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Mediation as an alternative method of resolving disputes in opposition procedures against trade mark applications

Mediacja jako alternatywna forma rozwiązywania konfliktów powstałych
w procedurze sprzeciwowej wobec zgłoszenia znaku towarowego

Abstract: Alternative dispute resolution (ADR) is becoming increasingly popular as a fast, effective, relatively cheap and lightly burdensome way to resolve conflicts. The aim of this article is to discuss the institution of mediation as an alternative method for resolving conflicts and the possibility of applying it in trade mark disputes, using the example of opposition to a trade mark application before the Polish Patent Office. The article divides the grounds for opposition into infringement of the personal or economic rights of third parties and identity with or similarity to an earlier trade mark, reputed trade mark or well-known trade mark. It analyses the possibility of using mediation at the stage which the legislature indicates to the parties as the time limit for amicable settling disputes as well as the legitimacy, possibility and admissibility of mediation at other stages of opposition proceedings.

Keywords: ADR, mediation, trade marks, opposition, intellectual property, Polish Patent Office, genuine use of trade mark

Abstrakt: Alternatywne metody rozwiązywania sporów (ADR) zyskują coraz większą popularność jako szybkie, skuteczne, relatywnie tanie oraz mało uciążliwe sposoby rozstrzygania konfliktów. Celem artykułu jest przybliżenie instytucji mediacji jako alternatywnej metody rozwiązywania konfliktów i możliwość zastosowania jej w sporach dotyczących znaków towarowych na przykładzie sprzeciwu wobec zgłoszenia znaku towarowego. W artykule wskazano podstawy sprzeciwu z podziałem na naruszenie praw osobistych lub majątkowych osób trzecich, identyczność lub podobieństwo do wcześniejszego znaku towarowego, renomowanego znaku towarowego oraz znaku powszechnie znanego. Analizie poddano możliwość zastosowania mediacji na etapie, który ustawodawca wskazuje stronom jako termin na ugodowe rozwiązanie sporu oraz zasadność, możliwość i dopuszczalność mediacji na innych etapach postępowania sprzeciwowego.

Słowa kluczowe: alternatywne rozwiązywanie sporów (ADR), mediacja, znak towarowy, sprzeciw, własność intelektualna, Urząd Patentowy RP

1. Introduction

The provisions of Directive 2015/2436,¹ the legal solutions in force in most EU Member States concerning the system for granting protection rights to trade marks based on opposition and the procedure before the European Union Intellectual Property Office (EUIPO)² in Alicante, Spain, resulted in the need to adapt the provisions of the Industrial Property Law Act (IPL Act)³ to the generally applicable European procedures. At the same time, due to the possibility of obtaining protection rights in the EU system, the examination procedure in the EUIPO has lost its importance because identical or similar trade marks can be freely registered in the EU. This situation may have generated a risk of misleading consumers as to the origin of a good or service. Changing the Polish system for granting protection rights to trade marks from a research

¹ Namely, Article 43(1) of Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks (OJ L 336, 23.12.2015).

² Formerly the Office for the Harmonization of the Internal Market (OHIM).

³ Ustawa z dnia 20 stycznia 2021 r. – Prawo własności przemysłowej [Industrial Property Law], Dz.U. 2021, item 324, as amended].

system to an opposition one resulted not only in a significant acceleration of the registration procedure, but also in a systemic change, thanks to which it is the participants of economic trade and not an official who decide about possible conflicts between exclusive rights on the market.

