

Poland

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Nature of Licensing Agreements

Definition

POL1 The holder of an intellectual property right (licensor) uses a licence to grant the right to use that intellectual property to a third person (licensee). The licensee does not become the owner or holder of the right but merely acquires the right to use the intellectual property under the terms of the licence.

POL2 A licence agreement has many traits in common with a rental or lease agreement, but differs in certain respects. Whereas a rental or lease agreement applies to a corporeal item, which generally can only be used by one user at a time, a licence agreement applies to an incorporeal (intellectual or intangible) item, which generally can be used in multiple locations by multiple parties simultaneously.

POL3 In addition, although a rental or lease agreement grants the renter or lessee possession of the goods rented or leased, a licensee obtains abstract rights. Most types of intellectual property may be subject to a licence, including:

- Copyrights and neighbouring rights;
- Patents (including supplementary protection rights);
- Utility models;
- Industrial designs;

- Trade marks; and
- Databases.

POL4 Occasionally, a licence involves complex rights, such as copyright-protected software along with a trade mark-protected product name or a patent-protected invention.

POL5 Agreements such as know-how agreements, agreements on making available company secrets, and franchising agreements are not qualified by Polish doctrine strictly as licence agreements (as they are not regulated by provisions of law, they are the so-called innominate agreements). However, the nature of such agreements is similar to that of licence agreements. Moreover, the relevant provisions of Polish law that regulate intellectual property rights licences, such as copyright licences or patent licences, apply to such agreements accordingly.

POL6 The owners of personal rights (interests) such as a name, image, or voice may grant third parties the right to use them, also in a commercial context (for example, as a trade mark).

National Legislation

POL7 Legislation relevant to licensing includes:

- The Civil Code of 1964;¹
- The Copyright and Related Rights Act of 1994;²
- The Industrial Property Law of 2000;³
- The Act on Combating Unfair Competition of 1993;⁴
- The Act on the Legal Protection of Plant Varieties of 2003;⁵

¹ *Journal of Laws* 1964, Number 16, item 93, as amended, the 'Civil Code'.

² Consolidated text, *Journal of Laws* 2006, Number 90, item 631, as amended, the 'Copyright Act'.

³ Consolidated text, *Journal of Laws* 2003, Number 119, item 1117, as amended, the 'Industrial Property Law'.

⁴ Consolidated text, *Journal of Laws* 2003, Number 153, item 1503, as amended, the 'Unfair Competition Act'.

⁵ *Journal of Laws* 2003, Number 137, item 1300, as amended, the 'Plant Variety Protection Act'.

- The Competition and Consumer Protection Act of 2007;¹ and
- The Database Protection Act of 2001.²

POL8 Most licence agreements for the exploitation of intellectual property are regulated by the Copyright Act, which regulates copyright licences, or the Industrial Property law, which regulates licences for the exploitation of patents, trade marks, industrial designs, utility models, and integrated circuits.

POL9 Where not regulated by the Copyright Act and the Industrial Property Law, the provisions of the Civil Code apply to all the aforementioned licence agreements (particularly the provisions on contractual obligations).

POL10 The Civil Code also applies to agreements on the use of intangible property such as know-how agreements, agreements on making available company secrets, and franchising agreements.

Interpretation of Licensing Agreements

In General

POL11 The Civil Code establishes the rule of ‘freedom of contract’ according to which parties executing a contract may arrange their legal relationship at their discretion so long as the content or purpose of the contract is not contrary to mandatory provisions of law.³ This rule applies fully to licence agreements.

POL12 Consequently, the obligations of the licensor and the licensee should be construed not only in accordance with the literal wording of the agreement, but also in accordance with the circumstances in which the contract was concluded, the common intention of the parties, and the principles of community life and established custom.⁴

¹ *Journal of Laws* 2007, Number 50, item 331, as amended, the ‘Competition and Consumer Protection Act’.

² *Journal of Laws* 2001, Number 128, item 1402, as amended, the ‘Database Protection Act’.

³ Civil Code, art 353(1).

⁴ Civil Code, arts 56, 65, and 354.

Terms Mandated by Law

POL13 Although there are few terms in licence agreements that under the provisions of Polish law cannot be altered by the parties, there are, however, certain requirements. For example, licence agreements should generally define the scope of use of the licensed right.

POL14 Certain mandatory requirements also apply to the form of licence agreements for intellectual property rights. Most such agreements should be made in writing; otherwise, they will be invalid.¹ Details of the terms of licences for particular intellectual property rights are given below.

Terms Open to Party Autonomy

POL15 Although the essence of licence agreements generally depends on the intent and autonomy of the parties to the agreement, the law does prescribe certain requirements (see text, above) or gives certain options for the parties from which to choose.

Terms Presumed Absent Party Stipulation

POL16 There are many instances where the law provides for solutions when parties do not include a certain essential stipulation in a licence agreement. A prime example comes from the Copyright Act since, if there is no clear provision on the transfer of copyright, it is deemed that the author has granted a licence.² Additionally, unless provided otherwise therein, a copyright licence contract authorises the use of a copyrighted work for five years within the territory of the state in which the licensee has its seat.³

POL17 Article 76.4 of the Industrial Property Law stipulates that, unless the exclusive exploitation of the invention in a specific manner is reserved in a licence contract, a licence being granted to one party will not prevent other parties from being granted a licence, or the patent holder from exploiting the invention (non-exclusive licence) at the same time. Details of the relevant provisions of the Copyright Act, the Industrial Property Law, and other acts are given below.

1 Industrial Property Law, art 76.1; Copyright Act, art 67.5.

2 Copyright Act, art 65.

3 Copyright Act, art 66.

Types of Licence

Exclusive and Non-Exclusive

POL18 A licence is exclusive if only one licensee obtains authorisation to use it, ie, the licensor contracts not to grant a licence to other parties (in the scope covered by the licence). A licence is non-exclusive if the licensee can give the licence to many entities.

POL19 An exclusive licence (one that obliges the licensor not to give further licences) also could contain the licensor's obligation not to use the intellectual property right (eg, patent, trade mark, and copyright) itself. This is a so-called sole licence. It also is possible to execute an exclusive licence agreement under which the licensor is still able to use the intellectual property right, though it undertakes not to give further licences.¹

POL20 A sole exclusive worldwide licence is quite similar to assignment of an intellectual property right. Exclusivity also may be limited in place, meaning the licensee enjoys a protected area of exclusivity, in subject matter, meaning the licensee enjoys exclusivity for certain usages of the intellectual property but not for other forms of use, and in time.

Compulsory and Legal

POL21 Compulsory licences are granted by an authoritative (usually government) body for reasons of public policy. Compulsory licences are non-exclusive and the party exploiting the right pays royalties to the licensor.

POL22 According to the Industrial Property Law, a compulsory licence may be granted for exploiting an invention, a utility model, an industrial design, or a topography. According to the Plant Variety Protection Act, a compulsory licence may be granted for exploiting a plant variety.

POL23 The Copyright Act provides for so-called legal licences and so-called permissible (fair) use of protected works. Legal licences and the institution of permissible use limit the authors' exclusivity to use and dispose of the protected work for reasons of public policy.

¹ Industrial Property Law, arts 76.4, 163.1, 100, 118, and 221; Copyright Act, art 67.2.

Sub-Licence

POL24 A sub-licence is a further licence granted under a licence, usually with the original licensor's consent. A licensee granting sub-licences and further sub-licences may be ruled out by law.

POL25 For example, according to article 76.5 of the Industrial Property Law, granting further sub-licences to exploit an invention is not permitted.

