



Intellectual property protection on the alcoholic beverages market

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Protecting intellectual property on the alcoholic beverages market

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According to figures from KPMG, the alcoholic beverages market in Poland was worth about PLN 57 billion in 2016, and its value is growing year on year. The industry is of great economic importance, providing numerous jobs and offering a major sales outlet for agricultural production. The selection of the topic for this publication is no accident. We believe that developments on the market may cause certain models for protection of intellectual property to grow in importance—alongside growing threats to those rights. We discuss them here from the practical side.

For years the alcoholic beverages industry has had to deal with numerous restrictions imposed by lawmakers. These involve for example tax and regulatory issues, including advertising. The regulation of alcohol advertising is uneven, with different segments of the industry treated differently. It can even be hard to determine whether activity constitutes advertising or not. Where is the boundary that ad agencies must hew to when working with alcoholic beverage producers? Can an advertiser run afoul of the rules by advertising simple fruit juice? This is the topic of our article [“Intoxicating advertising: A few real-life examples.”](#)

If advertising of alcoholic beverages is generally prohibited, how can producers demonstrate the renown of a trademark for spirits? Evidence of advertising and promotion and the related expenditures are usually vital evidence for showing that a trademark is well-known. Proof of renown results in stronger protection for a trademark and broader protection against infringement. This can nonetheless be achieved, as we discuss in [“Proving the fame of a trademark for alcoholic beverages before the Polish courts.”](#)

Premium brands, particularly whiskies, have been taking a bigger and bigger slice of the alcoholic beverages market in Poland. Consumers pay more attention to origin and quality. This is contributing to the growing importance of geographical indications. Not everyone knows that Polish Vodka is a registered indication. But is it permissible to allude to geography when the product has little in common with

the region? The answer is found in the article [“Origin matters: The power of geographical indications for alcoholic beverages.”](#)

Another common approach on the market is to evoke tradition and history in the labelling of alcoholic beverages. Many producers employ the name or likeness of famous and distinguished figures from the past. What other personal attributes appear on bottles? What would you think of such practices if you were a Sobieski, a Chopin or a Poniatowski? What rules govern the permissible use of such names for products? See our article [“Infringement of personal rights in the alcoholic beverage industry.”](#)

Our many years of practice in this area confirm that counterfeiting of alcoholic beverages is a perennial problem. In Poland this practice mainly affects vodka brands. The scale of the problem may be wider than generally believed. The fraudulent practices extend beyond merely labelling products with fake trademarks. In the article [“Alcoholic beverages fraud is not just counterfeiting”](#) we discuss the legal measures that trademark holders can pursue to combat this problem.

Consumers need to know what they are buying when they reach for a bottle labelled “cider” or “perry.” But different regulations governing these products apply in different EU member states. For example, in Slovakia colours and flavours can be added. What stance do EU institutions take on these practices? Find out in the article [“Can the name of an alcoholic beverage be misleading?”](#)

Sometimes a brand becomes so popular that it becomes a victim of its own success. We relate the story of the Polish cherry cordial called “Wiśniówka” and the Bulgarian wine “Sophia” in the article [“Can the popularity of a brand result in loss of trademark?”](#)

These are just a few of the issues discussed in this report and only a fraction of the legal issues we encounter on the alcoholic beverages market.

Read our report in good cheer.

Intoxicating advertising: A few real-life examples

Lena Marcinoska

Producers of alcoholic beverages struggle with highly restrictive regulations across many areas of their business. One is advertising. The Polish regulations, in the [Act on Sober Upbringing and Combating Alcoholism](#) of 26 October 1982, are quite rigorous compared to most other countries. Essentially it is illegal to advertise alcoholic beverages, but with some leniency for beer. Beer advertising is permitted, subject to great restrictions on manner, place, time, form and content.

Our aim here is not to discuss all the detailed conditions for advertising alcoholic beverages and the exceptions. These are laid out in the act. Instead, we will focus on examples from specific cases.

In practice that it can be hard to determine whether a message constitutes advertising for purposes of the Act on Sober Upbringing—even though advertising in violation of the act is a criminal offence subject to a fine of PLN 10,000–500,000.

So advertisers must be careful when developing the content for their ads. If a beer ad infringes the collective interests of consumers, the producer is exposed to proceedings before the Office of Competition and Consumer Protection. If an ad constitutes an act of unfair competition, there is a risk of civil claims by competitors. And if the ad infringes the Code of Ethics in Advertising, the advertiser may be brought before the Advertising Ethics Committee of the Polish Advertising Council.

Violation of the ban on advertising alcoholic beverages may also be grounds for withdrawing a licence to sell alcoholic beverages. And if the violator is a radio or TV broadcaster, it can be fined by the chairman of the National Broadcasting Council (as in [decision no. 42/2015 of 22 December 2015](#), where a television station was ordered to pay PLN 60,000).

Alcohol-free but strong: misleading ads

Our practice shows that civil disputes surrounding the marketing of alcoholic beverage more often involve packaging, labels, and verbal and graphic indications on the product, rather than advertising.

A notable advertising case was brought in the first decade of the 21st century against the Okocim brewery (Okocimskie Zakłady Piwowskie SA). At that time, Art. 13(3) of the Act on Sober Upbringing prohibited all advertising of alcoholic beverages, without the current exception for beer. That case involved advertising for the alcohol-free beer brands Zagłoba, Mocne and Browar. In one of the ads, an actor declared, “Zagłoba alcohol-free beer: the beer is real, the rest is a ruse.”

The courts found that these beers were sold by the defendant in both traditional and alcohol-free versions, in nearly identical packaging. The only difference in the labels was the addition of the words “alcohol-free beer.” It was found that the ads for these alcohol-free beers could be interpreted by audiences as ads for beers containing alcohol. Given the emphasis placed in the content and the overall message, the producer was essentially using ads for “alcohol-free beer” as a pretext for promoting a different product: beer containing alcohol. The factors contributing to

this reception of the content, according to the courts, included the similarity in the packaging and names between the alcohol-free and alcohol-containing products, hiding or reducing the prominence of the legend “alcohol-free beer,” the lack of a clear context suggesting that the product does not contain alcohol, the use of contexts, symbols and props associated with alcohol consumption, and the invitation to read the message contrary to its literal wording.

This view was upheld by the Supreme Court of Poland (judgment of 26 September 2002, Case III CKN 213/01). The court held that the ad attempted to circumvent the statutory ban on alcohol advertising through the pretence of permissible advertising. This was misleading to consumers under Art. 16(1) (1) of the Unfair Competition Act and violated fair practice under Art. 3(1) of that act. The defendant was ordered to cease and desist the advertising. It is hard to argue with the court’s conclusion, as in that case the infringement was fairly obvious.

Contexts and subtexts: ethics in advertising

The Advertising Ethics Committee examines many ads that are a lot less obvious. The committee is a self-regulatory body established by the advertising industry and advertisers under the auspices of the Polish Advertising Council. It considers complaints submitted by consumers. A significant percentage of the cases reviewed by the committee involve alcoholic beverages, exceeded only by dietary supplements and cosmetics (according to figures from the end of 2017). The committee’s rulings are not administrative decisions, but implementation may be backed by additional instruments such as an undertaking to modify ad content accordingly or cease disseminating the ads.

Until recently the Advertising Ethics Committee considered complaints by consumers regardless of whether the respondent was a signatory of the Code of Ethics in Advertising. But some of the accused firms refused to participate in the proceedings, arguing that they had not signed onto the code. Therefore, as of 19 January 2018, a [separate procedure](#) was introduced to address this situation. The difference is that in the case of advertisers who are not signatories to the industry code, the advertising will be evaluated on the basis of generally accepted principles of ethics and fair market practice, whereas in

the case of signatories of the code the committee will continue to determine whether the advertising violates the code.