The legal system in force before the amendment imposed an obligation on the Polish Patent Office (PPO) to conduct *ex officio* a full examination of the registration capacity of the sign being applied for. This applied to both relative and absolute grounds for granting the right of protection for a trade mark. In its wording before 15 April 2016, the IPL Act allowed for a reasoned opposition to be filed against a final decision of the Patent Office concerning the granting of a right of protection for a trade mark, among other things. Such an opposition had to be lodged within six months of the publication of the decision in *Wiadomości Urzędu Patentowego* (Polish Patent News).⁴ In order to file an opposition, it was not necessary to have a legal interest – the actual interest was sufficient – and the legal basis was regulated very broadly as circumstances justifying the right of protection being annulled.⁵ The introduction of an opposition system has led to the inclusion of opposition proceedings in the registration procedure. The consequences of this change are: economic turnover participants can react more quickly to possible infringements of exclusive rights (even before the trade mark is registered) and that the obligation to undertake detailed market monitoring and systematic analysis of PPO publications regarding trade mark applications became the responsibility of entrepreneurs.

2. Grounds of opposition

Pursuant to Article 152¹⁷(1) IPL Act, an opposition may be filed by a holder of an earlier trade mark, a holder of an earlier economic or personal right or a person with rights resulting from a protected designation of origin or a protected geographical indication⁶ based on the premises set out in Article 129¹(4) and Article 132¹(1) to (3) IPL Act.

⁴ The PPO publishes protection rights granted for trade marks, among other things, in this journal.

⁵ On the basis of Article 246 IPL Act, Ustawa z dnia 13 czerwca 2003 r. – Prawo własności przemysłowej [Industrial Property Law], Dz.U. 2003, No. 119, item 1117.

⁶ Article 152¹⁷(1) IPL Act, as amended on 20.02.2019, Ustawa z dnia 20 lutego 2019 r. o zmianie ustawy – Prawo własności przemysłowej [Amending the Act – Industrial Property Law] Dz.U. 2019, item 501.

2.1. Infringement of the rights deriving from the protected designation of origin or geographical indication (Article 129¹(4) IPL Act).

This is a premise introduced by the amendment of the IPL Act of 20 February 2019, the purpose of which was to implement Directive 2015/2436. According to the wording of the provision, no protection rights shall be granted for a trade mark excluded from registration under national law, European Union law or an international agreement providing for the protection of a geographical indication, a designation of origin, a traditional term for wine or a traditional speciality guaranteed, to the extent provided for therein. Persons or organisations entitled to exercise their rights in this respect shall be entitled to lodge an opposition on this ground.

2.2. Infringement of personal or economic rights of third parties (Art. 132¹(1) point 1 IPL Act)

An application for registration in order to obtain the right of protection for a trade mark presupposes good faith on the part of the applicant with regard to the legal title to the trade mark being applied for. The PPO, ex officio, does not examine whether the applicant is entitled to a subjective (personal or economic) right to use the trade mark being applied for in business transactions. However, such an infringement may be opposed to by the rightsholder if, in the course of the proceedings, it is proved that the rightsholder has an earlier right of priority.

The provisions of the IPL Act do not explicitly specify which types of subjective rights are personal or economic rights and constitute an obstacle to granting the right of protection for a trade mark, but they may be separated on the basis of provisions of the Constitution of the Republic of Poland, as well as provisions of the Civil Code (CC).⁷ These include the right to a first name, surname and nickname, the right to an image, the right to a company and personal or economic copyrights. First names, surnames and nicknames, apart from their individualising function, may also constitute a trade mark or an element of a trade mark. Due to the variety of surnames, it does not matter whether the entitled person has any right to use a particular name or nickname. If a sign being applied for can evoke associations between a particular person and a trade mark for which a personal right exists, then it is an

⁷ Ustawa z dnia 23 kwietnia 1964 r. – Kodeks cywilny [Civil Code], Dz.U. 1964 No. 16, item. 93 as amended.

infringement of the right to a first name, surname or nickname, particularly when the applicant deliberately files an application to register a trade mark containing an element which individualises a particular person so as to take advantage of a reputation or common knowledge in order to give the recipients of the goods and services the impression that the person has contributed to the creation of the goods or the provision of the service.

The right to an image is the right to individualise a particular person with the use of characteristic external features, e.g. their face or posture. With their help, without indicating any additional information such as their first name, surname or nickname, one can undoubtedly identify to whom it belongs. An image may also be a trade mark. The reasons for infringement are similar to those of a first name, surname or nickname.