Limited and Full

POL26 If a licence is limited, the licensee's right to exploit the intellectual property is restricted. The licence may contain limitations related to the time, territory, or scope of exploitation of an industrial property right.

POL27 It also may provide for limitations on the scope of production based on the invention. If a licence is full, the licensee has the right to exploit the intellectual property to the same extent as the licensor.

POL28 The legal terms 'limited' and 'full' licences apply to licences for exploiting inventions, utility models, industrial designs, and topographies regulated by the Industrial Property Law. They do not apply to copyright licences.

Open

POL29 An open licence is a concept used in the Industrial Property Law and it applies to licences to exploit inventions and utility models. An open licence is when a patent holder files a declaration with the Patent Office to the effect that it is willing to grant a licence for the use of its invention. This declaration is entered in the patent register and cannot be revoked or changed.¹

POL30 An open licence is granted by a licence contract being concluded by the parties or the licensee starting to exploit the invention (utility model).² An open licence is full and non-exclusive and royalties may not exceed 10 per cent of the profits obtained by the licensee in each year the invention is exploited after deduction of expenses incurred.³

1 Industrial Property Law, art 80.

2 Industrial Property Law, art 80.5; Industrial Property Law, art 80.5.

3 Industrial Property Law, art 80.

Implied

POL31 An implied licence is a term used in the Industrial Property Law to describe the presumption that a person carrying out research or similar work has granted a licence to exploit the inventions contained in the results of that work transferred to the commissioning party.¹

Single and Multiple

POL32 The concept of ‘single’ or ‘multiple’ licence agreements is unknown in Polish law, jurisprudence, and literature. However, Polish law does not prohibit there being more than two parties to a licence agreement, ie, the licensor can permit a number of licensees to use his intellectual property right in a single agreement and, conversely, a number of licensors (eg, within a consortium) may license their intellectual property rights to one or more licensees in a single agreement.

Master

POL33 The concept of master agreement is unknown in Polish law, jurisprudence, and literature. However, the conclusion of framework agreements is common practice, where the framework agreement contains standard general terms for licensing intellectual property rights, such as the scope of use, the agreement term, and the level of remuneration, and future single order agreements specify the individual property rights covered by the framework licence agreement.

Procedural Requirements

POL34 Licences for exploiting inventions, trade marks, utility models, industrial designs, and topographies regulated by the Industrial Property Law may be recorded in the register held by the Patent Office upon the request of the licensee. Registration is not compulsory and the licence is effective regardless of whether or not it is registered.

¹ Industrial Property Law, art 81.

POL35 However, the holder of an exclusive licence recorded in the register may, to the same extent as the patent (as well as trade mark, utility model, industrial design, or topography) holder, enforce his claims in the event of infringement, unless the licence contract stipulates otherwise.¹ Copyright and related rights licences are not subject to official registration.

Licensing of Patent Rights

Nature and Definition

POL36 By virtue of a patent licence agreement, the patent holder authorises another party to exploit his invention in the scope defined in the licence agreement.² The subject matter of a patent licence agreement is an invention protected by a patent.

POL37 Patents are granted, regardless of the field of technology, for any inventions which are new, which involve an inventive step, and which are susceptible of industrial application.³ In Poland, patents are granted by the Polish Patent Office.

POL38 Patents granted by the Polish Patent Office confer the exclusive right to exploit the invention, for profit or for professional purposes, throughout the territory of the Republic of Poland.⁴

POL39 It also is possible to grant a licence for an invention for which protection has been applied for to the Patent Office before it is registered as a patent by the Patent Office.⁵ Unless otherwise agreed between the parties, the provisions on patent licence contracts apply accordingly to contracts for the exploitation of an invention for which protection has been applied for to the Polish Patent Office (ie, when the application is pending).⁶

1 Industrial Property Law, art 76.6.

2 Industrial Property Law, art 66.2.

3 Industrial Property Law, art 24.

4 Industrial Property Law, art 63.1.

5 Industrial Property Law, art 79.

6 Industrial Property Law, art 79.

POL40 The provisions on patent licence contracts also apply accordingly to contracts for the exploitation of an invention for which protection has not been applied for but which is the company's know-how (so-called 'know-how agreements').¹

POL41 A patent licence agreement is a nominate agreement regulated by the provisions of the Industrial Property Law. This type of agreement is a consensual and causal legal transaction. To be valid, a patent licence contract has to be made in writing.² Granting licences to third parties is one of the basic ways of commercially exploiting an invention.

Territorial Scope

POL42 As mentioned above, patent rights to an invention registered in the Polish Patent Office are applicable throughout Poland.³ Consequently, the holder of a patent registered in the Polish Patent Office may grant a licence to exploit that patent (invention) throughout Poland.

POL43 However, the patent holder can restrict the territorial scope of the licence in the provisions of the licence agreement (a limited licence). If the licence agreement does not contain any restrictions in this respect, the licensee will have the right to exploit the invention to the same extent as the licensor.⁴

Term

POL44 In the absence of mandatory provisions of the Industrial Property Law in this respect, the parties are free to specify the duration of the patent licence contract. Patent licence agreements are usually concluded for a fixed or non-fixed term.

POL45 However, the licence terminates at the latest on the lapse of the patent.⁵ The parties are free to set a longer contract term in respect of provisions other than those governing the licence, particularly those covering payable services

1 Industrial Property Law, art 79.

2 Industrial Property Law, art 76.1.

3 Industrial Property Law, art 63.1.

4 Industrial Property Law, art 76.2.

5 Industrial Property Law, art 76.3.

needed to exploit the invention.¹ Protection of an invention patented by the Polish Patent Office ends 20 years after submission to the Patent Office.²

POL46 The protection of certain inventions (medicinal products such as drugs, and plant protection products such as insecticides and herbicides) may be extended after the lapse of the patent protection by an application being made for a supplementary protection right.³ The supplementary protection right may be subject to a licence. The provisions governing patent licence contracts apply accordingly to licences for a supplementary protection right.⁴

Rights of Licensor

POL47 The licensor, originally being the patent right holder, has the sole right to grant licences to other parties and to dispose of the entirety of the patent rights at his discretion.

POL48 The licensor is free to make a decision concerning conclusion of a contract, choice of contractor, and agreement content, unless mandatory provisions of law provide otherwise.

POL49 A patent licence may be exclusive or non-exclusive. Unless exclusive exploitation of the invention in a specific manner is reserved in the licence contract, it is deemed that a licence is non-exclusive. A non-exclusive licence being granted to one party does not prevent other parties being granted a licence or the patent holder continuing to exploit the invention.⁵

POL50 In other words, unless the licence contract is an exclusive licence, the licensor is allowed to grant licences to other parties and to exploit the invention himself (non-exclusive licence).⁶

POL51 If a licence is granted for a fee, the licensor has the right to obtain the fee stipulated in the licence agreement (for example, in the form of royalties). The licensor may require that the licensee actually use the invention within the scope prescribed by the agreement.

1 Industrial Property Law, art 76.3.

2 Industrial Property Law, art 63.3.

3 Industrial Property Law, arts 751 *et seq.*

4 Industrial Property Law, art 75 9.

5 Industrial Property Law, art 76.4.

6 Industrial Property Law, art 76.4.

POL52 A patent right holder may file a declaration with the Patent Office to the effect that it is willing to grant a licence to exploit its invention (an ‘open licence’). The declaration cannot be revoked or changed. An open licence is full and non-exclusive and royalties may not exceed 10 per cent of the profits obtained by the licensee in each year the invention is exploited after deduction of the expenses incurred.¹

Obligations and Liabilities of Licensor

POL53 A patent licence agreement contains the licensor’s consent to the licensor’s patented invention being used by the licensee.

