AIPPI
POLSKA

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sent by email

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Re: Plain Packaging Questionnaire – Trademarks Committee

1. **If the general conditions of registrability are met, does the product or service in relation to which a trade mark is used or proposed to be used have any affect on the ability to:**

   a) **register the trademark; and**

   b) **use it once so registered?**

(a)

According to art. 131.3 IPL, every trademark covering alcoholic beverages and containing geographical elements contradictory to origin of the product is always regarded as a trademark misleading the public and thus subject o refusal of registration.

(b)

There are many examples of restrictions related to the use of registered trademarks in relation to certain goods.

For instance, the use of trademarks in the promotion of the following goods is restricted: alcohol (Act of 26 October 1982 on Upbringing in Sobriety and Counteracting Alcoholism), tobacco products (Act of 9 November 1995 on Protection of Health Against the Effects of Tobacco and Tobacco Products Use), pharmaceuticals (Pharmaceutical Law of 6 September 2001), gambling (Act of 19 November 2009 on Gambling Games) and foodstuffs for special purposes, including products intended for infants (Act of 25 August 2006 on Security of Food and Nutrition).

2. **What rights are derived from trademark registration?**

The scope of rights granted by trademark registration can be divided into two aspects: positive and negative.

Positive forms are described in art. 153 and 154 IPL. Art. 153 IPL constitutes that the registration shall confer the exclusive right to use the trademark for profit or for professional purposes throughout the territory of Poland. Art. 154 IPL provides the open catalogue of trademark use:

i. affixing the trademark to the goods covered by the right of protection or to the packaging, offering and putting the goods on the market, importing or exporting, or their storing for the purpose of offering and putting on the market, as well as offering or providing services under that trademark,
ii. using the trademark on business documents handled in putting the goods on the market or in rendering services,

iii. using the trademark in advertising.

Apart from that, there are positive rights to process, use up, destroy and dispose of the trademark (art 162-163 IPL).

The negative aspect is described in 132 IPL and 296 IPL. These provisions provide protection against unauthorized use by third parties of similar/identical signs with respect to similar/identical goods/services.

3. What rights exist in relation to a sign used as a trademark but not registered? What is the basis of any such right?

As a rule, unregistered trademarks are protected under the unfair competition law.

According to art. 10 of the Act of 16 April 1993 on Suppression of Unfair Competition, the use of designations of goods or services or absence thereof which might mislead customers as to their origin, quantity, quality, components, production methods, usefulness, repair, maintenance or other important features of the goods or services, or concealing risks connected with their use shall be considered as an act of unfair competition.

However, the protection of unregistered trademark is limited only to entrepreneurs, who can evidence prior use of such unregistered trademarks in Poland.

4. Is it possible to:

a) obtain; or
b) maintain;

registration for a trademark that is not:

i. used; or
ii. intended to be used?

4a (i) & (ii)

Yes, it is possible to obtain registration for a trademark that is not used or intended to be used.

Under Polish law, there is no use requirement.

4b (i) & (ii)

Yes, it is possible to maintain a registered trademark that is not in use and is not intended to be used. However, after 5 years as of registration, such trademark is vulnerable for a non use attack unless the trademark holder has justified reasons for non use.

5. If yes to 4) above, are the rights derived from such trademark registration the same or different to registered trademarks that are used?

As a general rule, the Polish law does not differentiate between used and non used trademarks. However, the enforcement of non use rights is more problematic as these rights can be revoked for non use in retaliation or deprived of protection as suggested by the Supreme Court in one of the verdicts.

6. Are rights in unregistered trademarks dependent on use? Whether yes or no, please explain the basis for your answer.

Yes, the use of the unregistered right is essential to enforce that right against third parties using similar/identical signs to such unregistered trademark. This is because the rights to an unregistered trademark are derived from its use on the Polish market.

7. Is there any basis to restrict the use of:

a) a registered trademark; or
b) a sign used as a trademark?

If yes, please explain any relevant laws or precedents.

Under the general rule stated in art. 5 of the Civil Code, one cannot exercise a right in a manner which would contradict its socioeconomic purpose or the principles of community life. Such act or omission on the part of the person entitled shall not be considered the exercise of that right and shall not be protected.

However, this general rule is rarely applied against trademark use.

We do not discuss above the cases where the use of a trademark or a sign used as a trademark constitute an infringement of senior rights.

8. Is there any basis for the state or any state-controlled body to expropriate?

a) a registered trademark;
b) a sign used as a trademark; or
c) the rights deriving from either (a) or (b)?

If yes, please explain any relevant laws or precedents.

The Polish constitution allows for expropriation.

Art. 21 of the Constitution of Poland stipulates that expropriation may be allowed solely for public purposes and for just compensation. The same article confirms that the Republic of Poland shall protect ownership and the right of succession.