It is a good idea to review ad content against the rules set forth in the industry code. In particular, appendix 1 to the code, “Beer Advertising Standards,” should be required reading for firms conducting such advertising. Rulings by the committee finding that ads infringe or do not infringe the code are published on the website of the [Advertising Council](#), serving an educational, preventive and informational function.

An example is the case examined by the committee of a TV spot promoting fruit syrup. In the scene, a boy visits his friend on her birthday and hands her a gift-wrapped bottle, saying, “I brought you a flask.” Her mother take the bottle from him and unwraps it to reveal that it contains fruit juice.

The Advertising Ethics Committee found that the ad employed an alcoholic subtext. This was indicated by the strong reaction of the girl’s mother, who grabs the present described as a “flask” from the boy and anxiously unwraps it. The way the present was wrapped and carried under the boy’s arm alluded to alcoholic beverages and not a present for a child’s birthday party. In the committee’s view, the ad encouraged bad habits and promoted negative role models, and thus was socially irresponsible. It could also be misleading to minors, exploiting their natural credulity and inexperience and endangering their physical, psychological and moral development (resolution no. ZO 31/17 of 20 June 2017, case no. K/14/17/01-02). The ad was found to violate the Code of Ethics in Advertising.

Beer with a social media presence

The Act on Sober Upbringing does not contain clear rules on how to conduct advertising using new technologies, e.g. advertising beer online. The most reasonable approach seems to be to apply the regulations governing advertising but reflecting the specifics of this medium.

The Advertising Ethics Committee discussed above also frequently rules on consumer complaints about beer ads on the internet. These complaints typically involve promotion (in the form of photos, memes and film clips) on the official profiles of beer brands on social media sites or fan pages. In examining these

ads, the committee applies the same rules as in the case of traditional ad content. However, given the nature of the internet, the committee also considers the additional issue of the level of measures applied by the business to prevent unauthorised access to such ads, i.e. by minors. In the case of fan pages, for example, it will be relevant to examine whether the fan page requires registration, whether unregistered persons (including minors) can search for the fan page, and whether the advertising content can be reposted or shared with minors and other unregistered persons (resolution no. ZO 31/16 of 30 March 2016, case no. K/05/16).

To be advertising or not to be advertising, that is the question

Businesses that are parties to litigation over infringement of intellectual property rights in the alcoholic beverage industry often ask us about publication claims: whether they can be pursued in alcohol-related cases, and if so, how the demands should be formulated, and whether carrying out such a publication could itself violate the ban on advertising alcoholic beverages. However, it has been held by the courts that publication pursuant to a court order of a statement or judgment including trademarks or names of alcoholic beverages does not constitute prohibited advertising of alcoholic beverages (e.g. Warsaw Court of Appeal judgment of 25 September 2013, Case VI ACa 1043/13, involving “Varna” wine).

Much consternation has arisen among sellers of alcoholic beverages due to the recent dispute over whether display in a shop window of alcoholic beverages offered in the shop constitutes advertising of alcohol. The Supreme Administrative Court held that this does constitute prohibited advertising of alcohol, as it involves dissemination of the trademarks of alcoholic beverages targeted to an indefinite group of people (judgment of 13 July 2017, Case II GSK 982/17). The court added that such a violation justifies withdrawal of the seller’s licence to sell alcoholic beverages even if the seller subsequently ceased such violation. In practice, following that ruling many window displays were rearranged to remove the bottles, or bottles were left on display with the labels covered.

The Supreme Administrative Court also held that it constitutes beer advertising to place beer trademarks

on items such as dispensers, glassware or coasters (judgment of 31 March 2015, Case II FSK 707/13), and indeed this is generally how such initiatives are presented in cooperation agreements with breweries.

Thus, while the Act on Sober Upbringing does contain a definition of advertising, in practice it is not entirely clear what behaviour will qualify as advertising and what will not. Often the courts are required to step in and resolve such questions.

What’s ahead for the industry?

Preparing and conducting a good ad campaign for a product is not easy. In the case of advertising of alcoholic beverages, the bar is set even higher. Such advertising requires consideration of the requirements imposed by legal regulations, the case law, ethical standards, and a sense of social responsibility. Without judging here the wisdom of the ban on advertising of alcoholic beverages, it should be pointed out that work is currently underway at the Ministry of Health on [amending the Act on Sober Upbringing and Combating Alcoholism](#) (as we discussed [here](#)). One of the proposed changes would introduce further restrictions on broadcasting of beer ads. Currently the ban on beer commercials runs from 6 am to 8 pm. The proposed amendment would extend this period by three hours per day (from 6 am to 11 pm). This would be a return to the wording prior to 12 September 2002. The plan is for the amendment to enter into force on 1 January 2019. It will undoubtedly present further difficulty for the beer industry.



Proving the fame of a trademark for alcoholic beverages before the Polish courts

Katarzyna Pikora

The fame or renown of a trademark is not a concept defined in Polish or EU law. The courts try to clarify this notion by pointing to the criteria that must be met for a mark to be regarded as renowned. Although these criteria are already well-established in the EU case law, the Polish courts sometimes add new requirements.

Both the Polish and EU courts agree, however, that in every case—even when the fame of a trademark seems obvious to everyone—it must be proved with evidence. Moreover, due to the expanded protection of renowned marks, as it applies even when there is little similarity with the infringing mark and the goods differ, the standard for the required evidence is high. In the case of trademarks registered for alcoholic beverages, proof of renown is objectively harder. This is primarily due to the limitations on advertising in force in many countries, including Poland, which narrows the range of available evidence. But despite such difficulties, demonstrating the renown of a trademark for alcoholic beverages is possible. This is demonstrated by cases where the courts have found names of vodkas or whiskies to be famous.

EU and Polish courts don't assess the renown of trademarks uniformly. According to the EU courts, fame is determined on the basis of a quantitative criterion, i.e. based on the level of familiarity among the target customers for the goods or services bearing the trademark. The prior trademark must be known to a significant proportion of the audience, but it cannot be required that the trademark be known by some specific percentage of the audience. Any associations with the quality of the product bearing the mark are irrelevant for finding that the prior mark is renowned. Quality may only be relevant for evaluating the possible loss to the holder of the renowned mark or gains obtained by the holder of a mark similar to an earlier renowned mark.

The Polish courts regard renown somewhat differently. In recent years, the Polish courts, led by the Supreme Court, have developed a definition of a renowned mark in which renown is determined on the basis of mixed quantitative and qualitative criteria. The renown of a mark means its power of attrac-

tion, its advertising value, and its capacity for stimulating sales of goods bearing the mark. A renowned trademark is thus a trademark known to a significant proportion of the target audience for the goods and services bearing the mark, which also has great appeal and advertising value resulting from its long-term use, intensive promotion, and firmly established belief in the awareness of the audience of the outstanding characteristics of the goods bearing the mark.

This definition is applied by the Polish common courts considering trademark infringement. An exception is the EU trademark courts (i.e. designated units of the Warsaw Regional Court and the Warsaw Court of Appeal), which entirely follows the guidelines from EU case law requiring reliance only on the quantitative criterion of familiarity with the trademark.