POL54 Unless otherwise agreed in the licence contract, the licensor is required to make available to the licensee all the technical know-how needed to exploit the invention that is available to him at the time the contract is concluded.² According to Polish legal doctrine, this is known as an active licence, as opposed to a passive licence, where the licensor is only obliged not to interfere with the licensee’s use of the patented invention according to the licence agreement.

POL55 The licensor is not liable for the profitability of the licensed patent, unless the contract stipulates otherwise. Unless otherwise stipulated in a contract for research work or in another contract of similar effect, a person carrying out research is deemed to have granted a licence to exploit the inventions contained in the results thereof transferred to the commissioning party (an ‘implied licence’).³

Rights of Licensee

POL56 Typically, a licensee is given consent to use an invention within a detailed scope (substantive, territorial, and temporal). A licence contract may provide for restricted exploitation of an invention (a ‘limited licence’). If it does not, the licensee has the right to exploit the invention to the same extent as the licensor (full licence).⁴

1 Industrial Property Law, arts 80 and 100.

2 Industrial Property Law, arts 77, 100, and 118.

3 Industrial Property Law, art 81.

4 Industrial Property Law, art 76.2.

POL57 If the licence is exclusive, the licensee may prevent other parties (usually also the patent holder) from exploiting the invention.¹ The licensee may grant a further licence (a ‘sub-licence’), although only with the patent holder’s consent. However, granting further sub-licences for a patent is not permitted.²

POL58 The licensee is usually provided with copies of the patent document along with patent claims. He also may request that the licensor make available to him all the technical know-how needed to exploit the invention and train the licensee’s personnel as required to exploit the invention. The licensee may request that the licence (both exclusive or non-exclusive) be recorded in the register held by the Patent Office. The holder of an exclusive licence recorded in the register may, to the same extent as the patent holder, enforce his claims in the event of infringement, unless the licence contract stipulates otherwise.³

POL59 If the licensed patent has defects, the licensee may raise claims against the licensor in accordance with general provisions of the Civil Code,⁴ unless the contract stipulates otherwise. If the licensor transfers a licensed patent, the licence contract is binding on the successor in title.⁵

Obligations and Liabilities of Licensee

POL60 The licensee is required to use the invention only within the scope laid down in the licence agreement and not to infringe the patent rights beyond the scope of his contractual relationship with the licensor. The licensee is liable towards the licensor if the licensee uses the licensed patent outside the scope of his authorisation.

POL61 If the licence was granted for a fee, the licensee is obliged to pay the fee stipulated in the licence agreement (royalties). A licence agreement usually stipulates that the licensee is obliged to inform and consult the licensor regarding any case of possible patent infringement it may come across during the licence

1 Industrial Property Law, art 76.4.

2 Industrial Property Law, art 76.5.

3 Industrial Property Law, art 76.

4 Industrial Property Law, art 471.

5 Industrial Property Law, art 78.

term. A licensee may grant a further licence (sub-licence) only with the patent holder's consent; granting further sub-licences is not permitted.¹

Royalties

POL62 A patent licence agreement may provide for a fee to be paid by the licensee, though it also may be free of charge. The Industrial Property Law does not provide for any particular methods for calculating licence fees.

POL63 A licence agreement may stipulate that the licensee pay a lump sum, a periodical fee, or royalties, depending on the licensee's income from the use of the patented invention. Other license fee calculation methods also are admissible.

Extension and Amendment

POL64 The Industrial Property Law does not contain specific provisions on extending or amending a patent licence agreement. Thus, extension or amendment of such agreements is agreed by the parties in the contract.

POL65 If the parties do not provide for contract amendment terms, general provisions of the Civil Code will apply according to which a contract may be supplemented or amended only in the form stipulated by the law or agreed by the parties for its execution.² Thus, if a licence contract is executed by law in writing, to be valid, amendments to it also should be made in writing.

Link with Other Intellectual Property Rights

POL66 Granting a patent for an invention, ie, granting protection for that invention on the basis of the Industrial Property Law, does not exclude protection of that patent under the Civil Code, the Copyright Act, or the Unfair Competition Act.³

POL67 According to article 23 of the Civil Code, the personal interests of a human being, including scientific, artistic, inventive, or improvement achievements, are protected by civil law. If certain requirements are fulfilled, especially

¹ Industrial Property Law, art 76.

² Industrial Property Law, art 77(1).

³ Industrial Property Law, art 1(2).

if the invention constitutes or includes a work of art, it also may be protected under the Copyright Act.

POL68 The Unfair Competition Act contains a list of acts of unfair competition that are prohibited and give rise to civil and criminal liability. An act of unfair competition is activity contrary to the law or good practices that threaten or infringe the interests of another entrepreneur or customer.

POL69 The Unfair Competition Act provides for acts of unfair competition that may be patent or unregistered invention infringements. For instance, an act of unfair competition is the transfer, disclosure, or use of third-party information which is company confidential or receipt of the same from an unauthorised person, if it threatens or violates the interests of the entrepreneur.¹ Inventions comprising plant varieties also may be protected under the Plant Variety Protection Act.

Public Policy

POL70 The Industrial Property Law stipulates that a patent right holder or licensee may not abuse his rights, particularly by preventing the invention from being exploited by a third party, if such exploitation is necessary for specific purposes related to public policy (ie, meeting home market demand, public interest considerations, or consumer interests). Preventing third parties from exploiting the invention within a period of three years from the date the patent right is granted is not considered an abuse of rights.²

POL71 The provisions on patent rights abuse do not prejudice provisions on counteracting monopolistic practices, including those laid down in the Competition and Consumer Protection Act. The Act may apply if a licence agreement is a prohibited agreement within the meaning of that Act. According to the Competition and Consumer Protection Act, agreements aimed at or resulting in the elimination, restriction, or other infringement of competition on the relevant market (eg, agreements directly or indirectly fixing prices and other trading conditions

¹ Unfair Competition Act, art 11.

² Industrial Property Law, arts 68 and 100.

conditions, or those that limit or control production or sale and technical development or investment) are prohibited.¹

POL72 The impact of public policy on patent licensing also is reflected in Industrial Property Law provisions on compulsory licences. Compulsory licences for the exploitation of patented inventions are granted for reasons of public policy by the Polish Patent Office by means of an administrative decision.

POL73 Article 82 of the Industrial Property Law specifies three cases in which the Patent Office may grant a compulsory licence,² these being:

- When it is necessary to prevent or eliminate a state of national emergency;
- In the event of the right-holding abusing the patent; and
- In the case of the so-called ‘dependence of patents’.

Licensing of Copyright

Nature and Definition

POL74 A copyright licence agreement is an agreement by virtue of which the author (or other copyright holder) grants authorisation to use his work in the fields of exploitation indicated in the contract and within the scope, territory, and time specified in the contract.³

POL75 A licence agreement for exploitation of a copyright is a nominate agreement regulated by the provisions of the Copyright Act. This type of agreement is a consensual and causal legal transaction.

POL76 The subject matter of the licence is a copyright. The subject of the copyright is any manifestation of creative activity of an individual nature established in any form, irrespective of its value, designation, or manner of expression (work).⁴ The licence to use relates to the copyright to the work, not to its carriers. In particular, the following can be covered by copyright:

- Works expressed in words, mathematical symbols, graphic signs, literary, journalistic, scientific, and cartographic works, and computer programs;

¹ Competition and Consumer Protection Act, art 6.

