

Changes in trademark law

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Radical changes in trademark law

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The fairly long waiting time for registration of trademarks at the Polish Patent Office often means that instead of seeking protection in Poland, businesses decide to register with the European Union Intellectual Property Office (EUIPO, formerly OHIM). Although much more expensive, proceedings there are generally fast and simple. Major changes have now been made to Poland's Industrial Property Law with the aim of making the Polish Patent Office more competitive with EUIPO.

The Industrial Property Law of 30 June 2000 was recently amended by two separate acts: the first one dated 24 July 2015, which entered into force on 1 December 2015, and the second dated 15 September 2015, entering into force on 15 April 2016.

One of the key changes in trademark law made by the first amending act, already in force, is the introduction of letters of consent, i.e. a declaration which can be used to gain registration of a trademark similar to an earlier mark if the holder of the earlier mark consents. Previously, apart from a conflict with a mark that had already expired, there was no legal basis governing the issue of submission of letters of consent in proceedings before the Patent Office.

The basic function of a trademark is to distinguish the goods of one enterprise from the goods of other enterprises. Thus the Patent Office refused to register a later mark if it found that it was identical or similar to an earlier mark for the same or similar goods. Rulings by the administrative courts confirmed this restrictive approach.

Although this practice was sanctioned by the regulations, it did not reflect commercial real-

ity. Enterprises operating within a single capital and organisational group, but as separate entities with different names, had particular problems. These enterprises could not register similar trademarks even if the similarity involved a designation used by entities from the same group and a relevant statement was submitted (e.g. a letter of consent or a coexistence agreement). In situations of this type, the Patent Office did not recognise agreements between the enterprises.

Under the new regulations, the Patent Office will register a trademark if the applicant submits the relevant consent of the proprietor of the earlier trademark. Thus the Parliament adapted the trademark law to meet the expectations of the market, making life easier for many enterprises. Recognition of letters of consent will translate into a greater number of positive decisions on trademark registration.

These provisions will have the most relevance in trademark cases filed between 1 December 2015 and 15 April 2016, when the second amendment introduces a new system for registration of trademarks.



Registration of “Poland” trademarks will be easier to obtain

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Apart from the recognition of letters of consent, a major change in trademark law already in force is the possibility of registering a mark containing the name Polska or Poland (or the abbreviations RP or PL), or the name of a Polish locality, without the need to obtain the consent of the relevant authorities.

Businesses often seek protection for trademarks that include the name of the country or other geographical name. Notwithstanding rulings by the courts that the use of the word “Polska” always requires legitimation by the state, enterprises use the word “Polska” merely to indicate the location of their firm or to show some other obvious commercial connection to Poland. In most instances consumers correctly grasp the intended meaning, because they are aware of the realities of commercial life and are accustomed to the extensive presence of the word in the names of enterprises and on goods.

But previously this designation could be registered only in adjective form (e.g. Zielnik Polski, Polskie Przymaki, Polski Bus), unless the applicant could show authorisation, specifically permission from the relevant authority or consent of an organisation to use the name in commerce. The problem was that in many instances no permission could be obtained from the relevant authority because there were no regulations designating the relevant authority. No state or local authority has been vested with the competence to issue permission to use the name “Polska” in commerce, and the same applies to the names of Warsaw and many other cities, as well as Poland’s national symbols.

Significantly, although not expressly covered by the Industrial Property Law, attempts to register trademarks using foreign-language versions of the country name were also denied. The Patent Office and the administrative courts both recognised that the word “Poland” is commonly used as an official designation of the republic, and even audiences unfamiliar with English associated “Poland” with the name of the country.

A consequence of this was numerous decisions refusing to register trademarks that contained the name of the country or a Polish city. Enterprises still wanting to register such marks applied instead to the EU Intellectual Property Office (EUIPO, formerly OHIM), which registered such marks without requiring proof of any consent.

Therefore, removing the ban on registration of trademarks containing the name or abbreviation of the Republic of Poland or the name of a city or other location in Poland should eliminate this problem and result in a major increase in the number of trademarks registered by the Polish Patent Office.

Unfortunately, the new regulations apply only to filings made on or after 1 December 2015.



Change in trademark registration system

Monika Wiczorkowska

The second amendment to the Industrial Property Law, which enters into force on 15 April 2016, introduces major changes in the procedure for obtaining protective rights to a trademark—replacing the current examination system with a register system.