But because most cases involving infringement of renowned trademarks are considered by the common courts, and the final instance for appeals from rulings by the EU trademark courts is the Supreme Court of Poland, a mixed definition of a renowned trademark is regarded as predominant. This in turn directly affects the evidence that the proprietor of the mark must present in court to demonstrate the fame of the mark and infringement.

Because the quantitative criterion is not rejected by the Polish courts, the proprietor of the mark must demonstrate the level of familiarity with the mark among target audiences.

Like the EU courts, the Polish courts require the proprietor of the mark to present evidence demonstrating the frequency, geographic range and period of use of the mark, its market share, and the amounts spent on promoting the mark. Thus, regardless of what goods or services the mark is registered for, it is helpful to present any contracts or orders with

ad agencies, designers or patent attorneys concerning development of the mark or research on the distinctiveness of the trademark. Invoices confirming introduction of the first products onto the market, a list of shops and locations where the product is available, and the sales results are also desirable. Apart from the expenditures on promotion of the trademarked products referred to above, information on the type of advertising and promotional campaigns conducted, and the place and frequency, is also relevant, as it can show what portion of the target audience would encounter the mark.

In the case of trademarks registered for alcoholic beverages, advertisement of the products is prohibited or restricted by the applicable regulations. Providing information about sponsorship of sports events or concerts is also greatly limited. Complete freedom to promote alcoholic beverages applies only at locations conducting exclusively sale of alcoholic beverages and points of sale that are also locations for consumption of alcoholic beverages. For this reason, any materials concerning promotional campaigns conducted for example at clubs, restaurants, pubs or cafés will be helpful for demonstrating familiarity with a trademark registered for alcoholic beverages among a large portion of consumers.

Under the latest case law, great evidentiary weight is also given to market research commissioned by the proprietor of the mark, depicting the level of recognition of the trademark. In the Supreme Court's view, such market research is treated as a private opinion and an element of the party's litigation stance as to the facts and their legal assessment. Arguments asserted in a private opinion can also serve as grounds for showing the need for an opinion from a court-appointed expert. But the recent rulings indicate that such private evidence cannot be ignored by the court; to the contrary, it should be carefully considered by the judges.

Thus the range of evidence showing familiarity with a trademark is very broad. Unfortunately, however, in the view of the Polish courts such evidence is sometimes regarded as insufficient to prove the fame of a trademark. A renowned mark must also possess certain qualitative characteristics. The courts indicate prestige, appeal, advertising value, and a belief among audiences that the trademarked goods have outstanding properties.

In the case of trademarks registered for alcoholic beverages, quality is generally not measurable by objective criteria. Properties of taste and aroma fall within the consumer's individual judgment. Nonetheless, even in the case of this category of products, a range of evidence can be gathered demonstrating at least indirectly that the product has a high reputation. Such evidence includes more specifically awards for alcoholic beverage brands for exceptional taste, unique packaging, or rankings of the most valuable or best-selling brands, where the trademark in question wins a high position. High rankings of the brand by independent ratings institutions can also be persuasive. Certainly the high quality of an alcoholic beverage can be demonstrated indirectly by its relatively high price. The history of the distillery, brewery or cellar, and the longevity of the recipe and production methods, surrounding the brand with an aura of specialness and prestige, can also have probative value.

Thus, as compared to the EU courts, the Polish courts somewhat raise the evidentiary bar for demonstrating the fame of a trademark. Apart from evidence showing the familiarity with the brand among target consumers of the goods, the Polish courts require additional arguments and allegations demonstrating the particular quality of the trademarked goods. Thus the status of a renowned trademark will be awarded by the Polish courts to alcoholic beverages that are not just well-known, but also enjoy recognition and a good reputation among consumers, evoking the prestige, exceptionality and exclusivity of the product. For these reasons, renown is much easier to prove in the case of marks registered for Scotch, bourbon, brandy or champagne, and harder in the case of trademarks for cheaper, mass-market beverages like beer or table wines. In the case of vodka, the Polish courts tend to find renown in the case of certain brands, even though the product itself is regarded as mass-market. In any case, the proprietor of the trademark must gather evidence regularly and thoroughly.

Can the popularity of a brand result in loss of trademark?

Monika Wieczorkowska

Trademark proprietors try to promote their brands so they become known and recognisable among customers, achieving greater distinctiveness and even repute. A famous brand is the dream of every trademark owner. But sometimes exceptional popularity proves damaging to the brand. Then the trademark can become eroded or genericised.

We regularly encounter words like cellophane, escalator, gramophone, heroin, hula hoop, lanolin, linoleum, nylon, thermos, trampoline or videotape without being aware that these are generic names that once were trademarks belonging to specific proprietors.

These are special situations. Erosion of a trademark most often occurs when an entirely new type of product is launched which does not yet have a name, but achieves a spectacular success because it meets a need of consumers. Then the trademark used for the product becomes used as the name for a category of products and not to identify goods originating from a specific producer. The danger is that when the trademark is thus “eroded,” the proprietor may lose the rights to the trademark and anyone will be able to use it.

Clear signals that consumers treat a trademark as a name for a category of products include writing it in lower case, using it in the plural, transliterating it into a local language (e.g. “polonising” the spelling of a foreign name), or inclusion of the word in dictionaries or other recognised publications as a common or generic noun. In some instances, this process affects trademarks for alcoholic beverages. Typically the erosion process occurs over a long period, but disputes seeking to strip the trademark proprietor of the protected rights to the name are also known to drag on for years.

Wiśniówka for all?

An example from Poland of a trademark for which cancellation has been sought due to genericisation is “Wiśniówka,” registered for spirits in 1965 (specifically cherry cordial, from wiśnia, the Polish word for

“cherry”). In 1999, when the state-owned Polmos distilleries around the country were spun off into separate companies for privatisation, the Wiśniówka brand became the property of Polmos Józefów (Mazowiecka Fabryka Wódek i Drożdży Polmos in the village of Józefów near Blonie, a small city about 20 km west of Warsaw). But after 1989, other producers, not just Polmos companies, had begun to sell cherry spirits called “Wiśniówka.”

The registration of the verbal trademark Wiśniówka meant that as a rule, no one else could use or register an identical or similar trademark. But another producer that nonetheless sold vodka under this name applied to the Polish Patent Office to cancel the trademark “Wiśniówka” because the mark had lost its distinctiveness. The applicant claimed that due to the acts or omissions of the proprietor, the mark had become a designation functioning generically in commerce, merely providing information on the type of product, its composition, quality, price and intended use, and the manner, time or place of production of the goods for which it was registered.

In the applicant’s view, the trademark “Wiśniówka” had become in common use a synonym for vodka of a certain colour and taste which customers did not associate with any of the Polmos companies, and in particular Polmos Józefów. Thus customers no longer linked the mark with information about the origin of the product, but only about the product itself. To support its view, the applicant cited a number of examples of this use of the word in dictionaries, cookbooks, encyclopaedias and other publications.

This view was rejected by the Province Administrative Court in Warsaw in its judgment of 25 August 2004 (Case II SA 2379/03), as well as in the Supre-

me Administrative Court judgment of 9 March 2005 (Case II GSK 8/05), holding that the mere fact that the mark is sometimes used in commerce as a name for a product, and the average consumer does not associate the mark with the origin of the goods, is insufficient to find that the trademark has become genericised. This could only be shown by demographic research, which the applicant had not conducted.

The court found that the change in the information conveyed by the trademark and the development of a generic designation by the mark did not justify cancelling the protection of the trademark.