² Industrial Property Law, art 82.

³ Copyright Act, art 67.1.

⁴ Copyright Act, art 1(1).

- Artistic works;
- Photographic works;
- String musical instruments;
- Industrial designs;
- Architectural works, architectural town planning works, and town planning works;
- Musical works and oral and musical works;
- Stage works, stage musical works, and choreographic and pantomime works; and
- Audiovisual (including cinematographic) works.¹

POL77 It should, however, be noted that the Copyright Act differentiates between economic and moral copyright. Economic copyright comprises the author's exclusive right to use the work and to dispose of it in all the fields of exploitation and to receive a fee for using the work.² Moral rights protect the link between the author and his work, and include the rights to:

- Be the author of the work;
- Sign the work with the author's name or pseudonym, or to make it available to the public anonymously;
- For the content and form of the author's work, be inviolable and properly used;
- Determine making the work available to the public for the first time; and
- Control the manner of using the work.³

POL78 Generally, only economic copyright may be covered by a licence. According to article 16 of the Copyright Act, moral copyright, unlike economic copyright, is not subject to waiver or transfer. However, in practice, authors often agree to refrain from exercising their moral copyright on pain of liquidated damages. It also is not considered unorthodox that the copyright holder exclusively permits the licensee or transferee to execute the author's moral copyright in his own name.

1 Copyright Act, art 1(2).

2 Copyright Act, art 17.

3 Copyright Act, art 16.

POL79 The subject of a licence also may be so-called ‘neighbouring rights’, which include rights to performances, rights to phonograms and videograms, rights to broadcast programme services, and rights to first publications and scientific and critical publications.¹

POL80 A copyright licence should be granted with respect to particular fields of exploitation. A licence covers only the fields of exploitation specified expressly therein. If a field of exploitation is not included in a licence agreement, the licensee is not allowed to use the work in that field.²

POL81 The fields of exploitation in which the licensee may use the copyright (or related right) depend mainly on the nature of the copyright and are particularly:

- The right to record and reproduce the work using specific techniques, especially by printing, reprographics, and by magnetic or digital recording;
- The right to distribute, lend, or rent the original or copies of the work; and
- The right to disseminate the work in any manner other than that specified in the first two items, above, especially by public performance, exhibiting, projection, play back, broadcasting, and retransmitting, and by making the work publicly available in such a way that anyone can access it in a place and at a time chosen by that person.³

POL82 A licence agreement may only refer to fields of exploitation that are known at the time the contract is concluded.⁴ Future fields of exploitation would have to be licensed in a separate agreement. However, agreements often include a pre-contract clause in which the licensor undertakes to enter into a new agreement in which consent would be given to the licensee using the work in new fields of exploitation for certain remuneration.

POL83 It is inadmissible to execute a licence agreement covering all works or all types of works by the same author to be produced in the future. Such agreement would be considered invalid by force of law.⁵

1 Copyright Act, arts 85–103.

2 Copyright Act, art 41(2).

3 Copyright Act, art 50.

4 Copyright Act, art 41.4.

5 Copyright Act, art 41.3.

POL84 To be valid, an exclusive licence should be made in writing.¹ However, a non-exclusive licence does not have a prescribed agreement form in which it has to be drafted, thus a non-exclusive copyright licence may be oral or even implied.

Territorial Scope

POL85 The parties to a copyright licence agreement are free to define the territorial scope of the licence. For example, the author may authorise the licensee to use his work, limiting the desired territory of use to one country.²

POL86 If the parties to the licence agreement do not specify the territorial scope of the licence, the work can be used within the territory of the state in which the licensee has its seat.³

Term

POL87 The parties to a copyright licence agreement are generally free to specify the term of the licence. As with rental or lease contracts, licence agreements are usually concluded for a fixed or a non-fixed term.

POL88 If the parties to the licence agreement do not specify the term of the licence, the work can be used for five years.⁴ The right obtained under the licence contract expires after the lapse of that term.⁵ In any case, the licence terminates at the latest on the lapse of the copyright. With certain exceptions, commercial copyright expires after 70 years from the death of the author.⁶

POL89 When concluding a licence agreement, it should be borne in mind that, under article 68.1 of the Copyright Act, unless the contract provides otherwise and the licence has been granted for a non-fixed term, the author may terminate it observing contractual time limits and, if no such limits have been agreed, one year in advance as at the end of the calendar year. As a result, a licence agreement concluded for a non-fixed term may always be terminated by the author (licensor) on the basis of the aforementioned provision, even if the contract does not provide for the possibility of termination.

1 Copyright Act, arts 53 and 67.5.

2 Copyright Act, art 67.1.

3 Copyright Act, art 66.

4 Copyright Act, art 66.1.

5 Copyright Act, art 66.2.

6 Copyright Act, art 36.

POL90 Moreover, according to the interpretation rule contained in article 68.2 of the Copyright Act, a licence granted for a period longer than five years is deemed, after the end of that period, as granted for a non-fixed term.¹

POL91 In doctrine, this provision is understood to mean that, if a licence agreement provides for a licence term longer than five years, the agreement expires at the end of the time specified. It is only from the perspective of the possibility of the licensee terminating the agreement that it is treated as a non-fixed term agreement. In other words, after five years the agreement may be *ex lege* terminated by the author on the basis of article 68.1 of the Copyright Act.

Rights of Licensor

POL92 The licensor, originally being the copyright holder, has the sole right to grant licences to other parties and to dispose of the entirety of the copyright at his discretion.

POL93 The licensor is free to make a decision concerning conclusion of a contract, choice of contractor, and the agreement content, unless mandatory provisions of law provide otherwise.

POL94 The Copyright Act provides for one very important interpretation rule. According to article 65 of the Copyright Act, if there is no clear provision on the transfer of the right, it is deemed that the author has granted a licence.²

POL95 A copyright licence may be exclusive or non-exclusive. If the contract does not stipulate whether the licence is exclusive or non-exclusive, it is presumed that the licence is a non-exclusive licence.³

POL96 Unless the licence contract is an exclusive licence, the licensor may authorise other persons to use the work in the same field of exploitation and may exploit the copyright himself in the same field of exploitation (non-exclusive licence).⁴

POL97 If the licence is granted for a fee, the licensor has the right to obtain the fee stipulated in the licence agreement. If the licence agreement does not indicate

1 Copyright Act, art 68.

2 Copyright Act, art 65.

3 Copyright Act, art 67.2.

4 Copyright Act, art 67.2.

whether the licence is granted free of charge, the author has the right to a fee.¹ If the contract does not specify the amount of the author's fee, the fee will be set taking into account the scope of the right granted and the benefits arising from use of the work.² The specific provisions of the Copyright Act on licensor's fee are discussed in the chapter on royalties, below. Another licensor's right is that to rescind or terminate the licence agreement:

- Due to the author's own fundamental interests;³
- If the licensee that has undertaken to disseminate the work does not start dissemination within the specified time limit;⁴ and
- If the work is made available to the public in an unsuitable form or with changes to which the author may rightfully object.

