INTELLECTUAL PROPERTY LAW IN POLAND FOR FOREIGN INVESTORS

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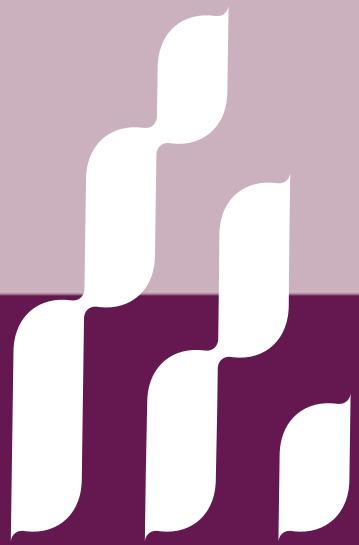

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I. General overview

For the owners of intellectual property (IP) one of the consequences of developing business in Poland is that the relevant IP is subjected to Polish regulations. From the moment of such involvement, those regulations would represent the main safeguard that one would rely on for protection of his usually much coveted assets. Therefore, it may prove useful to get to know the basic principles of Polish IP law.

The Polish system of Intellectual Property law is in line with all key international IP arrangements: Poland is a WIPO member and most notably a signatory of the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS), the Berne Convention for the Protection of Literary and Artistic Works, the Paris Convention for the Protection of Industrial Property, the Patent Cooperation Treaty, the Budapest Treaty, the Hague Agreement, the Madrid Agreement and the Madrid Protocol.

As a member of European Union, Poland is also obliged to maintain compliance with overriding European IP regulations; on the other hand, entities operating on its territory may use EU's institutions such as the European trademark or patent registration.

Internally, a fundamental part of Polish IP law is contained in the following statutory acts:

- Copyright and Related Rights Act of February 4, 1994 (Polish: ustawa z dnia 4 lutego 1994 r. o prawach autorskich i prawach pokrewnych hereinafter referred to as the "Copyrights Act"),
- Industrial Property Law Act of June 30, 2000 (Polish: ustawa z dnia 30 czerwca 2000 r. prawo własności przemysłowej),
- Database Protection Act of July 27, 2001 (Polish: ustawa z dnia 27 lipca 2001 r. o ochronie baz danych),

These three regulations, to an extent determined by EU's scope of competence, also implement the provisions of corresponding European Union directives, namely:

- Council Directive 91/250/EEC of May 14, 1991 on the legal protection of computer programs,
- DIRECTIVE 96/9/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of March 11, 1996 on the legal protection of databases,
- COUNCIL DIRECTIVE 92/100/EEC of November 19, 1992 on rental right and lending right and on certain rights related to copyright in the field of intellectual property,
- Council Directive 93/83/EEC of September 27, 1993 on the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmission,
- Council Directive 93/98/EEC of October 29, 1993 harmonizing the term of protection of copyright and certain related rights.

As it has been already mentioned, the main part of the Polish body of IP law is placed into three landmark acts. Each act covers a different category of objects. As a result, an item becomes an intellectual property upon falling under the scope of one of the three categories corresponding to the acts. An IP item can therefore constitute:

- a work entitled to copyright protection;
- a database protected under the Database Protection Act;
- an industrial property – a patentable invention, trademark, industrial design, etc.

II. Copyright protection

1. Overview

The Copyright and Related Rights Act grants legal protection to all objects recognized as a "work", which is a term that denotes any manifestation of a creative activity of individual nature, established in any form, irrespective of its value, purpose or form of expression.

The Copyrights Act offers an exemplary list of items generally deemed to constitute works. The list includes:

- works expressed in words, mathematical symbols, graphic signs (literary, journalistic, scientific and cartographic works and computer programs);
- artistic works;
- photographic works;
- string musical instruments;
- industrial design works;
- architectural works, architectural and urban planning works as well as urban planning works;
- musical works as well as musical and lyrical works;
- theatrical works, theatrical and musical works as well as choreographic and pantomime works;
- audiovisual works (including film).

However informative it may be, this list should not in any way be considered exhaustive, as the main factor determining copyright eligibility remains the nature of the work itself. Should it indicate that the given work is individual in character and executed as a result of creative activity, copyright protection will apply.