An important issue in cases of this type is to examine the behaviour of the trademark holder. If it undertakes protection of the mark, whether through the courts (by filing suit) or outside the courts (by sending warning letters or publishing announcements asserting that the designation is a protected trademark), it cannot lose its rights to the name. In this case, the holder had taken such action, and its persistence and determination in using the mark as an indication of the source of the goods, i.e. with the function of a trademark, demonstrated that it treated the mark “Wiśniówka” as an essential asset of the enterprise, preventing the mark from being held to have eroded into a generic term.

Thus a trademark can be lost through erosion only when the proprietor has neglected to defend the mark.

It should be pointed out, however, that although the “Wiśniówka” trademark was not cancelled at that time due to erosion, a competitor nonetheless did succeed later in cancelling the mark. Now there are other registrations of trademarks containing the word “Wiśniówka,” and several producers market goods under that name.

Sophia from one source alone

This position was upheld many years later in a case involving the trademark “Sophia” registered for wines, liqueurs and spirits (Sp.190.2015). Domain Menada sp. z o.o. applied for cancellation of the mark, claiming that due to many years of use by various market participants to refer to wines, tolerated by the holder, the name had entered generic use to refer to Bulgarian wines.



In the applicant’s view, for the Polish consumer the name “Sophia” is associated with Bulgaria, and a wine labelled “Sophia” is synonymous with Bulgarian wine, and thus the trademark “Sophia” is associated with the country of origin rather than a specific producer. It also argued that the presence of the Sophia brand on the market was maintained by entities other than the trademark proprietor, and if not for the activity of those third parties, the designation would have disappeared from the market. The applicant submitted photos of bottles of wine bearing the name “Sophia” marketed by various importers, printouts from websites offering wines identified as “Sophia,” examples of accounting and customs documentation connected with importation of “Sophia” wine by the applicant, as well as contracts and cooperation agreements using the formulation “Sophia type wine” or “Sophia class wine,” demonstrating that the name “Sophia” functions in the wine trade as a generic designation.

The Patent Office mentioned that in order to show that a trademark has lost its distinguishing power, the applicant must present specific instances where the name is used to provide information about the product as such, rather than as a trademark of a specific enterprise. It must also be shown that the loss of the distinctive characteristics of the mark is the effect of acts or omissions by the proprietor of the mark. Thus a causal connection must be shown between the behaviour of the holder and the erosion of the mark into a generic designation. The process of erosion of the trademark must be verified from the perspective of the relevant audience. Therefore, to assess whether a trademark has become a generic designation, the opinions of consumers and end users must be considered.

The Patent Office found that the examples presented by the applicant of use of the designation “Sophia” did not constitute merely descriptive use, nor did the evidence show that “Sophia” had become a generic name.

The evidence included labels of Sophia wines marketed by various entities. The wines bore various labels with additional graphic and verbal elements, but the main element that was repeated was the name “Sophia” in the same font. The labels did not provide information about the winemaker, but about the importer, which was listed in fine print on the back label. The variety in the graphic layout of the labels could be perceived by consumers as aesthetic changes made by the importer, which is not an unusual practice on the Polish market.

Most importantly, the main element of the labels—the “Sophia” name—was written in the same font. This most likely demonstrated that other enterprises using the name “Sophia” on the labels of the wines they imported were piggybacking on the popularity of the product consumers were expecting when they bought wine branded as “Sophia.”

Marketing of wine bearing the “Sophia” mark by numerous producers did not mean that the name had assumed a descriptive nature, because it was unknown how consumers perceived the situation. The evidence presented did not address how the Sophia brand was perceived by the final purchasers, which is essential for determining whether the mark had become genericised.

The other prong of the test for loss of the distinguishing power of a mark is to examine the actions of the proprietor of the mark. In this case, the trade-

mark holder showed that it had taken measures to enforce its exclusive rights to the disputed trademark. It sent demands to cease and desist infringement of the Sophia trademark and filed suit seeking to stop the marketing of alcoholic beverages in Poland bearing the Sophia mark or similar marks, which demonstrated that the holder did not condone the erosion of its trademark into a descriptive term.

Even if the mark had lost its distinguishing characteristics, the active stance of the proprietor defending its mark prevented the mark from being genericised.

The owner must look out for its brand

These rulings clearly show that the best method to avoid erosion of a trademark is to effectively fight for the mark, which may include for example demanding that competitors voluntarily stop using the mark, or filing suit in the courts for trademark infringement.

So what should the owner of a trademark pay attention to if it wishes to effectively protect its mark against erosion? First and foremost, it should always use the name in its function as a trademark, combined with the ® symbol indicating that it is a registered trademark. Experience teaches that merely using this symbol often serves as an effective means warning off potential infringers, as it demonstrates that the owner of the mark is aware of its rights and ready to defend them.

Origin matters: The power of geographical indications for alcoholic beverages

dr Monika A. Górska, Marzena Białasik-Kendzior

Some categories of goods, such as agricultural produce, foods and spirits, are valued by customers primarily because of the exceptional natural conditions of their town, region or country of origin, or because of their traditional production methods. Authorised producers use geographical indications for their products to underline this uniqueness.

Geographical indications identify goods as having high quality, a good reputation, or other characteristics attributed to their geographic origin. A geographical indication undoubtedly increases the appeal of the product and distinguishes it from others

offered on the market. Thanks to the specifics of geographical indications, we know for example that a spirit labelled as “Scotch whisky” must have been produced in Scotland according to the process strictly defined in the Scotch Whisky Regulations 2009.

And when we see a bottle of spirits labelled “Polish Cherry” we can expect it to be a cordial produced in Poland from a mixture of fortified cherry juice and a tincture of cherries grown only in Poland, macerated in spirit, and natural almond extract. Alcohol products may bear a given geographical indication if they meet the defined requirements for origin, including the raw materials and technologies used.

As shown by these examples, in the case of alcoholic beverages geographical indications speak volumes about a product, and a reference to them increases the appeal of the product. Consequently, some producers attempt to refer to their goods in a way that is similar to a geographical indication even when the product does not necessarily have anything in common with the region in question. Some also try to register trademarks containing or alluding to geographical indications. But that can be a risky manoeuvre.

Geographical indications are subject to legal protection, as provided for in Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labelling and the protection of geographical indications of spirit drinks and repealing Council Regulation (EEC) No 1576/89. Annex III to the regulation contains a list of spirit drinks covered by the protection of geographical indications. These include for example Rhum de la Martinique (France), Scotch Whisky (Scotland), Cognac and Marc de Champagne (France), Svensk Vodka (Sweden), as well as Polish Vodka/Polska Wódka and Polish Cherry. Issues of geographical indications for alcoholic beverages are also governed by national regulations—in Poland the Act on Spirit Drinks and Registration and Protection of Geographical Indications for Spirit Drinks of 18 October 2006.

Enterprises should bear in mind that protection of geographical indications is quite broad. They are protected not only in the case of direct or indirect use to refer to unprotected products, but also with respect to many other practices such as improper exploitation or allusion, as well as false or misleading indications of place of origin, properties or characteristics that could create a false impression as to the origin of the product. Thus it would be prohibited, for example, to refer to a product as “Scottish-type whisky” or “Scotch whisky flavour drink” when it is

not whisky from Scotland produced in compliance with the Scotch Whisky Regulations 2009.

Does Glen Buchenbach evoke Scotch whisky?

Practice shows that cases of unlawful evocation of a geographical origin in trademarks are quite common. A recent example is *Scotch Whisky Association vs Klotz* (Case C-44/17), which reached the Court of Justice pursuant to a request for a preliminary ruling from the regional court in Hamburg.

