

## **The amendment of the Polish Industrial Property Act**

On the 27<sup>th</sup> of February 2020 the amendment of the Industrial Property Act comes into force. The Polish legislator was principally guided by the goal of bridging the gap between the national law and the regulations established by the Convention on the Grant of European Patents of 5 October 1973. A number of changes were also shaped by a need to correct several errors that have occurred in the process of implementing the Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights.

We kindly invite you to read our analysis of the most significant changes that the amendment introduces.

### **Filing a motion to nullify a patent does not require to prove one's legal interest anymore**

According to the current wording of Article 89 of the Industrial Property Act, only a person who has a legal interest in nullifying a patent as a whole or in part, is entitled to file a motion to commence the proceedings. The amendment eliminates this requirement. From February 27 such a motion could be submitted by any subject who demonstrates that any of the objective, enumeratively listed in the Act conditions is met.

The premise of having a legal interest that has been binding until now, has already been analyzed at length in literature, as well as thoroughly scrutinized in the jurisdiction. A lack of autonomous definition of a legal interest in the Industrial Property Act required to refer to provisions of the Administrative Procedure Code. Article 28 of the Code states that a party is anyone whose legal interest or legal obligation is an object of proceedings, as well as anyone who demands an authority to take an action on the basis of his or her legal interest or obligation (as in the judgment of the Supreme Administrative Court of the 21<sup>st</sup> of October 2013 in the case no. II GSK 829/12). A legal interest was supposed to be individual, specific, valid, objectively verifiable; in order to determine if it existed in a particular situation, the appropriate provision of substantive law that would provide a basis for claimant's request had to be identified.

Therefore in numerous nullification proceedings the question of a claimant's legal interest proved to come to the fore: the weight of cases conducted was shifting from substantive matters to procedural matters. An entrepreneur defending his patent would undertake actions to dismiss the claimant's request by demonstrating that they were not competing with each other directly. Thereby the determination of mutual relations between a claimant and a patent-holder would in some manner override the proper examination of validity of substantiative claims presented in a motion.

In order to find out whether entrepreneur X and entrepreneur Y were in fact competitors, it was necessary to conduct a meticulous investigation of an actual state of affairs, what quite often entailed a risk of exposing sensitive secrets of the firms involved. Quite cumbersome was the fact that until the pronouncement of the final decision, parties were kept in uncertainty as to the findings

on whether the claimant was entitled to file the motion. Taking this into account, the requirement of demonstrating a legal interest was capable of triggering a chilling effect — the fear of getting involved in complex, lengthy proceedings that could have backfired on the claimant (especially if his competitor gained access to his secrets) led to a passive acceptance of an existence of a patent whose validity would have otherwise been questioned and verified.

Nevertheless, it is necessary to remark that a trend to liberalize this requirement started to emerge in the body of rulings of the Polish courts: in this context a judgement of the Provincial Administrative Court in Warsaw of the 25th of April in 2017 merits mentioning (case no. VI SA/Wa 2533/16). The Court pointed out that „a legal interest can be derived even from the most basic legal norms instituting the right to carry out economic activities”. Nonetheless, it should not come as surprise that by the means of mitigating the interpretative guidelines only limited outcomes could have been produced.

As the result of eliminating the legal interest requirement, the right to file a motion to nullify a patent begins to resemble an *actio popularis*. Any subject with legal capacity is allowed to submit it to the Polish Patent Office. It can be reasonably expected that this amendment is going to result in relieving the Patent Office of a considerable burden of its procedural duties, at the same time liberating entrepreneurs from a significant risk they used to face. Consequently, the substantive reasons for nullifying patents shall return to the center of attention as a principal object of examination. At this point, it is also worth mentioning that the amendment introduces another, fourth premise for revoking a patent which is worded as follows: „patent claims do not describe the subject of protection in a clear and succinct manner, or they are not entirely supported by the description of the invention”.

### **New provisions concerning patent limitation**

Another crucial change introduced by the amendment pertains to a limitation of a patent. According to Article 89<sup>1</sup> Section 1 that has been added to the Industrial Property Act, a patent-holder can submit a motion to limit his or her patent through modifying the claims it contains. Subsequent sections of this article expand upon procedural aspects of the execution of such a right. Namely, to investigate the motion, the President of the Polish Patent Office appoints an expert; moreover the provisions predict the possibility of designating a panel of experts (Section 2); the proceedings are eventually concluded by a decision either to limit the patent or to turn down a limitation claim; the proceedings might also be discontinued. It is necessary to underline that a patent in so far as it has been limited, is effective from the date an invention was declared.

Importantly, the amendment permits a patent-holder to file such a motion during opposition proceedings, as well as during nullification proceedings — however it is essential to make sure it is submitted in due time. In case of opposition proceedings, it has to occur before the moment when a patent-holder responds to the opposition raised; when it comes to a nullification of a patent — before an opening of a trial (Section 5). In such a case the Polish Patent Office is allowed to ordain, upon a request of each party, to combine the proceedings that are already being conducted with a review of

the limitation motion, as long as it guarantees to accelerate and expedite the process (Section 6). Otherwise, opposition or nullification proceedings shall be suspended whenever a review of the limitation motion is expected to have a direct impact on their outcome (Section 7).

