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**POLSERVICE Patent and Trademark Attorneys Office**



## Authors

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## Legal framework

Poland is a signatory to all the major international agreements on IP protection, including the Paris Convention for the Protection of Industrial Property and the Agreement on Trade-Related Aspects of Intellectual Property Rights. As an EU member state, Poland is also part of the Community trademark and design systems and is obliged to harmonize its national IP law with the relevant EU directives.

The following national legislation applies to counterfeiting in Poland:

- the Industrial Property Law (June 30 2000), as amended by the Act of May 9 2007 (with regard to civil enforcement) and the Act of June 29 2007 (with regard to criminal prosecution);
- the Penal Code and the Code of Criminal Proceedings;
- the Civil Code and the Code of Civil Proceedings; and

- the Regulation of the Minister of Finance on the Destruction of Goods under Article 11 of the EU Customs Regulation (1383/2003) (amended version of July 27 2006).

In addition, the following acts can be applied in cases of counterfeiting or piracy:

- the Pharmaceutical Law (September 6 2001);
- the Copyright and Neighbouring Rights Law (February 4 1994); and
- the Act on Combating Unfair Competition (April 16 1993).

## Border measures

Poland has had an effective system of customs protection against the import and export of counterfeit and pirated goods in place for a number of years. Today, this system operates, as in other EU member states, on the basis of the EU Customs Regulation and its implementing regulation (1891/2004). Successful cooperation between trademark owners, their representatives and Customs has made it

possible to limit the flow of fake goods into Poland.

Customs is not competent to decide whether the goods suspected of infringing IP rights that it seizes under the EU Customs Regulation actually infringe those rights and should thus be confiscated and destroyed. As a rule, rights holders must initiate criminal or civil proceedings before other competent bodies (eg, the police, the public prosecutor or civil courts) within the deadlines set out in the EU Customs Regulation.

On July 27 2006 the Polish government implemented into national law the simplified procedure under Article 11 of the EU Customs Regulation. This enables Customs to destroy seized goods suspected of infringing IP rights without any need to determine, in separate proceedings, whether rights have actually been infringed.

To avail of the simplified procedure, rights holders must declare that the goods are counterfeit or pirated, and present written consent to the goods' destruction from their owner, holder or importer. The difficulties involved in obtaining this

consent within the stipulated timeframe, as well as the need to comply with numerous formalities, means that attempts to apply the simplified procedure are not always successful. Nonetheless, its application is gradually becoming more popular in Poland.

### **Criminal prosecution**

In Poland, criminal prosecution is the most frequently used and relatively effective way of fighting the trade in counterfeit goods. Despite some faults, it allows illegally marked products to be forfeited and can be used to impose penalties on infringers without much effort or expense on the part of trademark owners. As a rule, crimes related to counterfeiting are prosecuted at the injured party's request (except for the most serious cases). Following the submission of a request for prosecution, proceedings are conducted by the prosecution authorities (ie, the police and public prosecutor) *ex officio*. In recent years the legal grounds for the criminal prosecution of counterfeiters have been subject to numerous modifications.

Article 305 of the Industrial Property Law, which provides a legal basis for tackling the producers and sellers of counterfeit goods, initially stated that anyone marking goods with a counterfeit trademark or placing goods bearing such a mark on the market would be liable to a fine or imprisonment for up to two years. In its ruling of May 24 2005 the Supreme Court defined 'placing on the market' as the release by a producer or importer of goods bearing a counterfeit mark into circulation for the first time. According to the Supreme Court, the subsequent distribution of counterfeit goods fell outside the scope of Article 305 and was therefore permissible. This meant that no criminal liability could be imposed on those reselling counterfeit goods previously purchased from a producer or importer. This interpretation seriously hampered the fight against the trade in counterfeit goods, particularly in bazaars and street markets.

To close this loophole, the prosecution authorities tried to use the Penal Code provisions on 'fencing' (ie, receiving and handling goods obtained through an unlawful act) against those engaging in the secondary trade of counterfeit goods. However, in a ruling of June 30 2008 the Supreme Court stated that counterfeit goods cannot be treated as other goods obtained by an unlawful act (eg, stolen goods). Therefore, according to the Supreme Court, the sale of counterfeit goods falls outside the crime of fencing.