POL98 These provisions on the author's right to rescind or terminate the licence are not mandatory and may be modified or excluded by the parties to the licence agreement. In addition, the author's right to rescind or terminate the contract is excluded *ex lege* in the case of a licence for the exploitation of architectural works and architectural town planning works, audiovisual works, and works ordered within the scope of their exploitation in an audiovisual work.⁵

POL99 The author also may demand that the user of a licensed work allow the author to exercise author's supervision prior to dissemination of the work.⁶ The author does not usually have the right to separate remuneration for his supervision, unless the parties provide otherwise.⁷

POL100 If the contract covers making copies that are to be made available to the public (eg, in the case of publishing or similar agreements), the author should receive author's copies. The contract should specify the number of author's copies.⁸

1 Copyright Act, art 43.1.

2 Copyright Act, art 43.2.

3 Copyright Act, art 56.

4 Copyright Act, art 57.

5 Copyright Act, arts 56.4 and 57.4.

6 Copyright Act, art 60.1.

7 Copyright Act, art 60.3.

8 Copyright Act, art 63.

Obligations and Liabilities of Licensor

POL101 A copyright licence agreement contains the licensor's consent to the licensee using the copyright hold by the licensor.

POL102 The specific obligations of a licensor differ, depending on the scope of the licence.

Rights of Licensee

POL103 A licensee is usually given consent to use a copyright within a detailed scope (substantive, territorial, and temporal). If the licence is exclusive, the licensee may prevent other parties (usually the copyright holder) from exploiting the copyright.¹

POL104 Moreover, the holder of an exclusive copyright licence may, within the scope covered by the licence contract, lodge claims for the infringement of commercial copyright.² The licensee may grant a further licence within the scope of use defined in the licence (sub-licence), although only with the copyright holder's consent.³

Obligations and Liabilities of Licensee

POL105 The licensee is required to use the copyright only within the scope laid down in the licence agreement and not to infringe the copyright beyond the scope of his contractual relationship with the licensor. The licensee is liable towards the licensor for using the licensed copyright outside the scope of his authorisation.

POL106 If the contract does not specify the manner of use of a work, that manner should comply with the nature and purpose of the work and accepted practice.⁴

¹ Copyright Act, art 67.1.

² Copyright Act, art 67.4.

³ Copyright Act, art 67.3.

⁴ Copyright Act, art 49.1.

POL107 If the licence is granted for a fee, the licensee is obliged to pay the fee stipulated in the licence agreement. Under the Copyright Act, it is presumed that a licence is granted for a fee. According to article 43.1 of the Copyright Act, if the contract does not indicate whether the licence was granted free of charge, the author has the right to a fee.

POL108 A licence agreement usually stipulates that the licensee is obliged to inform and consult the licensor regarding any case of possible copyright infringement it may come across during the licence term.

Royalties

POL109 The provisions of the Copyright Act on fees for transferring copyright, including granting a licence, are generally aimed at protecting the author's (or another licensor's) interests and put the author (or another licensor) in a privileged position.

POL110 As a rule, the use of a copyrighted work is compensated. However, the parties to the contract may agree that no fee is to be paid, though this should be expressly provided for in the contract since, if a contract does not specify that the licence is granted free of charge, the author has the right to a fee.

POL111 The Copyright Act does not provide any particular methods for calculating licence fees. A licence agreement may stipulate that the licensee pay a lump sum, a periodic fee, or royalties, depending on the licensee's income from the use of the work, or other method of calculating licence fees.

POL112 If the contract does not specify the amount of the author's fee, such fee is set taking into account the scope of the right granted and the benefits arising from using the work.¹

POL113 In the event of a gross discrepancy between the author's fee and the benefits of the licensee, the author may request that a court duly increase his fee.² Unless the contract provides otherwise, the author has the right to a separate fee for use of the work in each separate field of exploitation.³

¹ Copyright Act, art 43.

² Copyright Act, art 44.

³ Copyright Act, art 45.

POL114 If the author's fee depends on the revenues earned from the use of his work, the author has the right to receive information and to have access, within the required scope, to documentation that is essential to set such fee.¹

POL115 If the author's fee is set as a percentage of the selling price of a copy of the work and such price is increased, the agreed percentage from copies sold at the higher price is due to the author. The unilateral reduction in the selling price before one year has passed from the start of dissemination of such work will not affect the amount of the fee. The parties may extend the time limit.²

Extension and Amendment

POL116 The Copyright Act does not establish specific rules on extending or amending copyright licence agreements. Thus, the parties to a licence agreement usually provide for specific rules on extending and amending the contract. In the absence of such contractual regulations, the general provisions of the Civil Code apply.

POL117 According to article 77.1 of the Civil Code, a contract may be supplemented or amended only in the form stipulated by the law or agreed by the parties for its execution.³ Thus, if a licence contract is executed in writing, to be valid, amendments should be made in writing.

Link with Other Intellectual Property Rights

POL118 Copyrighted works may be part of or constitute trade marks, patents, industrial designs, utility models, and databases.

POL119 Copyright protection on the basis of the Copyright Act does not exclude protection of that copyright under the Civil Code, the Unfair Competition Act, the Industrial Property Law, and the Database Protection Act.⁴

¹ Copyright Act, art 47.

² Copyright Act, art 48.

³ Copyright Act, art 77.1.

⁴ Copyright Act, art 1.2.

Public Policy

POL120 The Copyright Act provides for various instances of so-called permissible (fair) use of protected works. The provisions laying down permissible fair uses limit authors' exclusivity to use and dispose of the protected work for reasons of public policy.

POL121 A prime example is permission to use free of charge a work which has been already disseminated for the purpose of private use without the author's permission.¹ Examples of permissible fair use are:

- Use of disseminated works for the benefit of disabled persons, provided that such use directly relates to their disability, is not of a profit-gaining nature, and is undertaken within the scope arising from the nature of the disability;²
- Use of works for purposes of public safety or in connection with needs arising from administrative, court, or legislative proceedings, and reports on these proceedings;³ and
- Use of disseminated works for the purpose of advertising a public exhibition or a public sale of works within the scope justified by the promotion of the exhibition or sale, excluding any other commercial use of such works.⁴

POL122 It also should be noted that the Civil Code provides for the concept of misuse of one's right, ie, that one cannot exercise one's right in a manner contradictory to its social and economic purpose or the principles of community life. Acting or refraining from acting by an entitled person is not deemed an exercise of that right and is not protected.⁵

Licensing of Trade Marks

Nature and Definition

POL123 The holder of a trade mark registration may authorise another party to use the trade mark under a licence contract.⁶ At the time the licence agreement

1 Copyright Act, art 23.

2 Copyright Act, art 331.

3 Copyright Act, art 332.

4 Copyright Act, art 333.

5 Copyright Act, art 5.

6 Industrial Property Law, art 163.1.

is concluded, the licensee is granted the right to exploit the trade mark in the scope defined in the licence agreement.¹

POL124 A licence agreement for the exploitation of a trade mark is a nominate agreement regulated by the provisions of the Industrial Property Law. This type of agreement is a consensual and causal legal transaction. A licence agreement can be either unilaterally or bilaterally binding. A payable licence agreement should be deemed a reciprocal agreement.

POL125 The subject matter of the licence is a trade mark, ie, any sign capable of being represented graphically, provided that such sign is capable of distinguishing the goods of one undertaking from those of other undertakings.

POL126 In particular, the following may be considered trade marks: words, designs, ornaments, combinations of colours, the three-dimensional shape of goods or of their packaging, as well as melodies or other acoustic signals.²

POL127 A trade mark should be registered in the Polish Patent Office for it to be protected under the Industrial Property Law.³

POL128 A trade mark protection right confers the exclusive right to use the trade mark for profit or for professional purposes throughout the territory of the Republic of Poland.