A business name for company is nothing more than a first name and surname for natural person, but it is used to identify a business entity. It is a personal interest in accordance with Article 23 CC and is a non-economic component of the enterprise. The right to the company is subject to protection in accordance with Article 43¹⁰ CC. It is a subjective right of absolute and effective *erga omnes*.⁸

Opposition to a trade mark being applied for by the proprietor of the business name with an earlier priority results in the refusal to grant the right of protection for the trade mark. This is the case when there is a similarity that carries the risk of confusion, or conflicts that do not entail the risk of confusion. Second case is when a business name benefits from reputation or well-known attribute. If a trade mark is registered in such a case – even for goods which are not similar – there is a risk that undue advantage is conferred on the applicant, or that the distinctive character or reputation of the sign with an earlier priority may be damaged.⁹

There is no doubt that trade marks may also constitute a piece of work within the meaning of the Copyright and Related Rights Act.¹⁰ In addition, a trade mark application may constitute an infringement of someone else's copyrighted work. The rightsholder of a work that constitutes all or part of a trade mark being applied for has the right to effectively oppose the right

⁸ Wyrok Wojewódzkiego Sądu Administracyjnego w Warszawie z 29 lipca 2005 r. [Judgment of the Voivodship Administrative Court (WSA) in Warsaw], VI SA/Wa 550/05, LEX 183679.

⁹ Wyrok Wojewódzkiego Sądu Administracyjnego w Warszawie z 4 listopada 2008 r. [Judgment of the Voivodship Administrative Court (WSA) in Warsaw], VI SA/Wa 1324/08, LEX 520239.

¹⁰ Ł. Żelechowski, [w:] Ł. Żelechowski (red.), *Prawo własności przemysłowej. Komentarz* [Industrial property Law. Comment], t. 7b, C.H. Beck, Warszawa 2021, s. 7.

of protection for the trade mark being granted. It should be emphasised that it is possible to use someone else's work as a trade mark; for example, it is possible to grant a right of protection to a trade mark that is someone else's work, provided that the property rightsholder has obtained the consent of the copyright rightsholder.

2.3. Identity or similarity with an earlier trade mark intended to designate identical or similar goods – Article 132¹(1) point 3

Before the amendment of the IPL Act of 11 September 2015, the premise was examined by the PPO *ex officio*. The provisions of the amendment require the PPO to examine whether the mark being applied for is identical or similar to a trade mark with an earlier priority, but only in the case of opposition. In the course of the opposition proceedings based on Art. 132¹(1) point 3, the PPO analyses whether the conditions for similarity are met. The examination concerns the similarity of the scope of protection of the compared marks (lists of goods and services) and the similarity of the signs themselves. In addition, the authority shall examine whether there is a risk of confusion on the part of the public in a given case, particularly the risk of association between the mark being applied for and the earlier mark.

2.4. Identity or similarity to a reputed trade mark or a well-known sign – Article 132¹(1) points 4 to 5

The grounds expressed in Article 132¹(1) points 4 to 5 constitute relative obstacles to the right of protection being granted for signs which are in conflict with a reputed trade mark and a well-known trade mark. The right of protection for such a trade mark may be refused by a decision in the opposition proceedings if the PPO finds that the trade mark being applied for is identical or similar to a reputed trade mark for which the right of protection has been granted with an earlier priority for any goods. Similarly, by way of opposition proceedings, the PPO will refuse to grant the right of protection for a trade mark identical or similar to a trade mark which, prior to the date according to which the priority to obtain the right of protection was commonly known in the Republic of Poland and used as a trade mark intended to designate identical or similar goods originating from another business entity if there is a risk of misleading the public, particularly the risk of associating the trade mark being applied for with an earlier trade mark.