Strong criticism of the situation caused by the Supreme Court's first ruling resulted in the legislature amending Article 305 of the Industrial Property Law. The new version of this key provision, which was adopted on June 29 2007 and came into force two months later, clearly stipulates that anyone engaged in the trade of counterfeit goods, no matter at what stage, is subject to criminal liability and can be fined or even imprisoned. This favourable change reinvigorated the war against counterfeiting in Poland.

### **Civil enforcement**

Civil law remedies are used in Poland to fight counterfeiters in serious cases involving large-scale infringement. However, certain legal defects, numerous formalities, and the length of proceedings still discourage many trademark owners from using these remedies to enforce their rights. It is hoped that the creation of specialised IP courts will help to resolve many existing problems with the civil enforcement of IP rights in Poland. However, long-lasting work on this project is still pending and its final outcome is uncertain.

Rights holders and IP practitioners hoped that implementation of the EU IP Rights Enforcement Directive (2004/48/EC) into Polish law would be an important step in the fight against counterfeiting. The amendments implementing the directive were adopted on May 9 2007 and entered into force on June 20 2007. They introduced substantial changes to the Industrial Property Law, the Copyright and Neighbouring Rights Law and other laws on IP rights protection. Unfortunately, several of the amendment act's provisions offer diverging protection depending on the type of IP right involved, with copyrights, database rights and plant variety rights on the one hand and industrial property rights (ie, patents, trademarks and design rights) on the other.

Further, the amendments introduced a number of changes that, paradoxically, reduced the level of protection for industrial property rights by removing some existing remedies. For example, in contrast to copyright holders, trademark owners may now request relief of the effects of the infringement only through the recall, removal or destruction of infringing goods, and these options apply exclusively to goods that are the property of the infringer. In addition, a previous right to demand that the infringer issue an appropriate announcement in the press has been limited merely to making court rulings public, either in full or in part.

Other remedies now available to trademark owners under the Industrial Property Law include:

- an injunction prohibiting the continuation of the infringement;
- an order to recover unlawfully gained profits; and
- an order to pay damages (if the infringer acted knowingly or had reasonable grounds to know that it had committed an infringement).

These provisions make it possible for rights holders to seek financial compensation not only on the basis of the Civil Code's general principles, but also by way of a cash sum corresponding to the licence fee or other appropriate remuneration that would have been due if the infringer had requested authorization to use the trademark.

The amendments also introduced to the Industrial Property Law a right of information (within the meaning of the IP Rights Enforcement Directive), which was eagerly anticipated by Polish IP practitioners. The courts may now order an infringer or even a third party to disclose certain information that is indispensable to the main claim. However, a court hearing is mandatory to decide on claims to disclose information.

With regard to the availability of efficient provisional and precautionary measures, the implementation of the IP Rights Enforcement Directive brought no substantial changes. As a result, the general rules of the Code of Civil Proceedings for securing all types of claim continue to apply to such measures in cases of trademark infringement. Unfortunately, the latter are not sufficiently effective as they are overly restrictive and sometimes inadequate for specific issues such as the protection and enforcement of IP rights.

### **Anti-counterfeiting online**

#### **Online trade of counterfeit goods**

As in other countries, in Poland the Internet has created numerous dangers and threats in addition to its obvious advantages. Along with the rise in popularity of online shopping and auction sites, the trade in counterfeit goods has also flourished. To date, Polish law does not directly refer to this problem and there have been no significant court decisions on the issue. Although there is no doubt that a person selling counterfeit goods through an internet auction site commits, among other things, a crime under Article 305 of the Industrial Property Law

and should be subject to criminal responsibility, it is still hard to impose any responsibility on portal administrators. Although the Act on Providing Electronic Services imposes certain obligations on service providers which learn that a portal user is using the service in contravention of the law, it also explicitly exempts service providers from any responsibility if they do not have such information.

However, service providers seem to be aware of the importance of the problem and its negative impact on their services, as well as of recent court decisions in other jurisdictions. Most providers outline in their terms and conditions the types of goods that cannot be sold by users – usually including counterfeit goods. Nevertheless, administrators are often unable to verify the nature of the goods offered by users. In the case of auction sites, providers regularly block offers involving suspected infringing goods upon written or email notification from the rights holder. Providers tend to take prompt action (the most popular auction service in Poland can block an auction within hours of receiving notification) and, if the user continues to offer counterfeit products in spite of earlier warnings, the account may be locked. However, there are a number of disadvantages to this system. Complaints must mention a specific user and offer on a case-by-case basis. Moreover, even when an account is locked, the wrongdoer can re-register with the site under another user name and continue the activity. Cooperative notification procedures are being phased in, which would allow trademark owners to post information on their rights as well as a warning to potential infringers that they may be held liable. However, such mechanisms do not result in automatic blocking of infringing auctions and the trademark owner's active participation is still required.

