

Changes in the civil procedure (part 2) — obligatory procedural representation, new rules regarding means of evidence and special actions

Our Legal Report No. 2/2020 concerned the plans to introduce intellectual property courts into the Polish legal system; we also examined an autonomous definition of cases that shall fall under their jurisdiction. In two weeks that passed since we published that report, a significant progress has occurred in the legislative process: on the 13th of February the Sejm voted in favor of the revisions proposed by the Senate and the bill was adopted; on the 24th of February it was signed by the President of Poland. It can be therefore officially stated that the intellectual property courts will become a reality. Their establishment however does not exhaust a broad spectrum of changes proposed in the Act amending the Code of the Civil Procedure and several other acts. Below you can find our further analysis of the solutions that are expected to come to existence just a little ways down the road — this time with a focus on questions of obligatory participation of professional representatives in proceedings, new regulations regarding the means of evidence, as well as special actions. We are attempting to foresee how these new regulations might reshape proceedings in intellectual property cases before Polish courts.

Obligatory procedural representation

The amendment introduces the obligatory representation of parties in proceedings in intellectual property cases — the change is guided by, as one can read in the explanatory statement, the purpose of speeding up and improving the efficiency of the whole process. According to the project promoters, a participation of professional representatives shall translate into higher concentration of an evidentiary material, as well as into more substantive choices for legal basis of lodged claims.

The provision of Article 87² § 1 indicates therefore that in the intellectual property cases parties shall be represented by attorneys, solicitors or patent counsels, however this rule shall not apply to proceedings where the value of the matter in dispute does not exceed 20 thousand PLN. Furthermore, in any state of a case a court can exempt a party from this requirement, either acting upon party's request or ex officio, as far as participation of a professional representative in proceedings would not be justified in the light of relevant circumstances of the case, including its degree of difficulty. On the basis of § 4 the right to act in the capacity of a professional representative is also vested in a representative of an organization whose statutory tasks include advocating the industrial property and providing support to inventors, whenever an inventor is a party.

The significance of this proposal is clearly illustrated by the fact that it would only be the third incidence of introducing a requirement of professional representation in the Polish legal order (so far it is compulsory solely in the cases before the Supreme Court, as well as in collective proceedings) — the authors of the draft did not forget to point it out quite emphatically.

New provisions regarding means of evidence

The Act introduces a number of other provisions that are supposed to convey the (often quite elusive) specificity of the intellectual property cases into the tangible procedural solutions. In consequence, in the text of the division IVg there can be found chapters dedicated to respectively: the question of securing means of evidence (Art. 479⁹⁶–479¹⁰⁵), disclosing and releasing means of evidence (Art. 479¹⁰⁶–479¹¹⁰¹) and issuing an order to provide information (Art. 479¹¹²–479¹²¹). Those institutions are treated as a bundle of procedural measures that implement the provisions of the Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights, and serve a purpose of providing a person entitled in the field of intellectual property law with instruments of effective protection.

In order to justify an introduction of such a regulation with regard to securing means of evidence, the authors of the draft identify certain adversities that a claimant (present or prospective) is going to encounter when trying to investigate the circumstances of an infringement of his or her right. It should be expected that a claimant's access to information, e.g. when it comes to a subject of illegal exploitation of a given right, would be limited to a lesser or greater extent, what in turn can lead to undermining the level of protection that intellectual property law is supposed to guarantee. Through securing means of evidence, their position is reinforced; it facilitates preparations of factual grounds for their lawsuit, especially if such a lawsuit involves a claim for reimbursement or a claim for surrender of profits. The authors of the draft attribute two separate functions to this measure: firstly, the extraction — to enable a claimant to examine facts that are related to an infringement; secondly — the preservation, defined by authors as “procuring, for either proceedings in progress or future proceedings, a material substrate that would be employed afterwards for purposes of proof”.

To ensure that means of evidence shall be put to use only in aims envisioned in the project, the provision of Article 479⁹⁸ § 1 stipulates that a court shall make a decision upon a request of an entitled subject only if he or she manages to substantiate the claim, as well as his or her legal interest in securing a given means of evidence. A legal interest is defined autonomously for the purpose of this regulation: it exists only when a denial of securing of means of evidence precludes or hampers considerably the statement or demonstration of crucial facts, as well as when a risk of damaging a means of evidence occurs, or a delay in its procuring could preclude or excessively hamper the achievement of goals set in the evidence proceedings, or when due to other reasons the need to determine a current state of affairs exists (Art. 479⁹⁸ § 2). Additionally, if a motion to secure a means of evidence is filed before bringing an action, a court is obliged to set a deadline (no less than two

weeks, no more than a month from a date when a decision takes effect) to submit a claim under pain of cancellation of its previous decision.

New provisions resolve that a court shall select such a manner of securing a means of evidence that it deems appropriate following the consideration of circumstances of a particular case; especially it can be a seizure of goods, materials, tools employed in production or distribution, documents, as well as drawing up of a detailed description of these items along with, when necessary, taking their samples (Art. 479¹⁰¹ § 1). Upon a request of either a claimant, a defendant or another subject obliged by the decision, a court is allowed to summon one or several experts to take part in execution of the decision on securing of means of evidence (Art. 479¹⁰¹ § 3). Moreover, the decision has to be made at a closed session and a claimant is granted access to the means of evidence in question no sooner than once the decision becomes final.