2.5. Infringement of the rights resulting from the protection of geographical indications and protected designations of origin – Article 132¹(1) point 6¹¹

In the amendment of 20 February 2019, the legislature introduced a provision that no protection right shall be granted for a trade mark once a justified opposition has been filed if, on the basis of national or European Union law providing for the protection of a geographical indication or a designation of origin, a person with rights resulting from a previous application may prohibit the use of a later trade mark (assuming that the indication or name has been registered).

3. Opposition

From the moment a trade mark application is published in *Biuletyn Urzędu Patentowego* (Patent Office Bulletin)¹², there is a three-month period for filing an opposition. As mentioned above, those entitled to an earlier trade mark, those with a previous economic or personal right and those with rights resulting from a protected designation of origin or a protected geographical indication may oppose an application. It is worth emphasising that the three-month period is not reinstated. Failure to do so means that the holder of an earlier right of protection or of an earlier economic or personal right loses the right to oppose the registration of a conflicting trade mark.

Of course, this is not the final way for a third party to formally express their dissatisfaction with the decision of the PPO. The entitled person can invalidate the conflicting right of protection, but only in the course of the *inter partes* (litigation) procedure before the PPO.

The opposition proceedings are adversarial in nature. Its parties are the applicant, i.e. the entity which applied for the protection of the trade mark, and the opponent,¹³ i.e. a qualified person as defined above. An applicant who has filed an application with an earlier priority may also be an opponent if the sign being applied for has a right of protection.

Filing an opposition procedure is subject to a fee, and the formal requirements for doing so are set out in Article 152¹⁷ (2) to (5) IPL Act. The legislature specified that the elements of an opposition are the designation of the parties,

¹¹ Introduced by the amendment of 20 February 2019, Journal of Laws 2019, item 501.

¹² The PPO publishes trademarks applications in this bulletin at weekly intervals.

¹³ Article 152¹⁸ (1) IPL Act.

an indication of the factual and legal grounds for the opposition, the grounds and scope of the opposition and the signature of the opponent. The indication of the factual basis consists of a statement of the facts from which the opponent derives their right. As mentioned above, the legal basis may be the grounds set out in Article 129¹ (4) and Article 132¹ (1) to (3) IPL Act. It is also necessary to justify the use of a specific legal basis in a given factual situation. The scope of the opposition consists of the goods and services specified in the trade mark application being disputed by the opponent. An opposition may concern all or part of the requested scope of protection.

It should be noted that, unlike in the ordinary registration procedure, all letters in opposition proceedings are filed together with copies thereof for the opposing party. Moreover, documents and materials in a foreign language are submitted along with their Polish translations.

The PPO, by issuing an order, leaves an opposition without examining after the expiry of the time limit, which does not indicate the trade mark application or does not indicate rights with an earlier priority.¹⁴ The formal deficiencies indicated in the provision are an obstacle blocking the effective initiation of opposition proceedings. In the course of the procedure, the PPO does not call for their correction; if they are not remedied within the time limit specified in Article 152¹⁷ (1) IPL Act, by way of an order, it leaves the opposition proceedings unprocessed.¹⁵

In accordance with Article 152¹⁷ (7) IPL Act, if the opposition does not meet the formal requirements, the PPO shall grant the opponent a period within which to remedy the deficiencies preventing the continuance of the proceedings. In the event of deficiencies other than those referred to in Article 152¹⁷ (6) IPL Act, the PPO shall set a time limit for remedying the formal deficiencies. This includes, for example, failure to pay the fee, failure to appoint a representative or failure to indicate the legal basis for the opposition. If these deficiencies are remedied within the prescribed period, the proceedings shall continue. Otherwise, the PPO shall discontinue the opposition proceedings.¹⁶ As a formal consequence of an opposition being formally effective, the PPO shall notify the applicant of the opposition. At the same time, the authority shall inform the parties of the possibility of settling the dispute amicably (Article 152¹⁹ (1) IPL Act). On that occasion, the PPO sets a two-month period, which may be extended to six months. The time limit for amicable settlement of the dispute

¹⁴ Article 152¹⁷ (6) IPL Act.