Poland is one of the few countries in Europe following an examination system for trademark filings. Under this system, before granting protection to a trademark, the Polish Patent Office conducts a full formal and substantive examination. The Patent Office checks not only whether the designation meets the requirements for a trademark (known as “absolute grounds”), but also whether the trademark conflicts with prior rights, for example another trademark identical or similar to the one filed (“relative grounds”). If the Patent Office does not find any grounds for refusal, it issues a decision granting protection to the trademark. But if it finds a conflict, the offices refuses protection in consideration of the public interest, i.e. the interests of consumers and the rights of the proprietor of the earlier trademark.

An advantage of the examination system is the relatively high degree of legal certainty. While obtaining protection for the mark does not guarantee the proprietor that it does not infringe any earlier marks, the examination of the marks conducted by the Patent Office is scrupulous and should prevent registration of a mark identical or similar to an earlier mark for the same or similar goods or services where there is a risk of confusion to consumers as to the origin of the goods or services.

But the system has its drawbacks. Its primary weakness is the fairly long time it takes to wait for the grant of protection, as well as the complicated procedure. And sometimes enterprises applying for protection in Poland are refused even though in practice there is no real risk of confusion to consumers. Prior marks, including EU trademarks (formerly known as Community trademarks) which are often not even used in Poland, can formally block registration of later national marks. In most cases the holders of the earlier rights are not aware that their marks are preventing other entities from gaining rights, because they are not involved in the procedure before the Polish Patent Office and do not incur any of the related costs.

End of formal blocking of trademarks

Starting 15 April 2016, a register system for trademark filings will function in Poland, as it does in the EU Intellectual Property Office (EUIPO, formerly OHIM). Under the new system, the Patent Office will conduct a formal legal examination and verify only that the trademark meets the absolute grounds for protection.

The Patent Office will also notify the applicant of the existence of prior identical or similar trademarks for the same or similar goods or services. The purpose of this is to encour-

age legal certainty and to communicate clearly to the applicant the potential barriers to registration in the form of third-party rights.

So *de facto* the Patent Office will continue to conduct a merits examination, but if it finds conflicting trademarks it will not refuse on its own initiative to grant protective rights to the mark due to a conflict with prior rights. The change in system will make it easier for applicants to register trademarks due to elimination of the situation of formal blocking of a trademark by the existence of prior rights. It should also expedite the application process, as notice of the trademark filing will be published within two months at the latest after the filing. (Currently the Patent Office is required to publish an announcement promptly after three months following the application date, but in practice the information is published four months after the application is filed.)

Filing of comments and opposition

Under the new system, after information about the trademark filing is published, comments can be presented concerning the existence of circumstances preventing the grant of protection. Currently comments can be filed referring to both absolute grounds and relative grounds. Under the amended law, it will be possible to file comments only based on absolute grounds, and opposition only on relative grounds.

The time for filing of opposition will also change. Under the old law, opposition could be filed after grant of protection for the trademark, within six months after publication in the Patent Office's monthly journal (*Wiadomości Urzędu Patentowego*). From 15 April 2016, opposition may be filed before protection is granted, only within three months after publication of notice of the application in the

Patent Office's biweekly bulletin (*Biuletyn Urzędu Patentowego*).

The act also provides for the possibility of asserting in the response to the opposition the objection of failure to make genuine use of the prior mark for an uninterrupted period of five years prior to the date of filing of the application for the trademark which is the subject of the opposition, for the goods covered by the opposition. If this objection is upheld, the office will deny the opposition. This is a beneficial change. Currently there is also a possibility of asserting the objection of non-use of the earlier trademark, but it requires commencement of a separate proceeding for invalidation of the prior mark, prolonging the proceeding and generating additional costs.

The amendment also eliminates the rule that the opposition proceeding is discontinued and a decision is issued invalidating the decision granting protection to the trademark if the proprietor does not file a timely response to the opposition. Under the new rules, the Patent Office, like EUIPO, will consider the opposition and issue a decision upholding it or denying it even if the applicant does not present its position on the opposition.

This is a beneficial change. It has sometimes happened in the past that enterprises that have incurred high costs to obtain exclusive rights to a trademark very quickly lost those rights because of failure to file a timely response to opposition. The reasons have varied, but typically it was unfamiliarity with the law, mistakes in the circulation of correspondence, or the too-brief period for filing a response. Proprietors often did not realise that it would have been sufficient to file a simple statement that the opposition is groundless. Sometimes this benefits proprie-

tors of earlier marks whose opposition would not have been upheld otherwise, but succeeded in eliminating later trademarks from the register for purely procedural reasons and without incurring significant costs.