To present other instruments that are included in “the bundle” without diving into too many details, firstly, it needs to be said that an institution of disclosing and releasing means of evidence permits a claimant who has substantiated their evidence to request a defendant to disclose or release a means of evidence in their possession, particularly banking, financial or commercial documents, that are used to unveil and prove facts of the case (art. 479¹⁰⁶). Contrarily to the regulation applicable to securing means of evidence, in this case a decision of a court ordering to disclose or release means of evidence shall be executed even before it becomes final. Another evident divergence is related to imposing upon a claimant an obligation to define more precisely in his or her motion what evidence is actually being sought; additionally, such a request can only be made in cases where an infringement of intellectual property rights has occurred. As authorities competent to enforce this measure the explanatory statement to the government bill indicates either a bailiff or a court (applying provisions on the execution of benefits in kind).

The last of the specific procedural measures, i.e. an order to provide information, is accessible to a claimant who has provided credible evidence corroborating a fact of an infringement and can be employed before bringing an action as well as while proceedings are in progress, but before the closing of a hearing in first instance. A claimant can request the competent judicial authorities to order the infringer to submit the information on the origin and distribution networks of the goods or services as long as it is indispensable for him or her to pursue a claim (Art. 479¹¹³ § 1). It is necessary to make a following reservation: if submission of a motion occurs before a claim is lodged, an action should be brought no later than a month from the date when a decision to order a reveal of information has been executed (Art. 479¹¹³ § 2); otherwise a subject obliged would be able to seek a redress of the damage he has suffered by the execution of the decision on the grounds of general rules (Art. 479¹¹³ § 3). Further provisions elaborate on certain procedural matters, such as when an order can be directed towards another person than the infringer (Art. 479¹¹⁴), as well as what is the permissible extent of requested information (Art. 479¹¹⁵). When it comes to the latter, it is worth to mention that the Senate has proposed a crucial amendment that broadens the scope of such information by including under this provision all the other information that in exceptional cases is necessary to ascertain the amount of a given claim. Thus, as a Senator-Rapporteur Mr. Pocij has indicated, intellectual property cases shall be given greater freedom in setting the limits of informational duty

— such elasticity can prove quite valuable in this context. The question of execution has been resolved similarly as in case of a decision on disclosing and releasing means of evidence (Art. 479¹¹⁸ § 35).

Finally, the guarantees protecting confidential information of entrepreneurs constitute a non-negligible part of the discussed provisions. To succinctly recapitulate their essence: whenever an obliged subject (an infringer or someone else) invokes a protection of confidential information, a court can order a hearing of one or more parties (Art. 479¹⁰⁰ § 6, Art. 479¹¹⁰ § 2 and Art. 479¹¹⁹ § 2). The amendments proposed by the Senate introduced an editorial revision: instead of “one or more parties”, the hearing shall involve “either an entitled, or an obliger subject”.

The analysis of those procedural measures needs to be connected to the Act of October 16, 2019 amending the Industrial Property Act. As we have demonstrated in the WTS Legal Report No. 2/2020, it proposes several new regulations in terms of securing of evidence. The amendment of the CCP eliminates to certain extent the provisions that have just become effective. The provision of Article 286¹ of the Industrial Property Acts shall have a new wording: in cases regarding civil claims in the field of the protection of industrial property that do not fall under the competence of other organs, a court shall review a motion to secure a means of evidence, reveal or release a means of evidence; or to order to reveal information — while applying the rules of the division IVg of the CCP. One might find it puzzling that a legislator decided to keep in the Industrial Property Act its new Article 286² that contains a set of detailed regulations concerning an order to reveal information. The premises are identical: necessity with regards to a claim pursued, as well as a request of an entitled subject who succeeds in demonstrating evidence confirming an infringement; however a few discrepancies come to light when the provisions regarding “other persons” who can be ordered to reveal information, as well as the extent of the information demanded are considered — these differences are subtle, yet such a duplication of provisions is clearly not a desirable situation; especially once the lack of precise rules guiding the interplay between those regulations is taken into account.

It needs to be highlighted that despite certain slight incongruities mentioned above, the introduction of proceedings in intellectual property cases entails generally an extensive unification of the protection measures. The project affects provisions in a number of acts, such as Act of February 4, 1994 on Copyright and Related Rights, Act of July 27, 2001 on Protection of Databases, as well as Act of June 26, 2003 on Legal Protection of Plant Species: in cases regarding civil claims in those fields a court shall review a motion to secure a means of evidence, reveal or release a means of evidence, or to order to reveal information while applying the rules applicable in the intellectual property cases. In fact, this aspect of the amendment raised some serious doubts in the course of the legislative process before the Senate. Such unification, as Mr. Pociąg remarked, was met with objections of the Author’s Association (ZAiKS): according to its representatives, the leveling of the protection standards might influence negatively the legal situation of subjects entitled on the grounds of copyright; they assert that the differentiation of those measures that is guaranteed currently should be sustained.