POL129 The subject matter of a licence is generally a registered trade mark, ie, a trade mark for which a protection right has been granted by the Patent Office. However, it is also possible to grant a licence for a trade mark for which protection has been applied for to the Patent Office before it is registered in the Patent Office.⁴

POL130 Unless otherwise agreed between the parties, such a 'licence' is regulated by the provisions on registered trade mark licence contracts applied accordingly.⁵ It is a common contractual practice that rights arising from pending trade mark applications are licensed.

1 Industrial Property Law, arts 163.1 and 66.2.

2 Industrial Property Law, art 120.

3 Industrial Property Law, art 121.

4 Industrial Property Law, art 163.1, in connection with art 79.

5 Industrial Property Law, art 163.1, in connection with art 79.

POL131 To be valid, the licence contract should be in writing.¹ It also is possible to grant a licence for a trade mark for which protection has not been applied for to the Patent Office and which has not been registered.

Territorial Scope

POL132 A protection right to a trade mark registered in the Polish Patent Office confers on the trade mark holder the exclusive right to exploit the trade mark throughout the territory of the Republic of Poland.² The holder of a trade mark registered in the Polish Patent Office may therefore grant a licence to exploit that trade mark throughout Poland.

POL133 The trade mark holder is able to restrict the territorial scope of the licence in the provisions of the licence agreement. If the licence agreement does not provide for such restriction, the licensee has the right to exploit the trade mark on the same territory as the licensor.³

Term

POL134 In the absence of mandatory provisions of the Industrial Property Law in this respect, the parties are free to specify the duration of the trade mark licence contract. Trade mark licence agreements are usually concluded for a fixed or a non-fixed term. However, the licence terminates at the latest on the lapse of the trade mark protection.⁴

POL135 The term of a trade mark protection right is 10 years from the date the trade mark application is filed with the Patent Office.⁵ The term of protection may, at the request of the right holder, be extended for subsequent 10-year periods for all or part of the goods.

Rights of Licensor

POL136 The licensor, originally being the trade mark right holder, has the sole right to grant licences to other parties and to dispose of the entirety of the trade mark protection rights at his discretion.

1 Industrial Property Law, art 163.1, in connection with art 76.1.

2 Industrial Property Law, art 153.1.

3 Industrial Property Law, arts 76.2 and 163.

4 Industrial Property Law, art 163 in connection with art 76.3.

5 Industrial Property Law, art 153.2.

POL137 The licensor is free to make a decision concerning conclusion of the contract, choice of contractor, and content of the agreement, unless mandatory provisions of law provide otherwise.

POL138 A trade mark licence may be exclusive or non-exclusive. Unless exclusive exploitation of a trade mark in a specific manner is reserved in a licence contract, it is deemed that the licence is non-exclusive. A non-exclusive licence being granted to one party does not prevent other parties from being granted a licence, or the trade mark right holder from exploiting the trade mark.¹

POL139 If the trade mark licence is exclusive, the licensor may not grant licences to other parties within the scope of the licensee's exclusivity. The licensor also may undertake not to exploit the trade mark himself. Such licence is a sole licence. If the licence is granted for a fee, the licensor has the right to obtain the fee stipulated in the licence agreement (eg, in the form of royalties).

POL140 The licensor may require that the licensee actually use the trade mark within the scope prescribed by the agreement. The licensor also may require that the licensee indicate that he uses the trade mark under the licence contract by adding the indication 'lic.' next to the trade mark.²

Obligations and Liabilities of Licensor

POL141 In a licence agreement, the licensor permits the licensee to use the trade mark in a specific scope. It is standard practice for trade mark licence agreements to state that the licensor refrains from raising trade mark infringement claims against the licensee, provided that the licensee does not use the trade mark beyond the scope of the licence terms.

POL142 Accordingly, the licensor may enforce claims against a licensee that breaches any provision of the licensing contract with regard to duration and territory covered by the contract, the form in which the trade mark may be used, the scope of the goods for which the trade mark may be used, and the quality of the goods. This applies accordingly to sub-licences.³

1 Industrial Property Law, art 163, in connection with art 76.4.

2 Industrial Property Law, art 163.4.

3 Industrial Property Law, art 296.4.

POL143 If the licence is exclusive, the licensor cannot grant licences to other parties. Exclusive licences also may prevent the trade mark right holder from exploiting the trade mark at the same time (a sole licence). It also is customary for the licensor to be obliged under a trade mark licence agreement to pay periodical fees and to extend the trade mark protection for subsequent 10-year periods.

POL144 If the licensee wishes to enter the licence in the register held by the Patent Office, the licensor is usually obliged to cooperate with the licensee in doing so. In trade mark licence agreements, the licensor often undertakes to engage in actions aimed at preserving the trade mark protection right.

Rights of Licensee

POL145 Typically, the licensee is given consent to use the trade mark within a detailed scope (substantive, territorial, and temporal).

POL146 A licence contract may provide for restricted exploitation of a trade mark (a 'limited licence'). If it does not, the licensee has the right to exploit the trade mark to the same extent as the licensor (a 'full licence').¹ In practice, the licensee is granted the right to use the trade mark in the same scope as the licensor.

POL147 If the licence is exclusive, the licensee may prevent other parties (if the licence is a sole licence, the trade mark holder as well) from exploiting the trade mark.²

POL148 According to article 163.2 of the Industrial Property Law, a trade mark licensee may grant a sub-licence to use the trade mark within the scope of the authorisation granted to him.³

POL149 The licensee may request that the licence (both exclusive and non-exclusive) be recorded in the trade mark register held by the Patent Office. The holder of an exclusive licence recorded in the register may, to the same extent as the trade mark holder, enforce his claims in the event of infringement, unless the licence contract stipulates otherwise.⁴

1 Industrial Property Law, art 76.2.

2 Industrial Property Law, art 76.4.

3 Industrial Property Law, arts 76.5 and 163.2.

4 Industrial Property Law, arts 76.6 and 163.

POL150 A licensee may indicate that he has been granted a licence to use the trade mark by adding 'lic.' next to the trade mark.¹ The licensee is usually provided with copies of the trade mark certificate of registration and other documents needed to exploit the trade mark commercially. If the licensor transfers the licensed trade mark, the licence contract is binding on the successor in title.²

Obligations and Liabilities of Licensee

POL151 The licensee is required to use the trade mark only within the scope laid down in the licence agreement and not to infringe the trade mark rights beyond the scope of his contractual relationship with the licensor. The licensee is liable towards the licensor for using the licensed trade mark outside the scope of his authorisation.

POL152 If the licence is granted for a fee, the licensee is obliged to pay the fee stipulated in the licence agreement (ie, royalties). A licence agreement usually stipulates that the licensee is obliged to inform and consult the licensor regarding any case of possible trade mark infringement it may come across during the licence term.

POL153 A licensee may grant a further licence (sub-licence).³ However, the licensor would generally be required to consent to a trade mark licensee sub-licensing its rights under a trade mark licence agreement to another party.

POL154 If a trade mark licence is exercised, the licensee, at the request of the licensor, is obliged to indicate that he uses the trade mark under the licence contract by adding the 'lic.' indication.⁴ The licensee, at the request of the licensor, is obliged to use the trade mark within the scope prescribed by the agreement.

Royalties

POL155 A trade mark licence agreement may provide for a fee to be paid by the licensee. However, a trade mark licence also may be free of charge. The

1 Industrial Property Law, art 163.2.

2 Industrial Property Law, art 162.1, in connection with art 78.

3 Industrial Property Law, art 76.5.

4 Industrial Property Law, art 163.4.

Industrial Property Law does not provide for any particular methods for calculating licence fees.