At an online shop, Michael Klotz sold a whisky called “Glen Buchenbach” produced at the Waldhorn distillery in the German town of Berglen, in the Buchenbach Valley of the Swabia region, in the state of Baden-Württemberg. The Scotch Whisky Association alleged that use of the name “Glen Buchenbach” for whisky violated Regulation 110/2008, because the name “Glen” evokes in the relevant public an association with Scotland and the geographical indication Scotch Whisky. The regulation protects geographical indications not only against direct or indirect commercial use for comparable products, but also “misuse, imitation or evocation” by products not covered by the protection.

Thus the German court wondered whether the name “Glen Buchenbach” evokes the geographical indication “Scotch Whisky.” The national court asked, “Does an ‘evocation’ of a registered geographical indication [under Art. 16(b) of Regulation 110/2008] require that there be a phonetic and/or visual similarity between the registered geographical indication and the disputed element, or is it sufficient that the disputed element evokes in the relevant public some kind of association with the registered geographical indication or the geographical area?”

The Advocate General S. ØE submitted his opinion in February 2018, and the Court of Justice issued a judgment on 7 June 2018. The court found that under its existing case law, the “evocation” referred to in the regulation applies to a situation where “the term used to designate a product incorporates part of a protected geographical indication, so that when the consumer is confronted with the name of the product in question, the image triggered in his mind is that of the product whose indication is protected.” This “evocation” does not necessarily require a phonetic or visual similarity or immediate association,

nor does it require any partial incorporation of the protected indication. The criterion of “conceptual proximity” between terms emanating from different languages must also be considered when it could trigger an image in the consumer’s mind of the product whose geographical indication is protected.

It should be stressed that whether there is an impermissible evocation of a protected indication in the disputed name of a spirit drink should be determined apart from additional designations, such as a statement of the true origin of the product, on the label or packaging. Stating the true origin does not exclude a finding that the disputed name is misleading and constitutes an impermissible “evocation” of the protected indication.

It is not easy to determine whether the brand “Glen Buchenbach” alludes to Scotch whisky. The Advocate General suggested in his opinion that in deciding the case, it should be taken into account that “glen” is a Gaelic word meaning “narrow valley,” and 4.5% of German whisky drinkers associate the word “glen” with Scotch whisky or something Scottish. However, the Court of Justice did not address this line of reasoning in its judgment. It stated that “the referring court is required to determine whether, when the average European consumer who is reasonably well informed and reasonably observant and circumspect is confronted with the disputed designation, the image triggered directly in his mind is that of the product whose geographical indication is protected. In making that determination, the referring court, in the absence of (i) any phonetic and/or visual similarity between the disputed designation and the protected geographical indication and (ii) any partial incorporation of that indication in that designation, must take account of the conceptual proximity, if any, between the designation and the indication.”

Undoubtedly the choice of the name “Glen Buchenbach” for a German whisky was no accident, but the ultimate decision on whether the name evokes the geographical indication “Scotch Whisky” will be determined by the German court.

The highland rogue’s tippie? Rob Roy whisky

Instances involving infringement of geographical indications have also come up before the Polish courts.

In the 1990s a dispute arose over the use of the name “Rob Roy” for whisky produced in Poland. In the judgment of 26 February 1996 (Case IX GC 543/95, unpublished), the Gdańsk Province Court held, “It was deceptive to place on the label the name of a Scottish hero or other figure somehow associated with Scotland. Branding whisky produced outside Scotland with the name or sobriquet of such a person, such as Rob Roy Whisky, clearly if indirectly suggests Scotland as the place of origin of the spirit.” The court also took into consideration that the name Scotch Whisky enjoyed special protection in the European Union due to its excellent reputation all over the world, including in Poland.

O Lord!

The database at the Polish Patent Office still contains trademarks filed for whisky containing such elements as the traditional British knightly title “Sir” or noble title “Lord” combined with British-sounding names or for example the names of Scottish mountains. Consumers might be inclined to link such trademarks and the products bearing them with Scotland, and thus could be misled if such a brand were used for whisky from somewhere other than Scotland—for example, Polish whisky. Recently, after intervention by producers and exporters of Scotch whisky, the proprietors of several such marks, filed for whisky without indicating whether the whisky is from Scotland, have decided to modify the list of goods covered by the trademark, while specifying that in the case of whisky, the trademarks are intended for Scotch whisky, thus eliminating any doubts as to the origin of the products marketed under those brands.

Undertakings perceiving possible economic advantages from linking their products with certain geographic origins may be tempted to allude to specific registered geographical indications. This is a short-sighted strategy, however, and the consequences can be serious. One consequence is the risk of having to pay damages for committing an act of unfair competition and infringing the rights to a protected geographical indication. If the undertaking attempts to register a trademark violating the rights to a protected geographical indication, it should expect the authorised entities to take formal measures to oppose the trademark registration.

It should also be borne in mind that marketing of spirits by a person not authorised to use a protected geographical indication is an offence punishable by up to two years in prison (Art. 41 of the Act on Spi-

rit Drinks and Registration and Protection of Geographical Indications for Spirit Drinks of 18 October 2006).

Can the name of an alcoholic beverage be misleading?

Joanna Krakowiak

Alongside the trademark, the label of a product must also identify the product itself, so that consumers know what type of product they are being offered. But in the European Union alone, there may be a dozen or more legal definitions of certain alcoholic beverages, such as cider or perry. This means that the qualitative requirements differ across various member states, presenting a huge challenge for producers, particularly when the EU policy agenda has taken up the fight against double standards for foods offered in different parts of the EU.

Laborious unification of regulations

Uniform standards for the alcoholic beverage industry primarily involve labelling of products (as set forth in the EU's Food Information Regulation (1169/2011)). These regulations are due for revision so that producers of alcoholic beverages containing more than 1.2% alcohol are also covered by the obligation to list the ingredients of the product on the label and provide information on the energy value of the product. (We reported on the debate about these changes [here](#).)

Meanwhile, the European Union lacks harmonised rules for classification of alcoholic beverages. Such regulations continue to function at the national level. In Poland, for example, there is the Wine Act (the Act on Production, Bottling and Trading of Wine Products and Organisation of the Wine Market of 12 May 2011). Art. 3(1)(q) of the Wine Act includes a definition of "cider" as a beverage containing 1.2–8.5% alcohol by volume, obtained from alcoholic fermentation of cider must (*nastan*), without added alcohol but with the possibility of sweetening with one or more substances or adding fresh or condensed apple juice. The Wine Act also lays down requirements for cider must and the minimum contents of apple juice in the must. In other EU countries, there are different requirements, e.g. concerning the minimum apple juice content and the possibility of

using additives such as colouring or flavouring agents (which is permitted for example in Slovakia).

One name, many products

Under the principle of the free flow of goods within the EU, a product legally marketed in one member state may be sold on other EU markets even if it does not comply with local regulatory requirements. Consequently, under Art. 17(2) of the Food Information Regulation, a food may be marketed in other member states using the name under which the product was legally manufactured and marketed in the member state of production.

Thus, if a product meets the regulatory requirements in the member state of production, it can be sold in other EU markets under the same name as in the member state of production. The result is that varying products may be offered on any EU market under the same generic name (such as cider or perry).

This issue is particularly important with respect to names whose use is regulated by law. In the widely discussed case [Tofu Town \(C-422-16\)](#), decided in June 2017, the Court of Justice held that if a product has a legal definition (e.g. cheese, milk or butter under Community regulations), the name cannot be used for a product whose composition does not meet the definition, even if the term is expanded upon by cla-

rifying or descriptive terms indicating the difference (for example, in that case, “tofu butter”). While that judgment involved names regulated at the EU level, it stresses the importance of proper classification of products and indicates that providing additional information about the composition of the product will not always adequately protect consumers against confusion.

