

Poland

Trademarks and domain name disputes in Poland

In this era of globalisation, trademarks play a significant role as instruments of industrial property protection. It is increasingly difficult to find a sector unaffected by trademarks. A natural consequence of granting monopoly rights over particular designations is the entrepreneur's desire to exercise that right in the widest possible way. This results in a partial overlap of trademark protection rights and other rights and tools. There are cases of conflicts between registered trademarks and industrial designs, personal rights or copyright, as well as company names, product packaging, descriptive marks or unregistered trademarks. The appearance and development of the Internet has inevitably led to the extension of trademarks to internet domain names.

Registering a domain name for a website is now one of the first steps taken by almost any entrepreneur who starts a new business or intends to introduce a new brand to the market. The Polish country-code top-level domain name '.pl' was introduced in 1990; after 20 years of dynamic growth there were over 1.8 million '.pl' domain names in 2010, which put Poland at number five in the European Union and ninth in the world. In the period 2009-2010 the average daily number of new '.pl' domain name registrations was 2,600. There has also been a dynamic growth in the number and value of transactions concerning domain names, which are often treated as an investment. In 2009 the total value of disclosed domain name transactions was over €400,000. In the first half of 2010 the most expensive domain name address was 'opony.pl' (opony means tires in English), which was valued at €240,000. The growing market value of domain names has been reflected in the activity of cybersquatters, which register other entities' trademarks, names and other company designations as domain names with the intention of reselling them for a profit. It is a common practice for cybersquatters to create fake websites to prove the allegedly incidental choice of their domain name and their own good faith.

Domain name registration and types of dispute

The national domain registry in Poland is maintained by the Research and Academic Computer Network (*Naukowa i Akademicka Sieć Komputerowa – NASK*). A '.pl' domain name may be registered directly with NASK or through one of its wide network of partners.

The growing commercial need for domain names, combined with the burgeoning domain name market, have contributed to a rise in disputes over the right to specific domain names. A dispute settlement procedure is set out in the NASK Domain Name Regulations, the acceptance of which are a necessary condition to register a domain name. According to these regulations, '.pl' domain name disputes must be resolved by an arbitration court or a civil court.

There are currently two arbitration courts responsible for resolving '.pl' domain name disputes where at least one party is resident or registered in Poland: the Arbitration Court at the Chamber of Information Technology and Telecommunication and the Court of Arbitration at the Chamber of Commerce. In cases where both parties are resident or registered outside Poland, the applicable court is the World Intellectual Property Organisation Arbitration and Mediation Centre.

The choice between a civil court or one of the arbitration courts depends on the plaintiff. If the plaintiff chooses the arbitration procedure and the domain name holder refuses to take part in the arbitration, NASK will terminate the agreement to maintain the domain name. If this happens, the domain name will be returned to the pool of available domain names and may be registered by any person on a first come, first served basis. Importantly, the former subscriber may re-apply to register it.

Proceedings before an arbitration court

Proceedings before the Court of Arbitration at the Chamber of Information Technology and Telecommunication are initiated when the trademark owner submits a dispute for resolution stating that its

exclusive right to the registered trademark has been infringed by the domain name in question.

Arbitration proceedings are regulated by the Rules of the Arbitration Court, adopted in a revised, uniform version on May 28 2008.

Both parties to the dispute may be represented by their attorneys, provided that they have filed suitable authorisations.

Before submitting a dispute, the trademark owner must pay a registry fee and notify the court of its intention to file a suit, indicating its particulars, the domain name holder's particulars and the domain name.

If the domain name holder is an individual, his or her particulars are confidential and will not be displayed in the NASK database. The necessary information can be obtained, on request, by the trademark owner from the NASK personal data.

On receipt of the trademark owner's notification, the court provides it with a written arbitration agreement and a list of arbitrators, and sets a deadline for returning the agreement.

Once the arbitration clause has been signed by the domain name holder and returned to the court, the latter notifies the trademark owner that it should file a suit, pay an official fee and choose an arbitrator.

The trademark owner can base its suit on the provisions of the Industrial Property Law, Unfair Competition Law and the Civil Code, and claim:

- infringement of its exclusive rights to the registered trademark;
- infringement of its name, if the main part of the name is the same as the trademark; and
- bad faith on the part of the domain name holder, if any.

The suit should be made in writing and include:

- necessary information regarding both parties;
- factual circumstances justifying the suit's claims and, if necessary, justifying the court's jurisdiction;
- any citation of Polish law that provides a basis for the claim;
- proofs supporting the circumstances of the case; and
- a request for reimbursement for the costs of proceedings, if necessary.

Copies of the suit are sent to the arbitrator and the domain name holder. The latter should present its response within seven days of receipt of the suit. A copy of the standpoint should also be sent to the trademark owner.

When presenting its claims, the domain name holder should simultaneously approve the arbitrator chosen by

the trademark owner or indicate another arbitrator from the list of arbitrators.

If the domain name holder indicates its preference for another arbitrator, the trademark owner should send its consent within three days of receiving this information. If it fails to respond within this time, the court will appoint an arbitrator.

The proceedings are conducted by one arbitrator acting for the arbitration court, as set out in the Code of Civil Procedure. The parties may request that the proceedings be conducted by three arbitrators.

The arbitrator may request either party to file additional documents if these are necessary and important to the case. The arbitrator makes a judgment after thoroughly examining the case.