¹⁵ Article 152¹⁷ (6) *in fine*.

¹⁶ Por. M. Szymańska-Rybak [w:] Ł. Żelechowski (red.), *Prawo własności przemysłowej...*, *passim*.

may be extended, at the joint request of the parties, only once in the course of the procedure. As already mentioned, opposition is an expression of dissatisfaction of one entrepreneur to a situation in which another market participant tries to infringe an exclusive right by establishing a conflict of laws, wishing to breach part or all of the existing monopoly. Such a situation creates a dispute. This is also specified by the legislature in the aforementioned Article 152¹⁹ IPL Act, that at the same time informs the parties about the possibility of an amicable settlement of the dispute.

An amicable settlement is any form of settlement outside the general administration of justice but within the framework of law, thanks to which the parties in dispute may find a settlement; it includes negotiations, mediation and arbitration.

4. Mediation

One of the paths for the amicable settlement of a dispute is to use mediation. Its name comes from the Latin verb *mediare* (to mediate). Mediation is a very old method of resolving disputes, used in Buddhist, Hindu and Jewish cultures. Its modern version comes from the USA in the 1970s, where it was spread by hippie movements who preferred not to resolve their disputes through lengthy, rigid and complex court trials.

Mediation, as an alternative dispute resolution (ADR) method, is a modern and very effective way to resolve the conflicts that appear in both economic transactions and interpersonal relations, within the family or at work. The aim of the mediation process is to ensure that the parties reach an agreement which will be satisfactory to both parties (the 'win-win' principle), even though they have to make certain concessions.

The method consists in an independent and impartial professional helping the parties to resolve their conflict. It is the parties, and not any other body, who decide on the rules of conduct, form and scope of the agreement. The mediator is characterised by impartiality, which is achieved by evenness as regards the rights of both parties. The mediator also does not assess the arguments of the parties and does not show any prejudices based on origin, education, age, gender or behaviour during the mediation. They are also neutral in relation to the subject matter of the dispute. They do not impose solutions on the parties, but act as a spokesperson for a fair procedure to help the parties reach a satisfactory agreement. The work of a mediator is to streamline or even facilitate a substantive

discussion of a problem. One basic feature of mediation is its voluntary nature. The parties must express a willingness to participate in the process. This is very important in the context of the conciliatory attitude of the participants and gives a sense of security in that either party can resign from the mediation at any stage. Another important feature is confidentiality. This concerns both the mediator and the parties themselves. Pursuant to Article 183⁴ of the Code of Civil Procedure,¹⁷ mediation proceedings are not public. The principle is that referring to facts and circumstances raised during mediation in court proceedings is ineffective. Also, the participants of mediation, particularly the mediator, may not be called as witnesses or experts in a given case, *inter alia* due to the confidentiality of mediation. Another advantage of mediation is its informal nature. This is of great importance because the parties focus on the content of the dispute and not on the environment in which they settle it. It is the mediator's duty to choose a comfortable environment in which the parties will strive to resolve their dispute.

An important element with an enormous influence on the course of proceedings, as well as on the parties sense of security, is the possibility to choose a mediator. It is one of basic principles of the mediation. The awareness that both parties had an equal influence on the choice of the mediator reinforces the sense of trust in the mediator, particularly in their impartiality and neutrality. In addition, the conviction that in the event of a wrong choice, the mediator can be changed at any stage of the proceedings practically eliminates the risk of failure for reasons attributable to the mediator. The principles of good faith and the principle of mutual respect, which apply to all participants, are also important in the mediation process.¹⁸

5. Mediation in opposition proceedings

Mediation concerning the opposition procedure is administrative in nature (between two parties, neither of which is an administrative authority) because it takes place in a specific administrative procedure, but there are also elements of civil (economic) mediation. On the one hand, it concerns exclusive rights

¹⁷ Ustawa z dnia 17 listopada 1964 r. – Kodeks postępowania cywilnego [Code of Civil Procedure], Dz.U. 1964, No. 43, item 296, as amended.