It should be stressed that this change applies only to trademarks. The rule discussed above has not been eliminated in the case of other industrial property rights, i.e. industrial designs, utility models, and patents.

Another provision introduced by the amendment should also reduce costs. Currently, when opposition is held to be groundless, the case is resolved in an adversary proceeding and the decision is issued following a hearing. The new system does not provide for a hearing. The decision to uphold or deny opposition will be made by an expert from the Patent Office. However, if a party does not agree with the decision by the office, it may seek reconsideration. Then, if the office considers it to be warranted, a hearing may be scheduled at the office's own initiative or at the request of a party.

Significantly, the new rules of procedure in opposition cases require the party filing the opposition to submit evidence within the appropriate time or waive the right to rely on the evidence. Under the old rules, a party filing opposition could attempt to evade this evidentiary requirement by commencing a new proceeding, to invalidate the trademark, based on new evidence not raised before. The second amendment to the Industrial Property Law eliminates the possibility of filing an application for invalidation when opposition was previously filed based on the same legal grounds and the same prior rights and was denied with legal finality. The purpose of the new rule is to ensure the equal

treatment of the parties. Under the old rules, an applicant that obtained a negative decision—unlike the holder of prior rights—had no opportunity to submit new evidence and commence another proceeding on the same matter.

Initiative required of trademark holders

It should also be mentioned that unlike EUIPO, the Polish Patent Office will not send notice of trademark filings to holders of prior rights. This means that holders that want to prevent the registration of conflicting trademarks must conduct their own monitoring of trademark applications and file opposition to marks that may infringe their rights. Thus the initiative of a trademark holder should not end upon obtaining exclusive rights; after entry into force of the new regulations, the holder should actively oppose registration of conflicting marks. This imposes additional obligations on holders of prior rights and requires them to incur the costs of potential opposition proceedings.

Despite these inconveniences, the new model for trademark registration represents a revolutionary change which should increase the number of trademark filings and make it easier for enterprises to obtain protection within the national trademark system. Effective functioning of the new system should particularly encourage Polish applicants to select national protection, without the need to apply to EUIPO. Despite the undoubted advantages of protection at the EU level, the costs of obtaining and maintaining it are usually very high for trademark holders.



Easier to revoke or invalidate a trademark

Monika Wiczorkowska

The amendment of the Industrial Property Law entering into force on 15 April 2016 also introduces major changes in regulations governing the loss of the protective rights to trademarks.

First and foremost, the amendment eliminates the requirement to demonstrate a legal interest in seeking revocation or invalidation of trademark rights. However, the grounds for revocation or invalidation have not changed.

One of the main grounds for revocation of a trademark is failure to use the trademark. Other grounds include the loss of distinctive character, where the mark has become misleading, creating a risk of confusion among consumers as to the nature, properties or geographical origin of the goods, or where the owner of the mark has been deleted from the relevant register.

The grounds for invalidation of the protective rights to a trademark are failure to meet the statutory conditions for obtaining registration or conflict with prior rights.

Problems with standing

It has often been difficult for applicants to prove that they have a legal interest in seeking revocation or invalidation of a registered trademark, partly because of the problems with interpretation of this requirement in the existing case law. The concept of a “legal interest” was not defined in the Industrial Property Law, but it was accepted that it is the same as a legal interest providing standing to sue under the Civil Procedure Code. Ac-

ording to the case law and the legal literature, a legal interest is an objectively existing qualification arising out of substantive law, i.e. it must be based on a specific provision of law. It cannot be contingent or hypothetical but must actually exist at the time the given legal standard is applied.

Meanwhile, given the huge number of trademarks registered and protected in Poland and the European Union, limiting their number by eliminating protection for marks that are not being genuinely used in commerce or which could conflict with others seems a worthy goal and hardly controversial.

This is why EU trademark law and the trademark regulations of most of the member states do not require proof of a legal interest when applying for revocation of a trademark for non-use.

Elimination of this requirement from Polish law means that any person will be able to apply for revocation of a trademark that has not been genuinely used for an uninterrupted period of five years, so long as the person files an application and pays the relevant fee, without having to prove a legal interest.