As strictly reliant on the material factors, copyright protection does not require carrying out any formalities to exist. The work constitutes a copyright work from the moment of its creation by the virtue of its individual and creative features; any legal actions or declarations of the author are irrelevant in that respect.

As a result of the foregoing, in general, the original holder of copyrights is the author by the mere act of creation.

The rights consist of the author's moral rights (which are non-transferrable and shall always stay with the author) and economic rights which are transferrable and expire after the lapse of a certain period of time.

2. Moral and economic rights

The author's moral rights protect the link between the author and his work which is unlimited in time and independent of any waiver or transfer.

The Copyrights Act provides an exemplary list of such moral rights, which includes rights:

- to be the author of the work;
- to sign the work with the author's name or pseudonym, or to make it available to the public anonymously;
- to have the contents and form of the author's work inviolable and properly used;
- to decide on making the work available to the public for the first time;
- to control the manner of using the work.

The economic rights, on the other hand, represent the right to use the work and to manage its use throughout all the fields of exploitation and to receive remuneration for the use of the work.

Agreements transferring copyrights or granting license thereof, will always pertain to economic rights.

Apart from the moral and economic rights, the Copyrights Act equips the author with a derivative copyright, which is a right to permit for the disposal and use of any derivative work, with the derivative work being a work created on the basis of the copyright work, like a translation, sequel, modification, etc.

3. Computer programs

The Copyrights Act recognizes computer programs as a specific type of work regulated with a separate set of provisions.

In general, computer programs are to be treated like literary works; however, there is a number of exceptions, including different fields of exploitation and rules regarding permitted use.

It is important to note that unlike literary works, which are subjected to permitted use regulations, without entitlement such as copyright, license or legally obtained copy, one is not allowed to use computer program in any manner even privately.

4. Term of protection

The standard term of protection for a copyright protected work is 70 years after the author's death. This rule is generally applicable with few exceptions to it, as described in the Copyrights Act.

The 70-year term shall be calculated in full years following the year when the event from which the time started to run occurred.

5. Using copyright works

Using a copyright work requires legal entitlement. There are three basic kinds of such entitlement:

- statutorily imposed license (i.a., permitted use, compulsory license, etc.);
- ownership of copyright;
- license.

6. Statutorily imposed license

Statutorily imposed licenses form an exception to the rule and as such need to be explicitly provided by statutes. The Copyrights Act does provide users with such licenses, with the most notable example being: permitted personal use which allows for private use and for dissemination of a copy of a work within a circle of people having personal relationship.

Computer programs are subjected to significant statutorily imposed license in the form of the certain set of rights described in the Copyrights Act, which should belong to a person who lawfully obtained a copy of the software. This set of rights

includes rights of reproduction and modification necessary for the use of the computer program in accordance with its purpose.

As a result of this statutory imposed license, a buyer of a legal copy of software does not need to enter into a license agreement in order to be entitled to use the software contained therein. The Copyrights Act generally grants him with all the necessary rights.

7. Transfer of rights

Originally, the exclusive right to use a copyright work in any manner, outside of statutorily imposed licenses, rests entirely with the author.

As has been mentioned earlier in this guide, a part of the author's rights called economic rights is transferable and may be acquired by other parties.

The economic rights represent the right to use the work and to manage its use throughout all the fields of exploitation and to receive remuneration for the use of the work. Thus, the scope of potential assignment of rights allows for a third party to acquire all necessary rights to commercially exploit a copyright work.

An agreement to transfer the rights needs to be concluded in writing in order to be valid. It should also expressly specify the fields of exploitation it covers. Failing to observe those requirements would generally render all transfer of rights null and void. Should the contract not stipulate otherwise, the author is also entitled to remuneration for every field of exploitation the contract relates to.

The transfer of economic rights means that the author will no longer be entitled to use the work in the fields of exploitation in regard to which he disposed of his rights.

8. License

A license is an agreement by virtue of which the copyright's owner authorizes another party to use the copyright work within the fields of exploitation specified in the contract. A license agreement needs also to include the scope, territory and time of such use.