POL156 A licence agreement may stipulate that the licensee pay a lump sum, a periodical fee, or royalties, depending on the licensee's income from using the trade mark, or another method of calculating the licence fees.

Extension and Amendment

POL157 The Industrial Property Law does not establish any specific rules on extending or amending trade mark licence agreements. Thus, extension or amendment should be provided for by the parties in the contract. In the absence of such provisions, the general provisions of the Civil Code apply.

POL158 According to article 77.1 of the Civil Code, a contract may be supplemented or amended only in the form stipulated by the law or agreed by the parties for its execution. Thus, if a licence contract is executed in writing, to be valid, amendments should be made in writing.

Link with Other Intellectual Property Rights

POL159 Protection being granted for a trade mark does not exclude protection under other laws, especially the Copyright Act, the Civil Code, and the Unfair Competition Act.

POL160 A trade mark may constitute or include a work within the meaning of the Copyright Act and will thus be protected under the provisions contained therein. According to article 23 of the Civil Code, the personal interests of a human being, including scientific, artistic, inventive, or improvement achievements, are protected by civil law.

POL161 The Unfair Competition Act contains a list of acts of unfair competition that are prohibited and give rise to civil and criminal liability. An act of unfair competition is activity contrary to the law or good practices that threaten or infringe the interests of another entrepreneur or customer.

POL162 The Unfair Competition Act lists acts of unfair competition specific for activities relating to trade mark infringement or which may turn out to be such. For example, an act of unfair competition is designating an undertaking in

a way that may mislead customers as to its identity, due to the use of a trade mark or another characteristic symbol.¹

POL163 Marking products or services or absence thereof which may mislead customers as to the origin of the products or services also is an act of unfair competition.²

POL164 Therefore, a licensor's claim against a licensee that breaches any provision in the licence contract with regard to its duration and territory, the form stated in the contract in which the trade mark may be used, and the scope of the goods for which the trade mark may be used in most cases corresponds with a claim that an act of unfair competition has been committed.³

Public Policy

POL165 Unlike in the case of patents, the Industrial Property Law does not provide for a compulsory licence for exploitation of a trade mark.

POL166 There are no instances of trade mark 'legal licences' or 'fair (permissible) use' in Polish law either. This seems natural given the fully commercial nature of the right to trade marks.

Licensing of Registered Designs and Utility Models

Nature and Definition

POL167 By virtue of an industrial design (utility model) licence agreement, the right holder authorises another party to exploit his industrial design (utility model) in the scope defined in the licence agreement.⁴

POL168 The provisions on patent licence agreements apply to licences for the exploitation of industrial designs and utility models. This results from article 118.1 of the Industrial Property Law (in the case of industrial designs) and article 100.1 of the Industrial Property Law (in the case of utility models), which directly refer to the provisions of the Industrial Property Law on patent licence

1 Unfair Competition Act, art 5.

2 Unfair Competition Act, art 10.

3 Unfair Competition Act, art 3.

4 Industrial Property Law, arts 100.1, 118.1, and 66.2.

agreements (ie, to article 67.2 and articles 76–79). Thus, most of the above comments on the nature and definition of a patent licence agreement apply to licence agreements for the exploitation of industrial designs or utility models, except for those relating to the subject of the agreement.

POL169 The subject of a licence for the exploitation of an industrial design is a registered industrial design. An industrial design is defined in the Industrial Property Act as:

“A new form of a work or part thereof of an individual nature arising particularly from the characteristics of the lines, contours, shape, colours, structure, or material of the work and from its ornamentation.”¹

POL170 Any industrial or handicraft item, particularly including packaging, graphic symbols, and typographic typefaces, but excluding computer programs, is considered to be a product.² A registered industrial design grants the holder the exclusive right to exploit the industrial design for profit or for professional purposes throughout Poland.³

POL171 The subject of the licence for exploitation of an utility model is a registered utility model. The Industrial Property Law defines an utility model as:

“Any new and useful solution of a technical nature affecting the shape, construction, or durable assembly of an object.”⁴

POL172 A registered utility model grants the holder the exclusive right to exploit the utility model for profit or for professional purposes throughout Poland.⁵

POL173 The subject matter of a licence is generally a registered industrial design or utility model. However, a licence also can be granted for an unregistered industrial design (utility model) for which protection has been applied for to the Patent Office before it is registered by the Patent Office.⁶

POL174 The provisions on patent licence contracts apply to unregistered industrial design (utility model) licence agreements accordingly, unless otherwise

1 Industrial Property Law, art 102.1.

2 Industrial Property Law, art 102.2.

3 Industrial Property Law, art 105.2.

4 Industrial Property Law, art 94.1.

5 Industrial Property Law, art 105.2.

6 Industrial Property Law, arts 100.1, 118.1, and 79.

agreed between the parties.¹ To be valid, a licence contract for an industrial design (utility model) has to be made in writing.²

Territorial Scope

POL175 Both an industrial design and a utility model registered with the Polish Patent Office grant protection throughout Poland.³ The holder of an industrial design (utility model) registered in the Polish Patent Office may thus grant a licence to exploit that industrial design (utility model) throughout Poland.

POL176 However, the industrial design (utility model) holder can restrict the territorial scope of the licence in the provisions of the licence agreement (limited licence). If the licence agreement does not provide for such restrictions, the licensee has the right to exploit the industrial design (utility model) to the same extent as the licensor.⁴

Term

POL177 In the absence of mandatory provisions of the Industrial Property Law in this respect, the parties are free to specify the duration of the industrial design (utility model) licence contract. Industrial design (utility model) licence agreements are usually concluded for a fixed or a non-fixed term. However, the licence terminates at the latest on the lapse of the industrial design (utility model) protection.⁵

POL178 The term of protection of an industrial design⁶ and utility model⁷ is respectively 25 years and 10 years from the date the appropriate application is filed with the Patent Office. The parties are free to set a longer contract term for provisions other than those governing the licence, and particularly those

1 Industrial Property Law, arts 100.1, 118.1, and 79.

2 Industrial Property Law, arts 100.1, 118.1, and 76.1.

3 Industrial Property Law, arts 95.2 and 105.2.

4 Industrial Property Law, arts 100.1, 118.1, and 76.2.

5 Industrial Property Law, arts 100.1 and 118.1, in connection with art 76.3.

6 Industrial Property Law, art 105.6.

7 Industrial Property Law, art 95.3.

involving payable services necessary for the purpose of exploiting the industrial design or the utility model.¹

Rights of Licensor

POL179 The licensor, originally being the industrial design (utility model) right holder, has the sole right to grant licences to other parties and to dispose of the entirety of the industrial design (utility model) at his discretion.

POL180 The licensor is free to make a decision concerning conclusion of a contract, choice of contractor, and content of the agreement, unless mandatory provisions of law provide otherwise. An industrial design (utility model) licence may be exclusive or non-exclusive.

POL181 Unless the licence contract is for an exclusive licence, the licensor is allowed to grant licences to other parties and to exploit the industrial design (utility model) himself (non-exclusive licence).² If the licence was granted for a fee, the licensor has the right to obtain the fee stipulated in the licence agreement (eg, in the form of royalties).

POL182 The holder of a utility model right may submit to the Patent Office a declaration to the effect that it is willing to grant a licence to exploit a utility model right (an ‘open licence’). The declaration cannot be revoked or changed. An open licence is full and non-exclusive and royalties may not exceed 10 per cent of the profits obtained by the licensee in each year in which the utility model is exploited, after deduction of the expenses incurred.³ It is not possible for an industrial design right to be covered by an open licence.

