

Patpol

Fighting the fakes

Rights holders in Poland can protect their intellectual property through both civil and criminal proceedings

According to recent data provided by the European Commission, IP rights play a significant role in the EU economy: about 39% of all economic activity in the European Union (worth some €4.7 trillion annually) is generated by IP-intensive industries, while approximately 26% of all employment (56 million jobs) is provided directly by these industries, with a further 9% of jobs stemming indirectly from IP-intensive industries. This data clearly demonstrates the importance of IP protection and effective IP rights enforcement.

Examples of IP-intensive industries include the manufacture of power-driven hand tools (patents), the manufacture of basic pharmaceutical products (trademarks), the manufacture of watches and clocks (designs) and book publishing (copyright) – as well as activities related to financial services and insurance, advertising agencies, ice cream manufacture, wallpaper manufacture, wine production, electric lighting and domestic appliances and satellite telecommunications. Significantly, the industries and goods listed above all correlate to the types of goods seized by EU customs authorities.

The analysis of customs seizure statistics provided by the Polish authorities leads to the conclusion that the overall number of seized counterfeit goods is on the rise – from nearly 4 million in 2008 to just over 6 million in 2013. In 2012 the amount of goods seized in Poland made up more than 10% of all counterfeit products seized in the entire European Union. In addition, while the number of articles seized across the European Union fell dramatically from 114.7 million in 2011 to nearly 40 million in 2012, the value expressed in domestic retail value decreased by only about €300 million (from €1.2 billion in 2011 to €896.8 million in 2012).

Legal framework

Rights holders in Poland can protect their intellectual property through both civil and criminal proceedings. Moreover, as an EU member state, Poland is bound by the EU Customs Regulation (608/2013), which repealed EU Regulation 1383/2003 and prohibits the import or export of counterfeit goods. While the new regulation is based on similar principles to those set out in Regulation 1383/2003, it also provides rights holders with new instruments designed to enable them to take more efficient action against infringements.

The first of these is the use of a so-called ‘simplified’ procedure by customs authorities. Under this procedure, seized goods can be destroyed “without there being any need to determine whether an IP right has been infringed under the law of the member state where the goods are found” – provided that certain conditions set out in the regulation are fulfilled.

The second instrument (which should also be useful for rights holders, particularly in minor infringement cases) is a special procedure for the destruction of goods in small consignments. It is designed to combat the growing number of counterfeit/infringing goods sent in small consignments via postal or courier services.

Criminal prosecution

Trademark protection under the penal law is guaranteed by the following acts:

- the Industrial Property Law;
- the Code of Criminal Proceedings; and
- the Penal Code

The Industrial Property Law defines a ‘counterfeit trademark’ as any mark that is identical to, or indistinguishable in the course of trade from, a registered trademark that is unlawfully used in respect of goods

covered by the registration. The law also sets out criminal provisions with regard to counterfeiting.

A party that affixes a counterfeit trademark to goods with the intention of introducing them onto the market or that commits acts resulting in the trade of such goods may be subject to a fine, restriction of liberty or imprisonment for up to two years.

The owner of an infringed trademark is entitled to commence a criminal action. Only after a motion for prosecution has been filed can an investigation be commenced and continued. The exception is when permanent profits are obtained from criminal activity involving a registered trademark or when criminal acts result in the trade of counterfeit goods bearing a valuable trademark. In such cases the infringer is subject to more serious criminal penalties and an investigation may be started by the police or public prosecutor *ex officio*. However, anyone committing such criminal acts will be punished only if it can be proved that the action was intentional.

In general, trademark protection is broader under civil law than under criminal law. The Industrial Property Law’s criminal regulations do not apply where the infringement involves an unregistered trademark, including unregistered famous and well-known trademarks.

Investigations against criminal infringement are conducted by the public prosecutor, the police and Customs.

Civil enforcement

The implementation of the EU IP Enforcement Directive (2004/48/EC) into the Polish Industrial Property Law took effect in 2007. The amendments revised the provisions on the civil enforcement of trademarks and anti-counterfeiting efforts.

Under the amended law, the following remedies are now available to rights holders:

- cessation of infringement;
- surrender of unlawfully obtained profits;
- compensatory damages, in accordance with the relevant principles of the Civil Code or payment of a lump sum equivalent to a licence fee or any other remuneration that would have been due had the infringer been authorised to use the trademark;
- publication of the court verdict – either in whole or in part – or information about the verdict;
- disposal, at the rights holder's request, of the unlawfully manufactured or marked products, as well as the means used to manufacture them (ie, by removing them from the market or destroying them); and
- upon order of the court (in case of unintentional infringement), payment of the relevant sum to the benefit of the rights holder if the cessation of infringement or forfeiture of the goods would be disproportionate and the above-mentioned sum would fulfil the rights holder's interest.

Since 2007, rights holders have been able to request the court, in separate proceedings, to order defendants or third parties to deliver information regarding the origin of and distribution networks for counterfeit goods, the names and addresses of manufacturers and suppliers, and the amount of goods that were manufactured and then sold.

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

- the rights holder's legal interest in requesting the injunction – this is deemed to exist where failure to impose an injunction would seriously impede enforcement of the court's decision;
- the rights holder's ownership of the infringed trademark; and
- the fact that the infringement was committed in respect of goods under the relevant trademark.

Anti-counterfeiting online

There are no separate regulations for dealing with the infringement of IP rights online. Unauthorised internet commerce falls within the scope of legal regulations dealing with typical activities in this field. Rights holders can use the same measures and tools to combat the infringement of their exclusive rights in e-commerce as



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in ordinary cases (ie, by initiating civil or criminal proceedings).

Several leading Polish auction portals offer programmes designed to monitor and eliminate counterfeit or pirated goods. Such monitoring usually requires the purchase of counterfeit or pirated products in order to collect evidence allowing the rights holder to initiate civil or criminal proceedings.

The Law on Electronic Services limits the responsibility of internet service providers (ISPs).

An ISP is exempt from liability provided that it knew nothing about the unlawful nature of the collected data and acted promptly to block access to it as soon as it was informed officially or via some other reliable channel. Moreover, according to the act, ISPs are prohibited from any additional obligations to verify (monitor) any transmitted or stored data. In light of this, ISPs cannot be held responsible for the fact that IP rights are infringed online. However, under Polish criminal law, as well as under Polish civil law, ISPs may be held liable for assisting an infringer under specific conditions.

Preventive measures/strategies

The fight against counterfeiting and piracy is not only for the benefit of rights holders, but also in the interests of other stakeholders, such as consumers, internet platforms, public administrations and the industry in general. There has been a significant increase in cooperation between all sectors – for example, between rights holders and EU customs authorities, which can be proved by the rise in submitted request for customs protection from 1,671 applications in 2002 to 23,134 in 2012. However, much more still needs to be done. It is extremely important that meaningful anti-counterfeiting programmes are maintained, despite the ongoing economic crisis. The most basic programme with proven effectiveness is the combination of customs protection together with training seminars for customs authorities and ongoing market vigilance.

An anti-counterfeiting campaign run by national and EU authorities should not reduce the vigilance of rights holders that do not submit requests for customs protection. During the last three years, only about 3% of seizures in the entire European Union were initiated *ex officio*. [WTR](#)