Until now a patent-holder was entitled to request a limitation of his patent only with regards to the European patents; this change can be thus treated as another step towards harmonizing the regulations on national level with the effective European law. This way a patent-holder gains an opportunity to adopt a defensive strategy if validity of his patent is put into question through the opposition or a request for nullification.

### **Products obtained by means of essentially biological processes for the production of plants or animals will no longer be patentable**

Apart from the changes that are procedural in nature, it is worth to take a closer look at a revised wording of Article 29 Section 1 Point 2. To date, it ruled out the patentability of plant or animal varieties or essentially biological processes for the production of plants or animals (clarifying next that it shall not be applicable to microbiological processes for the production of plants or animals or products obtained by means of such processes). Currently, the scope of this prohibition has been extended: the amendment categorically states that products obtained by means of essentially biological processes for the production of plants or animals shall fall outside the scope of the patentable biotechnological inventions.

This inconspicuous, yet significant revision reflects the emergence of new currents in a greater debate on the contradictory interpretations of plant patenting that takes place in a deeper background. It is therefore reasonable to perceive it as a response to the notorious decisions made by Enlarged Board of Appeal of the European Patent Office in the consolidated cases G 2/12 Tomatoes II/State of Israel and G 2/13 Broccoli II/Plant Bioscience. Enlarged Board of Appeals affirmed through these rulings that it is possible to patent products obtained by means of essentially biological processes for the production of plants or animals (plants and their parts).

Those decisions were met with strong objections voiced by the EU institutions, principally the European Commission, who firmly opposed an interpretation that had been put forward by the Enlarged Board of Appeals (see also: Commission Notice on certain articles of Directive 98/44/EC of the European Parliament and of the Council on the legal protection of biotechnological inventions C/2016/6997). The Commission declared that the reasoning behind the decisions in cases Tomatoes II and Broccoli II manifestly violated the letter of the provisions of European law, particularly Article 3 Section 2 of the biotechnological directive that states that the biological material which is isolated from its natural environment or produced by means of a technical process may be the subject of an invention even if it previously occurred in nature. Such conditions, as the Commission demonstrated, would clearly not be fulfilled in case of products that are obtained by means of essentially biological processes. It should be also added that this argumentation succeeded in gaining wider recognition: it

was approved even by the Administrative Council of the European Patent Office that resolved in the aftermath of the debate to amend the Rules 27 and 28 of the Implementing Regulations to the Convention on the Grant of European Patents.

The Polish legislator decided as well that it was necessary to clarify the controversial regulations. Understandably, in the explanatory statement to the draft of the amendment this change is substantiated by the direct reference to the official position taken by the European Parliament, the Council and European Commission with regards to the biotechnological directive. The draft's authors underline especially the crucial role played in this context by the aforementioned Article 3 Section 2 of the directive.

### **Other changes**

Since the changes discussed in this article do not exhaust the entire broad spectrum of the new solutions that the amendment proposes, at this point it is worth to mention that there are several other novelties that are going to enter into force on the 27<sup>th</sup> of February. To name just a few: new provisions that govern securing of evidence are taking effect in the field of pursuing civil claims; at the same time attorneys and solicitors are going to be allowed to act before the Polish Patent Office in the capacity of professional representatives (the rules in the proceedings concerning inventions would however remain unaffected by this change and patent counsels shall remain exclusively eligible to participate in them as representatives). The amendment is also going to reshape in a substantial manner opposition proceedings — an opposition will no longer be reviewed by a board specifically appointed to conduct contentious proceedings, what — according to the explanatory statement accompanying the draft project — „is needed in order to safeguard efficiency and expediency of opposition proceedings”. Finally, Article 47 has been complemented by the Section 5 that confers on a claimant who wants to patent an invention a right to demand the Polish Patent Office to carry out an international investigation on the current state of technology in a given area, and to prepare a proper report afterwards.

### **Conclusion**

The general directions of the solutions proposed in the amendments deserve approval. It seems that public consultations with a wide participation of such entities as, i.a., the Polish Chamber of Patent Counsels, the Association for the Protection of Industrial Property, the Association of Legal Counsels, the Association of Polish Inventors and Rationalizers, as well as professional self-government bodies of attorneys and solicitors and organizations representing entrepreneurs, helped to make an accurate diagnosis of mistakes and shortfalls that the currently binding regulations suffer from. Especially eliminating the condition of proving one's legal interest in nullifying a patent could contribute to the improvement of proceedings before the Polish Patent Office. The higher degree of harmonization between Polish and European provisions should undoubtedly turn out to be a factor increasing the level of legal certainty. Needless to say, reality is going to put to the test the newly introduced solutions very soon, nonetheless an attitude of (moderate) optimism is justifiable in these circumstances.