Moreover, since publication of the Commission Notice on the application of EU food and consumer protection law to issues of Dual Quality of products—the specific case of food ([2017/C 327/01](#)), it has become clear that in light of the nature of foods and their impact on consumer health, a difficult (but not impossible) battle has begun against all manifestations of unjustified differentiation in quality of foods offered on EU markets.

The consumer has a right to know

To protect consumers against the risk of confusion (and thus protect the producer against the risk of sanctions for unlawful or false labelling of products), the producer should verify that it is safe to use the same name for products. If not, it should consider applying either of two solutions meeting consumers’ reasonable expectations with respect to their right to accurate information about the product.

- **Option 1: original name (as in the country of production) plus additional information**

This solution should be used when the true nature of the food can be identified and it can be distinguished from the food it might be confused with. It involves supplementing the name of the food with additional descriptive information next to the name of the food. The additional information should indicate the relevant differences, for example that the product has been flavoured or contains fruit that would not be permissible under national law.

- **Option 2: name different from the original name**

If option 1 will not suffice to ensure that buyers in the member state where the food is sold obtain accurate information, a name different from that used in the country of production should be considered. This is a radical solution, however, and should be used only in cases where the qualitative differences between the products are so great that merely providing additional information about the product would be inadequate. Typically this approach results in the use of long descriptive names that are not very appealing from a marketing perspective but do not include the additional information that would be required under option 1.

Infringement of personal rights in the alcoholic beverage industry

Dominika Kwiatkiewicz-Trzaskowska

Commercial exploitation of the attributes of well-known, admired or distinguished persons can bring a product positive associations, build recognition, and reinforce popularity. It is a guarantee of the highest quality and reliable origin. Names and images of long-dead historical figures in particular are often found on labels and in ads for alcoholic beverages. Sobieski, Chrobry, Poniatowski, Jagiełło, Kazimierz Wielki and Pułaski gaze at tipplers from bars and store shelves, along with Chopin, Ogiński and Amundsen. Can the use of attributes of a third party, including someone who is no longer alive, constitute an infringement of personal rights, and if so, whose? And what are the legal consequences? The answers are not always obvious.

The rule is that personal rights are an attribute of every individual, and closely tied to the person. The rights protecting them are moral (non-proprietary), and cannot be sold or bequeathed. They expire with the death of the holder. Consequently, as a rule, only a living holder can demand protection against infringement (or threatened infringement) of personal rights pursuant to the Polish Civil Code. Does this mean that personal rights of deceased persons are not subject to protection and thus they can be freely exploited commercially? Not necessarily.

Some personal rights associated with a deceased person are held by the person's family members, who may protest against infringements, including exploitation of the decedent's attributes for commercial purposes. For example, a complaint against the use of the name Chopin as a vodka brand was filed with the Ombudsman in 1996 by Krystyna Gołębiowska, the great-great-granddaughter of the composer's sister, Ludwika Jędrzejewiczowa. Litigation was commenced in the courts against the owners of the Żywiec brewery by Habsburgs descended from the brewery's founders to protect the personal rights of themselves and their ancestors. Similar disputes with producers of vodka and beer have been initiated by members of the Lubomirski and Potocki noble families.

Memory and devotion

Remembrance of a deceased loved one has been recognised in Poland as a personal right since the 1960s. Protection extends to family members' memory of the decedent, including being able to remember the decedent as a good and decent person. It thus protects the dignity, honour and privacy of the deceased. It may be said that the honour of a deceased person is indirectly protected through cultivation of the person's memory as a personal right of surviving relatives. These persons have legal means at their disposal to protect against actions injurious to the honour of the decedent and causing the survivors a sense of injury.

It is easy to imagine examples of violation of the honour of a decedent (e.g. to say that the person committed plagiarism or was a thief). It might seem that in the alcoholic beverages industry it would be hard to find such an obvious example. But we can cite the unfortunate ad for Extra Żytnia vodka pu-

blished on a social media site in 2015. It used a photo by Krzysztof Raczkowiak (www.lubin82.pl) of men carrying the mortally wounded Michał Adamowicz, taken in August 1982 during civil unrest in the Polish city of Lubin, when the militia put down a protest by Lubin residents. The image bore the caption "*The Hangover?* Screenplay by Żytnia" with the comment, "When your stag party gets out of hand, is it Żytnia's fault :)" Presenting a living person in that light would infringe his personal rights. After the person's death, it infringes the survivors' remembrance of the decedent. Interestingly, the fact that Adamowicz was a member of the democratic opposition protesting against the authoritarian communist regime does not mean that his honour and the remembrance protecting it deserve greater protection than that of an anonymous person or even someone who did not enjoy an impeccable reputation when alive. Protection of the remembrance of a decedent is no broader because the decedent enjoyed greater respect or had displayed greater merit during his lifetime (Supreme Court of Poland judgment of 23 September 2009, Case I CSK 346/08). In Polish culture, human dignity is considered deserving of strong protection after the person's death, and in itself is raised to the level of sanctity.

What about the more typical examples of commercialisation of someone else's name or image, using them in the name of a product or advertising?

Surname

It can hardly be accepted that a surname can be infringed only when it is used in a context derogatory or degrading to a person. The mere commercial use of the name without the holder's consent, even for top-shelf, expensive, luxury spirits, could be found to be an infringement of personal rights. Ultimately the finding will depend on the context in which the name is used—the type of message, the product it is tied to, and accompanying text. If the surrounding circumstances are derogatory to the claimants or present them in a negative light, it cannot be ruled out that there is also an infringement of other personal rights as well, such as privacy or dignity.

When we see our own surname on a bottle of spirits, we can object by proving two things: first, that we bear the same surname; second, that we will be clearly associated with the designation and there are

objective reasons that the association will infringe our interests. But the fact that we incidentally share the surname of a famous person will not suffice to enforce legal protection of our surname.

And not every commercial use of a surname will be found to be an infringement of the personal rights of a deceased ancestor—whether the surname itself or the memory of the decedent. Use of the name will not be an infringement if it is informational in nature, as the Supreme Court recognised in the case involving the Żywiec brewery (judgment of 28 February 2003, Case V CKN 308/02). There it was held that use of the name of the claimants' Habsburg ancestors in a description of historical facts (in a stock prospectus, press release, brochure, and advertising) to stress their role, particularly their positive contribution to building the enterprise, does not infringe the claimants' personal rights—neither their surname nor the memory of their ancestors. Nor was it an abuse to use the **date** when the Habsburgs founded the brewery—which, the court held, is a part of history. The court took the same view of the use of a highly stylised **crown**, which supposedly alluded to the crown once belonging to the Habsburgs, as the plaintiffs could not prove that the crown depicted would be associated by the public with the family's crown.

Family tradition

But let's take it one step further. What if a producer of alcoholic beverages uses the first name, last name, or other identifying details of a famous dead person, and a living relative from the same family, with the same surname, argues that this violates the claimant's special sense of a connection with the deceased and his or her accomplishments? It cannot be ruled out that the claimant could then show an infringement of the rights referred to by the Supreme Court in the Habsburg/Żywiec case as **family tradition**. Such tradition, in the sense of heritage, patrimony, and identity with the achievements and values represented by the claimant's ancestors, is a form of personal right. Typically, it will be associated with the ancestor's efforts connected with patriotism, the struggle for independence, culture or art. It is essential in this regard to cite specific attributes of the tradition of the family in question. In the Habsburg case, the claimants narrowed their personal right to the com-

mercial activity of a specific enterprise, but did not demonstrate any violation of its attributes (name, crown, date). Nonetheless, it cannot be excluded that reliance on the broader tradition of a specific family and its cultivation could suffice to obtain a ban on the use of an ancestor's name.