¹⁸ Por. Wioleta Sejbuk, [w:] C. Rogula (red.), A. Zemke-Górecka (red.), *Mediacja w praktyce mediatora i pełnomocnika* [Mediation in the practice of a mediator and attorney], Wolters Kluwer, Warszawa 2021, s. 86

which operate or are intended to operate in the market; on the other hand, it refers to ownership from a civilist point of view.

It is worth pointing out that mediation can be used as a method of dispute resolution for all grounds of opposition.

5.1. Mediator

It is very important that mediation is carried out by a mediator experienced in the field of industrial property law. Firstly, the eventual settlement must be legal in order for its provisions to be put into legal circulation in proceedings pending before the PPO. Moreover, the settlement agreement should be adjusted to the nature of the decisions taken in this type of case. However, it should be remembered that in accordance with the 'Standards of mediation and mediator conduct',¹⁹ the mediator should not take on the role of another specialist, even if they have knowledge of the field in question. They may, however, offer the parties the benefit of using the assistance of an appropriate expert. It is for the parties to decide whether or not to make use of this possibility.

The task of an opposition mediator is to determine whether there is an infringement of trade mark protection rights in a specific case. Is that infringement a matter of law or is it an apparent infringement based solely on the conviction of the opponent? In both of these situations, mediation is justified, but in each of them the result may be a different kind of compromise.

5.2 Settlement

An agreement usually results in a settlement, which may include an obligation for the opposing holder to withdraw their opposition, a limitation of the scope of protection for both the applicant and the opposing holder, the withdrawal of the application or a combination of these solutions.

The parties are obliged to inform the PPO about any settlement and its content before the expiry of the time limit. This is essential in the context of further opposition proceedings and registration of the trade mark being applied for.

If no amicable agreement is reached within this period of two or six months, the opposition proceedings will continue. This does not preclude a settlement at a later stage of the procedure. As mentioned above, the PPO will not set a

¹⁹ *Standards of Mediation and Mediator Conduct* – document adopted by Społeczna Rada do Spraw Alternatywnych Metod Rozwiązywania Konfliktów i Sporów, Warszawa 2006.

new date for an amicable settlement of the dispute, but the parties may submit a joint request to suspend the proceedings for the duration of mediation.

6. Continuation of opposition proceedings

If the parties to the opposition proceedings have not reached a settlement within two or six months, the PPO shall invite the applicant to respond to the opposition and shall set an appropriate deadline. In accordance with Article 152¹⁸ (3) IPL Act, the statement of opposition must contain pleas-in-law as well as all the facts and supporting evidence. In response to the opposition, the applicant may also raise a plea of non-genuine use of the opposing mark. If the non-use of the earlier trade mark has lasted continuously for five years prior to the filing date of the opposition mark for the goods or services covered by the opposition, the PPO shall reject the opposition. The PPO shall not consider the plea well founded if there are valid reasons for non-use or if a period of five years has not elapsed since the registration of the earlier mark (see Article 152¹⁹ (4) IPL Act).

The next step in the opposition procedure is for the PPO to provide the opponent with a reply and to set a time limit for taking a position and completing the evidence. Article 152¹⁹ (5) IPL Act refers to Article 169 (6) IPL Act, according to which the burden of proving the use of the trade mark or the existence of valid reasons justifying non-use of the trade mark lies with the opponent.