Special actions

Lastly the picture of the introduced changes is complemented by a regulation of two special actions: first one being a counterclaim, and second — an action to determine that particular activities do not infringe a patent, a supplementary protective right, a protective right or a registration right.

The introduction into the Polish legal order of the first of those claims, i.e. a counterclaim, implements a solution established already in the Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark. According to Article 479¹²² § 1, a counterclaim is permissible in cases concerning an infringement of a right to a trademark or to an industrial design, as long as it involves a request to nullify or declare the expiry of a protective right to a trademark, or a request to nullify a registration right to an industrial design.

Interestingly, it is the Polish Patent Office that has been responsible until now for reviewing nullification and declaration of expiry claims — thus it becomes necessary to determine how to resolve a possible collision between proceedings that are carried out parallelly by two mutually independent bodies. What comes to the rescue is a mechanism proposed by the new provision of Article 479¹²⁵, on the basis of which if an action is brought to a particular court, it is obliged to find out whether the identical matter is not by any chance an object of proceedings before the Patent Office. If such proceedings are in fact open, the court's action shall be suspended; however if the Patent Office has already made a final decision in this case, a counterclaim should be rejected. Besides, the adopted regulation includes a referral to provisions of Industrial Property Act of January 30, 2000 that pertain to patent nullification and declaration of expiry; it prescribes their application in the context of counterclaims as long as they are not inconsistent with the provisions of the CCP on proceedings in intellectual property cases.

The claim to determine that particular activities do not infringe a patent, a supplementary protective right, a protective right or a registration right, is instituted in the rule of Article 479¹²⁹. It is based on a construction of a traditional claim to ascertain the existence or non-existence of a right as regulated by Article 189, and the role of Article 479¹²⁷ is to specify when is it possible to determine that a subject has a legal interest to bring such a claim. Two instances are mentioned: in the first one, a claimant has a legal interest whenever a defendant recognized the activities that the claim concerns as an infringement of a patent, a supplementary protective right, a protective right or a registration right; in the second case, a legal interest exists if a defendant has not confirmed in time properly appointed by a claimant that the activities in question do not infringe a patent, a supplementary protective right, etc. The claimant would benefit from having such a claim reviewed: he or she would be able to make sure if they can incur investment costs without any fear of infringing someone else's rights on the grounds of intellectual property law, as the authors suggest in the explanatory statement.

Summary

To summarize the presented legal analysis as a whole, both its first part and the second, it must be emphasized that the provisions of the amendment of the CCP introduce changes that are extremely profound and significant — the process of their implementing commands very attentive monitoring. The main advantage of those reforms is the fact that they are firmly grounded in the present reality, and apparently stem from quite an insightful interpretation of ongoing trends and phenomena. Undoubtedly, they reflect some of the demands voiced by the doctrine, as well as by entrepreneurs.

If one had to name the most important innovation introduced by the amendment, they would not have to spend much time pondering their choice. That key novelty would obviously be the establishment of intellectual property courts that were previously discussed — a step definitely in the right direction, long-due after all. It seems that such courts can contribute to improving proceedings in terms of professionalism and expediency, as well as generally, by relying on their specific expertise, seem able to elevate the quality of the rulings to a higher, more desirable level. Other new solutions that come hand-in-hand with the introduction of intellectual property courts, such as an obligatory participation of professional representatives in proceedings, as well as a bundle of instruments bolstering the protection of subject's rights, can be brought down to a common denominator: when considered as a whole, they are supposed to constitute a factor increasing the efficiency of both material and procedural rules in the field of intellectual property law.

The legislative method that has been employed might raise some concerns. The procedural provisions regarding intellectual property cases — as rightly noticed Mr. Pocij — remain dispersed in various legal acts. The Senator underscored a choice that the legislator faces: between either placing all the appropriate regulations in the CCP or keeping the current model wherein the procedural provisions can be found in distinct acts regulating specific fields of intellectual property law. The legislator however seems reluctant to make such a decision: they rather prefer to stand somewhere halfway — a position that would be difficult to keep in the long run and can be expected to generate some practical problems.

Furthermore, the awaited effect apparently cannot be produced on a desired scale as long as there are not implemented any distinct solutions regarding summoning of experts and relying on their opinions that would address the nature of intellectual property cases. In the long run, it seems that efforts to bring further specialization into being cannot be reconciled with continuing dependence on general provisions concerning the expert evidence, in a form that is free from any modifications or adjustments. Ignorance of this issue makes a new regulations somehow fragmentary — it can be reasonably expected that soon after their coming into force the necessity for supplementing and amending them would arise, the debate will for sure remain open, with the parties involved still voicing their concerns and demands. Furthermore, taking into consideration that some aspects of the

new law could only be clarified through judicial practice (especially the very vague provisions regarding demarcation of the jurisdictions), it has to be admitted that the necessary changes will not be consummated in the single event of the amendment becoming effective, but would rather involve a process stretched over time.