Family arms

An entirely different ruling was issued with respect to the **family coat of arms** of the Habsburgs used on beer coasters. The court held that a family's arms constitute a personal right even though they have ceased to carry any legal meaning in public life (Katowice Court of Appeal judgment of 10 April 2002, Case I ACa 1399/01). Use of the arms by another person is an infringement justifying legal protection for the rightful holder. In that case the court ultimately enjoined the brewery from using the Habsburg coat of arms, but it was the only injunctive relief the claimants succeeded in winning.

Image

The image of a person is protected not only under the Civil Code, but also under the Act on Copyright and Related Rights. It is accepted that the Copyright Act protects image in a narrower sense, i.e. the concrete image of a person requiring the person's consent for dissemination. Copyright also allows claims to be pursued for unlawful dissemination of an image after the death of the person represented. If the claimant elects to base the claim on copyright, the infringer can be saved only by the consent of the holder to use of the image. It should be borne in mind that unlawful use of a name or image does not mean only use without the holder's consent, but also failure to comply with the conditions for consent (e.g. time, scope and territory of use).

When electing to seek protection under the Civil Code, a person whose image has been used without consent for commercial purposes must prove an infringement, and the infringer must prove that it did not act unlawfully.

Duration of protection of personal interests connected with a decedent

A key question is how long after a person's death should the personal rights associated with the decedent

be protected? With one exception, the regulations do not answer this question. But reason and intuition dictate that such protection cannot be unlimited in time, and the less time has passed since the person's death, the stronger and broader the protection should be.

It is accepted that the duration of protection connected with purely personal rights, i.e. the remembrance of family members, should run concurrently with the lifespan of the family members, typically no longer than 100 years. With respect to purely proprietary interests, e.g. exploitation of the renown of a historic figure, it is suggested by analogy to copyright law that protection should last no longer than 70 years after the person's death. It does not appear justified, however, to apply any uniform and rigid definition of these time frames. The decision on whether legal protection should be afforded must be taken depending on the circumstances of the specific case. The court's task is to determine whose interests deserve protection in the given case. Nonetheless, it appears highly unlikely that the use as a brand for alcoholic beverages or in advertising of such names as Mieszko (early Polish ruler, 930–992), Jagiellonka (Anna Jagiellon, Queen of Poland and Grand Duchess of Lithuania, 1523–1596) or Jan Kochanowski (poet, 1530–1584) would be held by a court today to be an infringement, purely due to the time that has passed since the death of those figures.

Copyright law contains a special rule on claims connected with infringement of an image. There, claims cannot be pursued more than 20 years after the death of the person depicted. It is accepted that this provision establishes an expiration date for protection of an image. Nonetheless, this does not exclude pursuing claims after that time for protection of other rights infringed by the use of the image, e.g. the memory of the deceased.

Chopin stands alone

The Polish legal system includes an exceptional law that departs from the general regulations on protection of personal rights connected with deceased persons: the Act on Protection of the Heritage of Fryderyk Chopin of 3 February 2001. The Polish composer is the only historical figure who has merited protection in this country under his own separate

statute.

Chopin and his works are a symbol of what it means to be Polish, and a national (or cultural) treasure which has been extensively exploited commercially by both Polish and foreign enterprises. His name, likeness and works were used often in the branding and promotion of a wide range of goods, particularly in the 1990s. Among other reasons, it was to combat such abuses that this special law was adopted.

Under that act, the works of Chopin and items connected with him constitute an interest held by the Polish nation as a whole and subject to special protection. His **name and likeness** are protected “under the rules applicable to personal rights.” Custody of these rights is vested in the Minister of Culture and National Heritage, with exercise entrusted to the Fryderyk Chopin Institute established by the act. Thus it is the institute that pursues measures to protect Chopin's name and image. The name “Chopin” may be used only in a manner that does not bring discredit to the heritage of Fryderyk Chopin, and associated only with ventures of the highest quality within the broad sphere of culture. Nonetheless, the act does not exclude the commercial use of the Chopin name for “exclusive products or services.” The institute itself is the owner of two EU trademarks for “Chopin,” registered for goods and services in 43 classes (but not alcoholic beverages), and is authorised to grant consent to use of the trademark, among other ways in the form of a 5-year exclusive licence.

Notwithstanding the laudable ends for which the act was adopted, it is criticised as hard to square with the principles of protection of personal rights. Chopin's personal rights unconnected to his works, such as his name and likeness, as well as the rights protecting them, were extinguished upon his death in 1849. This special act in some sense restored these rights to life by providing for their indefinite protection. This approach is also contrary to the already established principle of protection of the remembrance of a decedent, vested in the decedent's family members.

In practice, the name and likeness of Chopin are still used widely for commercial purposes, including in the spirits industry. Chopin Vodka is the flagship product of Polmos Siedlce, which uses the composer's name and likeness in its business along with a number of registered trademarks.

After infringement—financial claims

We undoubtedly live in an age of widespread commercialisation of various personal rights, particularly names and likenesses. They can have tangible (and often remarkably high) market value, as reflected in advertising deals by celebrities. Suffice it to say that licences to use their names and likenesses for promotion of vodka in Poland have been granted by such figures as American actor Bruce Willis, Polish actor Boguslaw Linda, and Polish footballer Artur Boruc. Indeed, rankings of figures are published based solely on the criterion of their advertising value.

The Polish courts have also taken note of this phenomenon. In *Gortat v Sfinks* (judgment of the Warsaw Court of Appeal of 29 July 2014, Case VI ACa 1657/13), involving the Polish NBA basketball player Marcin Gortat, the court held that in the case of infringement of a person's image, an award can be issued requiring the infringer to disgorge benefits obtained from the infringement. The reasoning was that in such case, the infringer has saved the fee it would have had to pay to the holder to make lawful use of his name and likeness. Similar rulings might also be handed down in the event of infringement of other personal rights bearing market value.

Summary

There is no categorical answer to the question of whether the use of attributes of a famous or historic figure for branding and promotion of alcoholic beverages will infringe anyone's personal rights. This danger appears remote if a long time has passed since the person's death (the customary limit appears to be 100 years in most cases, or 20 years for an image). It cannot be ruled out, however, that the family members of such persons will assert claims for protection of their own personal interests—their surname, remembrance of the decedent, a coat of arms, or family tradition.

It is the task of the court to determine case by case whether the interests pursued merit protection. The court will consider not only the claimants' subjective feelings, but first and foremost objective criteria involving societal mores and customs. If unauthorised commercial exploitation is found to infringe the personal rights of another, the relief awarded to the claimant may include, depending on the circumstances of the case, compensation for moral injury, redress of loss, and disgorgement of benefits wrongfully gained by the infringer.

Alcoholic beverages fraud is not just counterfeiting

Ewa Górniewicz-Kaczor

Alcoholic beverages with counterfeit trademarks are just part of the fraudulent alcoholic beverages market. Fraud can also mean giving false information about a product's properties. Penal sanctions can be imposed on perpetrators of both types.