Trademark owners should monitor auction sites. In the event that they spot a suspicious item, they should make a controlled purchase. If a given user conducts activity on a large scale, a private investigation is also recommended. Such sellers are frequently the last link in the sales chain and an investigation may allow the rights holder to trace the source of illegal goods. In addition, from time to time the prosecution authorities monitor auction sites. If they are suspicious of any goods, they can inform the trademark owner, which then decides on possible actions.

#### **Illegal online 'pharmacies'**

Illegal online 'pharmacies' are also a significant problem. The Pharmaceutical Law

governs the activity of pharmacies and the trade in medicinal products very strictly. A pharmacy may be run only by persons with pharmaceutical degrees. Further, the mail order sale of prescription drugs is prohibited. Nevertheless, numerous websites offer a wide range of medicines without any limitations. Such illegal online 'pharmacies' often offer counterfeit pharmaceuticals (eg, lifestyle drugs or hormonal preparations). In cases where public health is in danger, actions against fake 'pharmacies' are taken under the Pharmaceutical Law rather than by using anti-counterfeiting measures. If a matter is brought before the court, possible charges of trademark infringement play a subsidiary role.

#### **Preventive measures/strategies**

As regards measures aimed at preventing the influx of counterfeit goods onto the Polish market or eliminating ongoing counterfeiting, the actions listed below may be taken.

#### **Establishing a representative in Poland**

Typically, such a representative would be an IP law or trademark attorney firm capable of handling anti-counterfeiting matters. However, it could also be a Polish subsidiary, an official distributor or even a trusted trade partner. Such an entity can take prompt and appropriate action in relation to any suspected counterfeiting. In addition, activities conducted by the authorities (eg, the police or Customs) are more decisive if quick contact with the trademark owner or its representative is possible.

#### **Customs surveillance under the EU**

##### **Customs Regulation**

Rights holders may file an application for surveillance pursuant to Article 5 of the Customs Regulation. The application may apply only to Poland (national surveillance) or, if the applicant owns a Community trademark or design, selected or all EU member states. The materials submitted with the application for surveillance should contain as much information as possible to allow Customs to detect counterfeit goods. In national surveillance it is also possible to include copyrights if a trademark can be considered a 'work' within the meaning of copyright regulations (eg, a device trademark).

#### **Organizing regular meetings and training**

Rights holders should provide training for and meet with customs officers and other authorities. In addition, rights holders should inform Customs of new product

lines, collections and possible changes of distribution networks or places of manufacture.

#### **Monitoring and cooperation**

Before taking final action, a controlled purchase or a private investigation to determine the source of the illegal goods is recommended. Rights holders should also establish ongoing cooperation with, among others, online auction sites as part of their rights protection programmes. Lastly, trademark owners should cooperate with brand promotion and IP protection organizations, and participate in campaigns promoting IP awareness among consumers. [WTR](#)

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Bartosz Krakowiak is a Polish patent and trademark attorney, European patent attorney and European trademark and design attorney. He co-heads the trademark department of POLSERVICE and specializes in trademark and design registration and enforcement matters, as well as unfair competition cases, including litigation and anti-counterfeiting actions.

Mr Krakowiak is an active member of the AIPPI (secretary of the Polish National Group, secretary of the Special Committee on Community Trademarks) and the Polish Chamber of Patent Attorneys (member of the Legislation Committee and ex-vice president of the Disciplinary Court of Appeal). He is also a member of INTA's Anti-Counterfeiting Committee, EU sub-committee, for the 2010-2011 term.

Mr Krakowiak obtained his law degree from the University of Warsaw (2001). He also completed postgraduate studies on IP law at the University of Warsaw (2002) and at the Jagiellonian University in Cracow (2003), as well as a special module on Community trademarks at the University of Alicante, Spain (2004).



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Mr Mazur is a member of the AIPPI and the Polish Chamber of Patent Attorneys. He graduated from the faculty of law and administration at the University of Gdansk (2006). He has also studied at the University of Zaragoza, Spain, under the Erasmus programme (2004/2005) and completed postgraduate studies on IP law at the University of Warsaw (2010). He is currently attending a patent and trademark attorney professional course and preparing for his final professional exam next year.