License agreements may grant exclusive and non-exclusive rights to use the work. Exclusive license means that the copyright's owner may no longer authorize another party's use of copyright work in the scope and timeframe of the license. Some exclusive licenses may even exclude the copyrights owner's use of the work.

Exclusive licenses need to be concluded in writing in order to be valid.

Upon calculating the legal risks of a potential transaction, the licensee needs to be aware that the majority opinion in Polish jurisprudence is that a license should be regarded as an obligation rather than a disposition. It bears fundamental significance, given the fact that being essentially based on an obligation, the licensee's entitlement to the copyright work, even on an exclusive basis, would not survive a change in the ownership of copyrights. In the described circumstances the licensor ceases to possess the right to grant the license, which renders the object of his performance void. In other words, the prospective licensee needs to be aware that with the moment the licensor transfers his copyrights on any other entity, the license is terminated.

Generally in license agreements, it is also in licensee's best interest to identify the scope of use necessary for his purposes and try to expressly include it in license agreement. For example, should the licensee require authorizing other parties to use the copyright work (sub-license), such right needs to be expressly transferred by the license agreement. The same applies to all other fields of exploitation.

III. Industrial property

1. Overview

Industrial property regulations are based on the Industrial Property Act and cover the legal issues regarding inventions, utility models, industrial designs, trademarks, geographical indications and topographies of integrated circuits.

The rights available for industrial property owners include protective rights, rights in registration and patents. The Patent Office is responsible for the protection of these rights.

2. Patents

A patent is a right protecting an invention.

Patents are granted for inventions which are new, involve an inventive step and which are susceptible of industrial application.

The protection of the invention starts at the moment of filing the patent application; however, it is subject to the subsequent granting of the patent.

In general, the right to obtain a patent belongs to the creator. If an invention has been created jointly by more than one person, the right to obtain a patent belongs to them jointly. However, should an invention be made in the course of employment or in the execution of other contract, the rights to obtain the patent belong to the employer or the commissioner, unless otherwise agreed by the parties involved.

Agreements concluded between entrepreneurs may designate the party to which the rights shall belong where an invention, a utility model or an industrial design has been made in connection with the execution of such agreement.

The right to a patent for an invention may be transferred or succeeded. An agreement transferring such rights needs to be executed in writing in order to be valid.

A patent owner may grant to other parties the right to exploit the invention – a license. License agreements should be concluded in writing under the pain of invalidity.

Unlike with copyrights, should a licensed patent be transferred, the license contract remains binding and in effect in regards to the new patent owner.

The patent can be granted for a maximum of 20 years.

3. Utility models

According to the Industrial Property Act "any new and useful solution of a technical nature affecting the shape, construction or durable assembly of an object shall constitute a utility model". It is a category similar to invention; however, the registration requirements are less strict with utility models, which allow obtaining protection for solutions not fulfilling all the patent requirements.

A right of protection confers the exclusive right to exploit the utility model for profit or for professional purposes throughout the territory of the Republic of Poland.

The term of a right of protection shall be 10 years counted from the date of filing a utility model application with the Patent Office.

The right is transferrable, inheritable and can be licensed by its owner.

4. Industrial design

The Industrial Property Act offers the following definition of the term industrial design: "Any new and having an individual character form of product or its part resulting in a particular from the characteristics of the lines, colors, shape, texture or materials of the product and its ornamentation" and by product the Act understands "any industrial or handicraft item".

Industrial designs are protected by the right in registration which confers the exclusive right to exploit the industrial design for profit or for professional purposes throughout the territory of the Republic of Poland.

The protection may last up to 25 years and is effective from the date of filing the industrial design for registration and subject to the payment of all fees.

The right in registration is both transferrable and inheritable. The owner may also license this right.

5. Trademarks

Any sign capable of being represented graphically may be considered as a trademark, provided that such signs are capable of distinguishing the goods of one entrepreneur from those of other.

The most common types of trademarks are word trademarks and figurative trademarks (such as designs, drawings and combinations of colors) or trademarks representing a mixture of both. However, it is possible for a trademark to constitute in fact a melody or an acoustic signal, as long as the condition of being capable of graphic representation is met.