Producers of alcoholic beverages place various designations on their goods. One group is made up of trademarks and geographical indications distinguishing the product from others on the market. They identify the item as coming from a certain producer or certain region known for production of the specific drink (e.g. the Champagne region for champagne, or Poland for Polish Vodka). Buyers automa-

tically associate certain features with the goods and those associations are generated by the trademark or geographical indication. When purchasing champagne, we expect a sparkling wine with luscious bubbles, and in the case of Polish vodka, a spirit distilled from traditional grains or potatoes. Another group are designations as to the composition, date of production, shelf life, or other properties. Producers are

required to include some of this information on their products. They also include on their labels certain codes indicating the specific batch of goods or even individual bottles.

Both groups of designations are designed to ensure the safety of trade and consumption. Any of these designations can be falsified. Apart from civil and administrative sanctions, the law imposes criminal liability on persons fraudulently misusing such designations.

Counterfeit trademarks and geographical indications

In the alcoholic beverage industry, trademarks and geographical indications are critical for positioning producers on the market. Dishonest competitors unlawfully exploiting these designations harm the reputation of the rightful holders and their products and also pose serious dangers to the health and sometimes even life of consumers.

Criminal liability for unlawful use of someone else's trademark applies to one who places a counterfeit trademark on goods as well as one who trades in such marked goods. Art. 305 of the Industrial Property Law provides that such behaviour is subject to a fine, probation, or imprisonment of up to three years.

In turn, Art. 41 of the Act on Spirit Drinks and Registration and Protection of Geographical Indications for Spirit Drinks imposes criminal liability, but only with respect to spirits, for marketing spirits unlawfully using a geographical indication, which is subject to a fine, probation, or imprisonment of up to two years.

Falsified identifying marks and information about product properties

Art. 306 of the Criminal Code imposes a sanction of imprisonment of up to three years for removing, forging or altering identifying marks, or dates of production or useful life of a product. The question arises under this provision whether a trademark is also an "identifying mark." These terms do not appear identical. Although both marks serve for identifying a good, it is an entirely different kind of identification. A trademark distinguishes a product from goods of other producers, and an identifying mark distinguishes an individual product from other

products made by the same producer. An identifying mark for purposes of Criminal Code Art. 306 refers to marks identifying a batch of goods. In the case of alcoholic beverages this might be some form of bar code, bar/numerical code, or alphanumeric designation.

If information about the composition or other properties of alcoholic beverages is falsified, the producer or person marketing such goods may be held liable under Art. 97 of the Food Safety and Nutrition Act. In this case falsification is understood to mean altering the composition or properties without informing the consumer, or adulterating the product to conceal its true properties. In either case, it is a situation where the actual composition or other properties do not correspond to those stated on the packaging. In that case, the perpetrator is subject to a fine, probation, or imprisonment for up to one year.

Enforcement policy

Combating offences of this type requires the involvement of the state inspection authorities and law enforcement authorities. In Poland there is no single institution tasked with monitoring this phenomenon more broadly, and it must be strongly underlined that this is not a marginal problem. Nonetheless, the authorities are active. Every year cases of trading in alcohol of unknown origin are exposed, as well as plants bottling such alcoholic beverages. For example, such a bottling plant was [discovered by border guards](#) in Jaroslaw in September 2017, and 260 litres of illegal spirits were seized on the spot.

Moreover, crimes of this type are often committed across borders, making international cooperation vital. An important initiative in the fight with counterfeit and falsified alcoholic beverages at the EU level is Operation OPSON, joining forces between Europol, Interpol, and law enforcement units in individual member states.

Among other successes, in 2017 Operation OPSON VI uncovered in Tuscany the production and distribution of fraudulent wine, sold under a well-known name, also protected as a geographical indication. During the investigation it was found that the wine was sold not only in Italy, but also in other countries. And in Greece [a warehouse was discovered](#) storing vodka and whisky smuggled from Bulgaria. Nearly

1,300 litres of spirits were seized on the spot. All of these products were of unknown composition and origin.

These examples provide tangible proof that false alcoholic beverages pose a serious threat to consumer health, which in this case depends on the effectiveness of protective measures.

The array of criminal provisions that may apply in the case of fraudulent alcoholic beverages is quite impressive. But this does not seem to deter perpetrators from pursuing such illegal activity. Thus an equally important element in the battle with this phenomenon is educational campaigns and initiatives aimed at raising social awareness of the issue of frau-

ulent foods, including alcohol products. Such measures are conducted at the national and EU levels. Recently, in March 2018, the European Commission launched the Knowledge Centre for Food Fraud and Quality. The work of the centre is aimed at application and enforcement of food law and protection of consumer rights. The demand for such products can be cut only by making buyers aware of the risks they assume when consuming alcoholic beverages of unknown composition and origin.



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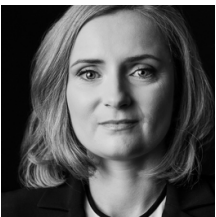
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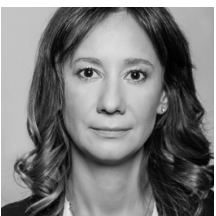
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Intellectual property

For many years we have been providing legal support for clients—mostly companies, but individuals as well—in management and enforcement of their portfolio of intellectual property rights.

Intellectual property law protects intangible assets, primarily works, patents, trademarks and industrial designs—assets of an “intellectual” nature which when incorporated into material objects become the subject of trade. They are of vast economic importance and often are crucial to the commercial success of an enterprise. Laws govern in detail the manner in which rights to these assets are obtained and how they may be exploited, and also define what actions of third parties constitute infringement of IP rights. There is a separate legal regime for combating unfair competition. It complements the protection afforded to specific types of intellectual property but also provides separate grounds for protection of business interests.

We advise clients and represent them in court in civil and criminal cases concerning infringement of IP rights and unfair competition. We cooperate with customs authorities in proceedings involving seizure of infringing goods. Thanks to our extensive experience over more than two decades, we are one of most highly specialised teams in Poland in this field of law. When required for the specific case, we establish in-

terdisciplinary teams made up of lawyers specialising in different fields of law, and we also work closely with distinguished scholars in this area.

We provide legal assistance in obtaining and maintaining protective rights to trademarks, patents, industrial designs, utility models and geographical designations.

We draft and advise on various contracts involving transactions in intellectual property rights.

We combat infringements of industrial property rights and unfair competition.

We assist clients in protecting intellectual property on the internet.

We advise on how to protect personal interests and how to effectively and safely conduct transactions involving such interests.

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About the firm

Wardyński & Partners was established in 1988. Drawing from the finest traditions of the legal profession in Poland, we focus on our clients' business needs, helping them find effective and practical solutions to their most difficult legal problems.

The firm is particularly noted among clients and competitors for its services in dispute resolution, M&A, intellectual property, real estate and title restitution.

The firm now has over 100 lawyers, providing legal services in Polish, English, French, German, Spanish, Italian, Russian, Czech and Korean. We have offices in Warsaw, Kraków, Poznań and Wrocław.

We advise clients in the following areas of practice: agridesk, aviation law, banking & finance, bankruptcy, business crime, business-to-business contracts, capital markets, competition law, compliance, corporate law, difficult receivables recovery, employment law, energy law, environmental law, EU law, financial institutions, healthcare, infrastructure, insurance, intellectual property, life science, litigation, mergers & acquisitions, new technologies, outsourcing, payment services, personal data protection, private client, private equity, pu-

blic procurement, real estate and construction, reprivatisation, restructuring, retail and distribution, sports law, state aid, tax, transport.

We share our knowledge and experience through our web portal for legal professionals and businesspeople (www.inprinciple.pl), the firm Yearbook, the new tech law blog (www.newtech.law), and numerous other publications and reports.

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