Obligations and Liabilities of Licensor

POL183 An industrial design (utility model) licence agreement contains the licensor’s consent to the licensee using the licensor’s industrial design (utility model).

1 Industrial Property Law, arts 76.3, 100.1, and 118.1.

2 Industrial Property Law, arts 100.1., 118.1, and 76.4.

3 Industrial Property Law, arts 80 and 100.1.

POL184 Unless otherwise agreed in the licence contract, the licensor is required to transfer to the licensee all the technical know-how needed to exploit the industrial design or utility model that is available to him at the time the contract is concluded.¹ In Polish legal doctrine, this is known as an ‘active licence’. The opposite is a ‘passive licence’, under which the licensor is only obliged not to interfere with the licensee’s use of the registered industrial design or utility model according to the licence agreement.

POL185 The licensor is liable for defects in the licensed industrial design (utility model) in accordance with general provisions of the Civil Code² unless the contract stipulates otherwise. Unless otherwise stipulated in a contract for research work or in another contract of similar effect, the person carrying out the work is deemed to have granted a licence to exploit the industrial designs or utility models contained in the results thereof transferred to the commissioning party (an ‘implied licence’).³

Rights of Licensee

POL186 Typically, the licensee is given consent to use the industrial design (utility model) within a detailed scope (substance, territorial, and temporal). A licence contract may provide for restricted exploitation of an industrial design (utility model) (a ‘limited licence’). If it does not, the licensee has the right to exploit the industrial design (utility model) to the same extent as the licensor (a ‘full licence’).⁴

POL187 If the licence is exclusive, the licensee may prevent other parties (usually the industrial design or utility model right holder) from exploiting the invention.⁵ The licensee may grant a further licence (sub-licence), although only with the industrial design (utility model) right holder’s consent. It is not admissible for further sub-licences for an industrial design (utility model) to be granted.⁶

1 Industrial Property Law, arts 77, 100, and 118.

2 Industrial Property Law, art 471.

3 Industrial Property Law, arts 81, 100.1, and 118.1.

4 Industrial Property Law, arts 100.1, 118.1, and 76.2.

5 Industrial Property Law, arts 100.1, 118.1, and 76.4.

6 Industrial Property Law, arts 100.1, 118.1, and 76.5.

POL188 The licensee is usually provided with copies of the industrial design's or utility model's certificate of registration. He also may request that the licensor transfer to him all the technical know-how needed to exploit the industrial design (utility model).¹

POL189 The licensee may request that the licence (both exclusive and non-exclusive) be recorded in the register held by the Patent Office. The holder of an exclusive licence recorded in the register may, to the same extent as the industrial design (utility model) right holder, enforce his claims in the event of infringement, unless the licence contract stipulates otherwise.²

POL190 If the licensed industrial design (utility model) has defects, the licensee may raise claims against the licensor in accordance with general provisions of the Civil Code,³ unless the contract stipulates otherwise. If the licensor transfers the licensed industrial design (utility model), the licence contract is binding on the successor in title.⁴

Obligations and Liabilities of Licensee

POL191 The licensee is required to use the industrial design (utility model) only within the scope laid down in the licence agreement and not to infringe the industrial design (utility model) rights beyond the scope of his contractual relationship with the licensor.

POL192 If the licence was granted for a fee, the licensee is obliged to pay the fee stipulated in the licence agreement (ie, royalties). A licence agreement usually stipulates that the licensee is obliged to inform and consult the licensor regarding any case of possible patent infringement it may come across during the licence term.

POL193 A licensee may grant a further licence (sub-licence) only with the industrial design (utility model) right holder's consent; it is not admissible that further sub-licences be granted.⁵ The licensee is liable towards the licensor if the licensee uses the licensed industrial design (utility model) outside the scope of his authorisation.

1 Industrial Property Law, arts 77, 100.1, and 118.

2 Industrial Property Law, arts 100.1, 118.1, and 76.6.

3 Civil Code, art 471.

4 Industrial Property Law, arts 100.1, 118.1, and 78.

5 Industrial Property Law, arts 100.1, 118.1, and 76.5.

Royalties

POL194 An industrial design or utility model licence agreement may provide for a fee to be paid by the licensee. However, an industrial design or utility model licence also may be free of charge.

POL195 The licence agreement may stipulate that the licensee pay a lump sum, a periodical fee, or royalties, depending on the licensee's income from using the registered industrial design or utility model, or other method of calculating licence fees.

Extension and Amendment

POL196 The Industrial Property Law contains no specific provisions on extending or amending industrial design or utility model licence agreements. Thus, extension or amendment of such agreements should be specified by the parties in the contract.

POL197 If the parties do not provide for extension or amendment of the agreement, general provisions of the Civil Code apply under which a contract may be supplemented or amended only in the form stipulated by the law or agreed by the parties for its execution.¹ Thus, if a licence contract is executed in writing, to be valid, amendment also should be made in writing.

Link with Other Intellectual Property Rights

POL198 The provisions of the Industrial Property Law on industrial design and utility model rights frequently refer to provisions on patents, particularly the provisions on priority, review of applications by the Patent Office, assignment and licensing, compulsory licensing, right invalidity, and expiration.

POL199 Granting an industrial design or utility model right does not exclude protection under other laws, especially the Copyright Act, the Civil Code, and the Unfair Competition Act.

¹ Industrial Property Law, arts 100.1, 118.1, and 77.1.

POL200 Products manufactured by means of an industrial design and put on the market after the lapse of the right in registration granted for such design are not protected by copyright as a work under the provisions of the Copyright Act.¹

POL201 Therefore, after the registered industrial design right lapses, copyright protection is not available. Cumulative protection, under the provisions of the Copyright Act and the Industrial Property Law, is possible only during the term of the registered industrial design right. However, even unregistered industrial designs may be protected under the provisions of Council Regulation (EC) 6/2002 of 12 December 2001 on Community Designs.

Public Policy

POL202 The Industrial Property Law stipulates that the utility model right holder or utility model licensee may not abuse his rights, particularly by preventing the utility model from being exploited by a third party, if such exploitation is needed for specific purposes related to public policy (eg, meeting home market demand, public interest considerations, and consumer interests). Preventing third parties from exploiting the utility model within a period of three years from the date the utility model right is granted is not considered an abuse of rights.²

POL203 The provision on utility model rights abuse does not prejudice provisions on counteracting monopolistic practices, including the provisions laid down in the Competition and Consumer Protection Act. The Act may be applied if a licence agreement is a prohibited agreement within the meaning of the Act.

POL204 According to the Competition and Consumer Protection Act, agreements aimed at or resulting in the elimination, restriction, or any other infringement of competition on the relevant market (eg, agreements directly or indirectly fixing prices and other trading conditions or those that limit or control production or sale and technical development or investment) are prohibited.³

POL205 The impact of public policy on industrial designs (utility models) licences is reflected in Industrial Property Law provisions on compulsory licences. Compulsory licences for the exploitation of industrial designs (utility model)

1 Industrial Property Law, art 116.

2 Industrial Property Law, arts 68 and 100.

3 Competition and Consumer Protection Act, art 6.

Licensing of Registered Designs and Utility Models

are granted for reasons of public policy by the Polish Patent Office by means of an administrative decision. Provisions on compulsory licences for the exploitation of a patent apply accordingly to industrial designs and utility models.