Like other industrial property items, trademarks are generally protected upon registration, with the protection being effective from the date of filing and subject to a successful registration.

The term of trademark protection is 10 years which may be subsequently prolonged for consecutive 10-year periods.

The right of protection confers the exclusive right to use the trademark for profit or for professional purposes throughout the territory of the Republic of Poland.

The right to use a trademark (the right of protection) may be licensed as well as sold or in any other way transferred. The right is also inheritable.

6. Geographical indications

Geographical indications, as understood under the Industrial Property Act, are word indications which in an explicit or implicit manner designate the name of a place, locality, region or country (territory), which identify a good as originating in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to the geographical origin of that good.

The Industrial Property Act regulates the registration procedure only in regards to industrial geographical indications, leaving geographical indications of agricultural and food products outside the scope of the Patent Office's authority.

The outstanding characteristics of geographical indications as industrial property are:

- Unlimited time of protection
- Licenses are not allowed
- They identify a geographical region, not a single producer
- They may be registered solely in a word form
- They can indicate only one type of goods
- The geographical indication application may be filed by either:
  - an organization entitled to represent the interests of the entrepreneurs running their business activities on a given territory, or
  - a state or local administration agency competent in respect of the territory, to which the geographical indication relates.

A foreign geographical indication may only be granted protection in Poland, if it enjoys protection in the country of its origin.

7. Topographies of integrated circuits

Choosing the appropriate industrial property protection for topographies of integrated circuits will usually prove much less straightforward than it may seem, as there are three different types of protection potentially available for topographies:

- Patentable invention (e.g., in regards to an electronic system or method of production),
- A right of protection for a utility model (in regards to its spatial form),
- Right in registration for topography.

The right in registration shall confer the exclusive right to exploit the topography for profit or for professional purposes on the entire territory of the Republic of Poland

The Industrial Property Act identifies topographies of integrated circuits as: "solution consisting of a three-dimensional arrangement of the elements, however expressed, at least one of which is an active element, and of all or some interconnections in an integrated circuit", with integrated circuits being: "three-dimensional product having one or more layers, composed of elements of semiconducting material forming a continuous layer and of conducting interconnections and insulating spaces, inseparably interconnected, intended to perform electronic functions".

Apart from falling under the scope of this definition, a topography needs to fulfill one additional major requirement in order to be eligible for protection, namely, it needs to be original.

A topography will be considered original if it is the result of its creator's own intellectual effort and is not commonplace at the time of its creation. However, unlike with other industrial property, there is a legally attainable possibility of registering two identical topographies for two independent applicants provided they both fulfill the originality requirement.

It also needs to be noted that the Patent Office does not asses the originality of the topography in the course of the regular registration procedure. It may, however, come under scrutiny should the right in registration be contested in any manner.

The right to file for registration is analogical to the right to obtain patent: it belongs generally to the creator, joint creators, employer or commissioner.

One application for registration should only cover one solution. If in fact the topography consists of more than one solution performing different electronic functions, the solutions should be registered separately.

IV. DATABASES

1. Basis for protection

Databases may be protected under the Copyrights Act or under the Database Protection Act.

Should the database's selection, arrangement or configuration constitute a work in a Copyrights Act meaning of the term, where it stands for a manifestation of creative activity of an individual nature, the database is protected under the Copyrights Act as a copyright work.

In individual cases the use of a database may also infringe upon Copyrights as a result of the database's components being a copyrighted work.

All databases irrespectively of their compliance with the Copyright Act requirements are granted with protection under the Database Protection Act.

2. Right to a database

The chief requirement for a database to be granted with protection under this act is that its:

- compilation;
- verification or
- presentation of its content.

required investment described as substantial in regard to its quality or quantity.

Therefore, it is not the creator who is the original owner of the database protection rights, but the rights belong to the person making the investment, namely to the producer.

The producer's right covers the exclusive right to collect and further use the database as a whole or in a significant part. The producer's rights to the database are transferable and inheritable.

The database protection term has been set for 15 years from the year of its compilation. The running of this term is renewed should the database be made available to the public before it's lapse or should it be substantially developed.

The right to a database arises by virtue of law, irrespective of any formal procedure; in particular, it does not require registration of the database.

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