The parties may decide to settle the dispute amicably at any time during the arbitration proceedings. If the parties do settle and conclude a settlement agreement, the arbitrator will then terminate the proceedings.

If the trademark owner's exclusive rights have been sufficiently proved, the arbitrator issues a judgment on behalf of the arbitration court stating that the trademark owner's rights have been infringed by the registration of the disputed domain name. Simultaneously he or she decides on the reimbursement of the trademark owner's costs.

Recognising and enforcing an arbitral award

An arbitral award or settlement agreement concluded before the arbitration court does not have the legal validity of a civil court decision or settlement agreed before a civil court. To obtain such validity it is necessary that a civil court issues a judgment recognising or ascertaining the enforceability of the award (or amicable settlement agreement). Such a judgment is issued upon the request of the interested party.

The request may basically be submitted at any time, taking into account the limitation period. The request must be filed together with the original award (or settlement agreement) or its copy certified by the arbitration court, as well as the arbitration agreement.

The criterion for recognising or enforcing an arbitral award or settlement agreement is the possibility (or need) to execute the award or the settlement agreement.

Awards in cases that establish rights or legal relations are the main types of award subject to recognition. Due to their declaratory character, awards issued by an arbitration court on domain names matters can be recognised only by a civil court. However, considering that such awards provide a basis for NASK to transfer a domain name to the trademark owners or for successful

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parties to seek reimbursement for costs of proceedings and legal representation, obtaining the executory document is advisable. A request for the recognition or enforcement of an award or settlement agreement should be made to a civil court that is competent to issue a judgment in a non-arbitration procedure. The civil court analyses only the formal aspects of an award or settlement agreement and not the merits thereof. It may accept or dismiss the submitted request by issuing a relevant decision. If the request is accepted, the arbitral award obtains the same force and effect as a civil court judgment, which means that it is a judgment with the force of *res judicata*, (ie, it is final and binding for other courts and state organs and shall not be re-litigated). The request may be dismissed due to the inadmissibility of the arbitration agreement or in a situation when the recognition and enforcement of an award or settlement agreement would be contrary to the fundamental principles of Polish law (the so-called ‘public order clause’) – that is, with principles of a constitutional and material-procedural nature (eg, those relating to basic requirements with regard to the equality of parties to the proceedings, arbitrator’s impartiality, incorrect application of rules concerning dispute settlement and formal defects of the arbitral award which may violate the principles of a fair trial). Minor formal defects that have no negative consequences do not fall within the scope of the public order clause.

A civil court’s decision as to whether to dismiss or recognise the request or settlement agreement may be appealed to a civil court of the second instance. This appellate court’s decision is conclusive and thus legally binding.

If the civil court dismisses the request or settlement agreement, the arbitration court must reconsider the

matter; in this case the *res judicata* principle does not apply and the case may be decided by the same arbitrator. However, the arbitrator should follow the recommendations included in the decision issued by the civil court.

If the trademark owner receives an order to reinforce an arbitral award, it should submit the document (or its certified copy) to NASK, together with an application to register the domain in its favour.

NASK provides the trademark owner with an offer form of an agreement to maintain the domain and appoints a term for filing the executed document.

Once NASK receives the document, it shall start maintaining the domain for the trademark owner whose rights have been infringed by previous domain name holders.

NASK may refuse to sign this agreement if the executed document is submitted after the deadline.

Reversing an arbitral award

A party that is granted an arbitral award in Poland should be aware that irrespective of the content of the arbitration agreement, the civil procedure in Poland gives the opposing party the right to petition a civil court to reverse an arbitral award (this applies only to conclusive arbitral awards). Such complaints are rarely lodged in the case of domain names due to the good functioning of arbitration courts and high qualifications of the arbitrators.

The complaint may be submitted by one of the parties to the proceedings or by a public prosecutor within three months of the delivery of the award or an additional award supplementing, amending or interpreting the original award.

The complaint may be submitted only for a legally

valid award, which means that it is not a revocatory measure. It may be submitted only on the basis of formal defects, such as the following:

- there is no arbitration agreement;
- the agreement is invalid or ineffective, or has lost legal force;
- the subject matter of the award is not contemplated by or is beyond the scope of the arbitration agreement;
- the party was not properly notified of the appointment of an arbitrator or of the arbitration proceedings, or was otherwise unable to defend its rights before the arbitration court;
- there was a failure to fulfil formal requirements concerning the composition of the arbitration court or fundamental principles of the arbitration procedure;
- the award was obtained by way of a criminal act or on the basis of a forged or falsified document; or
- a final judgment has already been made in the same

case between the parties.

The petition may also be submitted when the subject matter is non-arbitrable or the arbitral award is contrary to the public order clause.

An interesting solution in the case of a complaint for the reversal of an arbitral award is the possibility of the arbitration court suspending the reversal proceedings before the civil court to enable it to resume the proceedings and eliminate the grounds for the reversal – in accordance with recommendations from the civil court.

These procedures, as well as the petition to reverse an arbitral award, are essential for securing the parties against all irregularities that may be obstacles to the exercise of rights obtained on the basis of the arbitral award due to circumstances described above. The proper application of these regulations, along with constantly improving legal practice, means that the two arbitration courts dealing with domain names rank high among Polish arbitration courts.



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