The expropriation is understood as "*every deprivation of property (…) no matter in what form*" (ruling of Constitutional Tribunal of 8 May 1990). The expropriation may be either formal (by individual administrative act) or real (such as restriction of ownership rights by a general act that it actually depriving. an entity of its right). Due to the constitutional provisions, the expropriation is allowed, if in compliance with two conditions:

1. made for public purposes
2. for just compensation - understood by the Constitutional Tribunal as equivalent to the value of the expropriated good.

The Constitutional Tribunal confirmed that these provisions are applicable to intellectual property rights: "T*he expropriation in the constitutional sense may concern not only ownership sensu stricto, but also deprivation of other property rights. In that respect, the statements of the motion are based on correct assumption that it is possible to question the expropriation of rights arising from a trademark and evaluate the constitutionality of such operation"* (ruling of Constitutional Tribunal of 28 January 2003).

Thus, it is possible to expropriate registered trademark. Moreover, if the law restricts the trademark rights to the extent that the law actually deprives the trademark owner of its right, such restrictions would be considered as expropriation (so called actual/real expropriation) which must meet the same criteria as the formal expropriation.

9. **If yes to 7) or 8) above, do public interest considerations provide any basis for such restriction or expropriation ("Restriction/Expropriation")? If yes, please explain any applicable public interest considerations, and any relevant laws or precedents.**

The Constitution of Poland states in art. 31 and 64 that any restrictions to property rights are possible:

1. if imposed by a statute;
2. only when necessary in a democratic state for the protection of its security or public order, or to protect the natural environment, health or public morals, or the freedoms and rights of other persons;
3. if do not violate the essence of the right - do not make such right impossible to use;
4. if compliant with the proportionality principle.

10. **If yes to 7) or 8) above, are trademarks different from other intellectual property rights in this regard?**

Yes, the Polish IP law imposes on patent holders numerous restrictions that are not applicable to trademarks (for instance, compulsory patent licenses or abuse of patents). Apart from that, in principle, there are no other significant differences in relation to the scope of limitations/expropriation of the intellectual property rights.

11. **If yes to 7) or 8) above, are any treaty or other international obligations relied on to provide a basis for such Restriction/Expropriation (as applicable)? If yes, please explain the international obligations, and how those obligations are reflected in or received into your country's law.**

Poland, as a member of the European Union, is bound to respect the Common Market regulations established mostly in the Treaty on functioning of the European Union. They give some potential possibilities to restrict the intellectual property rights, especially due to mandatory requirements. They provide a competence for a country to restrict free movement of certain goods or services because of proportionally applied measures to protect public interest.

12. **Is your country a signatory to the WHO Framework Convention on Tobacco Control ("FCTC")? If yes, has your country ratified the FCTC?**

Yes, Poland signed the WHO Framework Convention on Tobacco Control on 14 June 2004. The convention was ratified on 15 September 2006.

13. **If yes to 12) above, has the FCTC been implemented in your country? If yes, please explain its legal impact, if any, including by reference to the Guidelines for Implementation of Articles 11 and 13 of the FCTC.**

Yes, the FCTC entered into force on 14 December 2006.

The Act of 9 November 1995 on Protection of Health Against the Effects of Tobacco and Tobacco Products Use has been amended twice to achieve better coherence with both FCTC and the EU directive 2001/37/EC (which also follows the FCTC provisions).

Realization of the goals constituted by art. 13 of the FCTC had been relatively advanced in Poland, even prior to the convention itself. The restrictions on tobacco advertisement and promotion as well as the ban on sponsorship of sport, cultural, educational, health and socio-political activity entered into life in 2000.

The provisions regarding packaging and labeling of the tobacco products were amended to comply with the European directive and involve a duty to post warnings on the harmfulness of tobacco use

and information about the content of tar, nicotine and carbon monoxide in one cigarette. This information must cover not less than 30% and 40% respectively of the biggest surfaces and not less that 10% of the side surfaces. Polish provision do not require warnings in a form of color photographs or other illustrations.

14. **Is the FCTC received directly into your country's domestic law or is domestic legislation required to give it effect in your country's law?**

After the ratification, the FCTC became the part of Polish legal system. The FCTC provisions were mainly implemented through an amendment to the Act on Protection of Health Against the Effects of Tobacco and Tobacco Products Use.