6.1 Plea of non-use of an earlier mark

The plea of non-use of an earlier trade mark for goods subject to opposition is one of the simpler means of defence for the applicant in opposition proceedings. If this plea is well founded, the applicant wins the opposition proceedings, regardless of any other arguments. In the absence of grounds for a plea of non-use of an earlier mark, the PPO shall disregard that plea and adjudicate on the basis of the other statements and evidence of the parties. On the other hand, it is possible to uphold a plea of lack of genuine use of the mark, i.e. for goods or services covered by the registration of the earlier mark. In such a case, registration of the earlier mark in the remaining part (for the other goods or services for which genuine use has been established) may still justify the blocking of the application, even in full. It is also possible to raise opposition due to a lack of genuine use against two or more earlier

marks. In such a case, all these claims (in respect of each mark) are subject to verification by the PPO.²⁰

6.2 Mediation on genuine use

An applicant's allegation of a lack of genuine use is an excellent moment in the opposition procedure to use an ADR in the form of mediation. Taking evidence to prove genuine use of a trade mark is not in itself simple. It can be very laborious to gather sufficient evidence to determine the actual use. Submitting all the materials for PPO assessment may also prolong the proceedings. Taking into account both considerations of procedural economics and the time and workload required for effective evidence collection, it seems reasonable to try to mediate at this stage of the proceedings.

6.3 Preclusion of evidence

According to Article 152¹⁹ (6), an applicant has the right to respond to an opponent's arguments, in particular those concerning the genuine use of an earlier trade mark, within the time limit set by the PPO. In addition, the authority may request one party to present their position on materials submitted by the other party or by the PPO within a specified time limit (Article 152¹⁹ (7) IPL Act). This is the case when evidence, claims or opinions appear unclear and need to be clarified. Article 152¹⁹ (8) IPL Act introduces the institution of precluding evidence. The PPO shall ignore claims and evidence which are not presented within the prescribed time limit, unless the party demonstrates that it was not possible or that the need for it arose later. Further assertions and evidence in support thereof shall be presented within one month of the date on which their invocation became possible or the need for them arose. This regulation introduces a disciplinary function for the parties to provide all the evidence within the set time limit, as well as a procedural function, as it prevents attempts to drag out the proceedings.

6.4 Termination of opposition proceedings

Following the termination of evidence proceedings and the collection of the parties positions and claims, the PPO examines the opposition. Pursuant to

²⁰ A. Szewc, M. Mazurek [w:] R. Skubisz (red.), *System Prawa Prywatnego, Prawo własności przemysłowej* [Private Law System, Industrial Property Law], t. 14b, C.H.Beck, Warszawa 2017.

Article 152²⁰ IPL Act, the PPO is bound by the legal basis indicated by the opponent and shall examine the claim within this limit. After examining the opposition, the PPO issues a decision to reject it or to declare it justified in whole or in part.²¹ The decision shall be subject to a request for reconsideration.

7. Mediation before the PPO

Mediation in opposition proceedings has not been very popular before the PPO to date. There are many cases of amicable settlement of disputes during the period that the PPO sets for amicable settlement, but outside PPO jurisdiction. The parties present ready-made solutions to the PPO without indicating how the agreement was reached. The role of the PPO is limited to introducing them to the legal system. It should be noted, however, that there have been several mediation cases regarding trade mark distinctiveness. Some of them ended with a settlement, though settlement during mediation on trade mark distinctiveness is exceptional. Administrative bodies should carefully examine the facts in the course of mediation, as they are obliged to rely on the law, both general and mediation-related, and to adjudicate within its limits during the entire procedure.

However, it should be noted that in 2018 the PPO and the World Intellectual Property Organization (WIPO) signed an agreement on cooperation in the field of mediation. The agreement deals with establishing cooperation to disseminate information about mediation at the WIPO Arbitration and Mediation Center, developing a model of mediation proceedings based on the experience of the WIPO ADR Center in the amicable settlement of disputes, organising workshops and training specialised mediators and creating friendly conditions for mediation conducted by the WIPO ADR Center for small and medium-sized enterprises and start-ups.

Pursuant to this agreement, the PPO allows the parties to use voluntary mediation on the basis of the WIPO Mediation Regulations in order to resolve disputes regarding trade marks. Mediation at the WIPO Arbitration and Mediation Center can be of particular benefit to parties wishing to resolve trade mark disputes in the jurisdictions of different countries.