This change should significantly expedite decisions on revocation of trademarks, eliminating situations where issues surrounding proof of a legal interest made it difficult or

impossible to obtain a ruling in such cases, outweighing the substantive aspects of the case.

Invalidation of trademarks

The obligation to prove a legal interest is also being eliminated in proceedings for invalidation of a trademark, but only where the application is based on “absolute grounds,” i.e. the fundamental requirements that must be met for a trademark to be registered. Marks that do not meet these requirements should not be registered, and if they do obtain registration they should be invalidated not because of conflict with the rights of other entities but in light of the public interest, for example because they could be misleading, contrary to public policy, or generic.

Meanwhile, in the case of invalidation of a trademark registration because of conflict with prior rights (trademarks, rights to a business name or other personal rights or property rights), a rule is introduced that only the holder of such prior right may file an application for invalidation—in other words, practically speaking, the applicant must be an entity with a legal interest in seeking invalidation.

Significantly, in the case of an application for invalidation of a trademark, regardless of whether the grounds for the application are absolute or relative, the amendment provides for the possibility of splitting the rights to the

mark for a portion of the goods or services, maintaining the date of priority, upon payment of a fee. This means that if the application for invalidation does not apply to all the goods and services, the portion not covered by the application can be set aside and the invalidation proceeding will involve only certain goods and services. Then two identical but independent trademarks will be registered for different goods and services. This will be advantageous for the holder because it will be able to freely dispose of the unthreatened rights, for example by selling them, even though an invalidation proceeding is pending with respect to the same mark for other goods and services.

Transitional regulations

In order to ensure equal treatment of all applicants in proceedings seeking revocation or invalidation of trademarks, the transitional provisions for the amendment provide that it will not be necessary to prove a legal interest with respect to applications concerning trademarks registered under either the new or the old regulations.



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Intellectual Property

For many years we have been providing legal support for clients—mostly companies, but individuals as well—in management and enforcement of their portfolio of intellectual property rights.

We advise clients and represent them in court in civil and criminal cases concerning infringement of IP rights and unfair competition. We cooperate with customs authorities in proceedings involving seizure of infringing goods. Thanks to our extensive experience over more than two decades, we are one of most highly specialised teams in Poland in this field of law.

When required for the specific case, we establish interdisciplinary teams made up of lawyers specialising in different fields of law, and we also work closely with distinguished scholars in this area.

We provide legal assistance in obtaining and maintaining protective rights to trademarks, patents, industrial designs, utility models and geographical designations.

Our services include:

- Assessment of trademarks, industrial designs and utility models to determine whether they are capable of registration, based on a review of Polish and international databases
- Filing trademarks for registration under relevant procedures—
 - Polish (Polish Patent Office)
 - EU (European Union Intellectual Property Office – EUIPO, formerly OHIM)
 - International, under the Madrid System (World Intellectual Property Organisation, Geneva)
- and monitoring the course of registration proceedings
- Filing industrial designs, utility models and geographical designations for registration, and monitoring the course of registration proceedings
- Registration of inventions and validation of patents
- Monitoring of deadlines of payment of official fees in Poland and abroad, including fees for obtaining, maintaining and renewing exclusive rights
- Representing clients in disputes concerning invalidation of exclusive rights, before the Polish Patent Office, EUIPO, and the courts.



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Wardyński & Partners was established in 1988. Drawing from the finest traditions of the legal profession in Poland, we focus on our clients' business needs, helping them find effective and practical solutions to their most difficult legal problems.

The firm is particularly noted among clients and competitors for its services in dispute resolution, M&A, intellectual property, real estate and reprivatisation (title restitution).

The firm now has over 100 lawyers, providing legal services in Polish, English, French, German, Spanish, Russian, Czech and Korean. We have offices in Warsaw, Kraków, Poznań and Wrocław.

We advise clients in the following areas of practice: agridesk, aviation law, banking & finance, bankruptcy, business crime, business-to-business contracts, capital markets, compe-

titution law, compliance, corporate law, dispute resolution & arbitration, difficult receivables recovery, employment law, energy law, environmental law, EU law, financial institutions, healthcare, infrastructure, insurance, intellectual property, life science, mergers & acquisitions, new technologies, outsourcing, payment services, personal data protection, private client, private equity, public procurement, real estate & construction, reprivatisation, restructuring, retail & distribution, sports law, state aid, tax, transport.

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