15. **If there is presently a legal basis in your country for permitting any Restriction/Expropriation, please answer the following questions in relation to both registered trademarks and unregistered trademarks (if your country recognizes/protects the latter).**

    a) **What are the parameters for such Restriction/Expropriation? For example, the nature of any stated public interest considerations, the proportionality of the proposed measure to the Restriction/Exploration.**
    b) **Is it relevant that such Restriction/Expropriation only applies in relation to a particular class of products, eg tobacco products, foods deemed to be unhealthy or alcohol?**
    c) **What are the financial consequences for the state and the trademark rights holder respectively? For example, is a rights holder entitled to or eligible for any compensation in respect of the Restriction/Expropriation? If yes, what type of rights holders are so entitled or eligible? If not, why is no compensation available?**
    d) **If compensation is available, how is it calculated?**
    e) **Does a trademark rights holder affected by Restriction/Expropriation have any other claims or remedies against the state? If yes, please explain the basis and nature of any claims or remedies.**
    f) **In the event of Restriction/Expropriation, could a trademark remain registered?**
    g) **If yes, what is the consequence of any Restriction/Expropriation on a well known trademark that was registered prior to the Restriction/Expropriation?**

While reading our explanations below, please refer to our answers above for more general information.

(a)

In our view, it is unlikely that the trademarks or other IPRs would be individually expropriated from their the tobacco producers due to political and legal reasons.

Thus, it is more likely that the rights would be limited/restricted. Such restriction must meet the criteria indicated above in the answer to question 9.

(b)

Imposing such restrictions on one class of products may be discussed under the general constitutional ban on the discrimination for any reason (art. 32).

However, as stated above, public health may be a reason to limit the rights (including property rights) from both the constitutional standpoint and European restrictions on free movement of goods and services. If reasonably evidenced that the particular class of products affects public health more than

others, such limitation may be admitted lawful.

(c) & (d)

On the other hand, such restriction may also be considered as violating the essence of the right, which is not permitted. The Constitutional Tribunal confirmed that the violation of the essence of the right may occur also by the limitation of its execution (ruling of Constitutional Tribunal of 12 January 2000, P 11/98).

The Tribunal stated that to determine whether the essence of the right was violated, it is necessary to analyse the sum of restriction stated by the law. In such a case, the idea of the real expropriation can be raised. It is a factual expropriation by the general statute without the actual deprivation of the right. In the same judgement the Constitutional Tribunal explained that if the scope of restrictions of the ownership right achieved such level that it thwarted basic elements of the ownership, hollowed it out of real content and transformed into mere appearance of the right, then the essence of the right was violated, what was constitutionally inadmissible.

If such category is applied, the action falls within the regime of the expropriation and, in result, requires being for public reasons and for just compensation.

The just compensation is understood as equivalent to the value of the expropriated good, what means that it should enable the owner the reconstruction of the good that he/she lost (resolution of the Constitutional Tribunal of 29 March 1993, W 13/92). It applies accordingly to the holders of the trademarks.

The exact sum of the compensation is based on the value of the property. We do not know any precedents related to expropriation of tobacco related IPRs and related compensation claimed.

(e)

If the scope of the restriction is so vast that it actually make it impossible to execute one's right, the right holder may seek qualification as expropriation and in such a case - compensation.

(f)

Restrictions has no impact on the existence of the mere trademark registration. The trademarks remain registered, but the scope of the granted right is limited. On the other hand, the formal expropriation - by an individual administrative decision - deprives of the right, which cease to exist. The constitutional expropriation does not cause nullity of the right, but because of factual deprivation of the right, entitles to the compensation.

(g)

The situation of the well known mark is not different to others in this aspect. Restrictions, if imposed on the trademarks, would affect well known trademarks identically. From the particular wording of the restriction depends whether it would apply only to the signs registered after its introduction or to all the trademarks. The intellectual property rights grant territorial protection, so expropriation would deprive the well known mark of the protection granted by the IPL and move it into unregistered trademarks' regime.

(a), (b), (c), (d), (e), (f), (g) with regard to unregistered trademarks

The concept of restrictions of use would much affect the scope the mere existence of the unregistered trademarks. If there is no right to use, there would be no unregistered right. On the other hand, the

expropriation would not apply as there would be no right to expropriate formally.

16. **If there is presently no legal framework in your country permitting Restriction/Expropriation, please answer the following questions in relation to both registered trademarks and unregistered trademarks (if your country recognizes/protects the latter).**

    a) **What legislative changes would be necessary in your country to implement a plain packaging regime for a specific class or classes of products such as those previously mentioned? For example, amendments to existing domestic trademark legislation, changes to your country's constitution, multilateral or supranational treaty obligations.**
    b) **Could a plain packaging regime be implemented in your country without providing compensation to affected trademark rights holders? If no, what type of rights holders would be entitled to or eligible for compensation? If yes, why would no compensation be payable?**

    c) **Would a trademark rights holder affected by Restriction/Expropriation have any other claims or remedies against the state? If yes, please explain the basis and nature of any claims or remedies.**

N/A