If an entrepreneur files an opposition to a trade mark application filed with the PPO (including an international trade mark), the PPO shall inform the

²¹ Article 152²¹ IPL Act.

parties about the possibility of an amicable settlement of the dispute. During this period, parties wishing to reach an amicable settlement in their dispute apply to the WIPO Arbitration and Mediation Center for mediation. This request should contain relevant information about the dispute, including the names of the parties and their representatives and any other details to aid communication with them, a copy of the mediation agreement and a brief description of the dispute. This information is intended to enable the Center to organise the mediation. This solution is another significant step in promoting mediation as an effective method of conflict resolution and facilitating quick settlements of disputes, especially ones that are international in nature and based on different legal systems.

Another significant step is a proposal to include provisions on conciliation in the draft Industrial Property Law, currently under development. The conciliation procedure before the PPO is to be based on the basic principles of mediation, including voluntariness, impartiality, neutrality and confidentiality. Conciliation would be possible in cases concerning opposition to a trade mark application, opposition to a final decision of the PPO, as well as in litigation. The conditions for being listed as a conciliator are to be defined similarly to permanent mediators at regional courts. Entries will be made in an administrative manner, through the decision of the President of the Patent Office for which the application for reconsideration is to serve.

8. Advantages of mediation in opposition proceedings

Due to the nature of the rights of protection in the event of infringement and the increasing importance of industrial property in the contemporary markets, the benefits of mediation in these cases are of particular importance.²²

The possibility of using mediation for opposable disputes in trade mark cases is essential. Above all, this process can contribute to the proceedings being significantly accelerated. A quick solution not only saves time, but also money, which in the case of a regular process has to be spent on drafting letters, possible legal representation and evidence collection. 'Just to give an example... a mediation case involving two parties with their lawyers and which I settled in one or two days and which would have had, from the plaintiff's perspective, a 70% chance of winning in court, generates costs of approximately EUR 10,000 to

²²Por. K. Fulko, [w:] C. Rogula (red.), A. Zemke-Górecka (red.), *Mediacja w praktyce mediatora...*, s. 449.

EUR 15,000 on each side, including the mediator's fees. This advantage is really striking and makes perfect business sense, especially for lean management.²³ The cost of mediation on the domestic market depends on whether it is referral or contractual mediation, but in both cases the costs are disproportionate to the court proceedings. It is worth pointing out that in the case of mediation from a court referral, the legislature allows the costs of mediation to be included among the necessary costs of the trial.²⁴ Leaving the decision to the PPO and, as a consequence, to the administrative judiciary introduces uncertainty as to the outcome until the ruling is issued. Appeals against a decision or judgment from a dissatisfied party exacerbate this state of affairs. Thanks to mediation, the result can be achieved within a few hours. Both the result and control over it are the sole responsibility of the parties. In addition, a settlement process can take into account different factors and circumstances, preventing it leading to definitive solutions. Such factors may be the willingness to maintain a business relationship or start cooperation in the future. Mediation also helps one to analyse the conflict in a very broad sense and to address all its aspects. It should also be stressed that mediation entails very low legal and financial risks. Mediation does not affect the parties' legal rights and does not involve the risk of possible claims. Additionally, the cost of mediation is relatively low in relation to the possible expenses incurred during all stages of opposition proceedings.

9. Conclusion

This study identified two stages in the opposition procedure where the use of mediation as an alternative method for resolving disputes is justified. It is undoubtedly worth considering, from the point of view of the parties to the proceedings and their attorneys, the use of mediation as a means of resolving an opposable dispute before initiating an opposition procedure, as this is the moment when all the advantages of ADR described above can be fully exploited.

²³P. Müller, [w:] T. Margellos, S. Bonne, G. Humphreys, S. Stürmann, *Mediation: Creating Value in International Intellectual Property Disputes*, Kluwer Law International 2018, s. 55.

²⁴Zob. A. Mendrek, [w:] C. Rogula (red.), A. Zemke-Górecka (red.), *Mediacja w praktyce mediatora...*, s. 264.

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