrate that:

- it holds a valid right to the trademark at issue; and
- this right has been infringed by the actions of third parties.

It is essential to submit to the court documents proving that the trademark is registered together with a document confirming the renewal of this right (where relevant) or an extract from the trademark register.

Proving the facts of infringement depends



A claim for prohibition of infringement of an exclusive right is the most relevant remedy, since its primary aim is to stop the unlawful actions and counteract the adverse effects of the infringement, such as dilution or continuation of the infringement

on the kind of infringement and whether it relates to goods or services. Common evidence includes invoices/receipts for the purchase of goods or services from the infringer, photos and internet printouts showing the goods for sale.

When the matter concerns the infringement of a renowned trademark and the plaintiff invokes that renown as a basis for action, the plaintiff should provide evidence of the trademark's repute.

Proving the value of the pecuniary claims requires the presentation of the relevant documents and information showing the volumes sales and prices of the goods and services sold; this may be obtained by filing either a motion for securing the claims or a motion for securing evidence in the lawsuit (as described above).

Available defences

The most common ways of contesting trademark infringement claims in court proceedings are:

- to challenge the distinctiveness of the trademark and move with the competent office (EU Intellectual Property Office

or Polish Patent Office) for cancellation of the trademark, as well as request the suspension of court proceedings until conclusion of the proceedings pending before the office;

- to contest the claim of similarity between the marks and/or the goods or services, or of confusing similarity;
- to challenge the evidence, especially in relation to the mark's renown or the infringement itself; and
- to argue that the goods and services are aimed at different groups of recipients or at an informed and more attentive group of recipients (especially in connection with pharmaceuticals).

Appeals process

A district court ruling may be appealed before a court of appeal.

An appeal, featuring both pleas and reasoning, must be filed with the court of appeal through the district court within 14 days of delivery of the district court ruling.

In turn, a court of appeal ruling may be subject to a cassation appeal filed with the Supreme Court. However, the possibility of filing a cassation appeal depends, among other factors, on the value of the subject of dispute (which cannot be lower than PLN50,000). The cassation appeal, featuring both pleas and reasoning, must be filed with the Supreme Court through the court of appeal within two months of the date of delivery of the court of appeal ruling. **WTR**



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