Some believe that a lack of compliance of national legislation with the World Trade Organisation (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) may be challenged only by WTO members before a WTO panel. Moreover, it is widely believed that such non-compliance issues cannot be handled by the national courts. One such situation arose in the dispute between Canada and the United States, resulting in Canada being ordered to amend its law to extend the validity of granted and valid patents from 17 years to 20 years.

**Background**

On February 8 2006 the Polish Supreme Administrative Court issued its ruling in an appeal by the Polish Patent Office against a decision of the Warsaw District Administrative Court, in which the district court had declared that the Patent Office’s decision not to extend the validity of a patent to 20 years at the request of the patent owner, based on Article 33 of the TRIPs Agreement, had been issued without any legal basis and was thus invalid. The Supreme Administrative Court set a precedent by ruling that certain provisions of the TRIPs Agreement (eg, Articles 33 and 70(2)) may be considered to have direct effect in Poland. As a result, individuals may now seek national court decisions in Poland on the grounds of some regulations laid down by the TRIPs Agreement. This case also demonstrates the options offered by the Polish appeal system.

In Poland, until 1993 patents were granted for a period of 15 years. Amendments to the Law on Inventive Activity 1992 established a 20-year period for patents; therefore, since 1993 all patents, regardless of the filing date, are granted for 20 years. The amended law states that the rights conferred in respect of inventions existing at the time of entry into force of this law shall remain effective, and the previous provisions are applicable to these rights. On January 1 2000 the TRIPs Agreement took effect in relation to Poland, and on August 21 2001 the new Industrial Property Law came into force.

These different laws have led to the situation where, even after the entry into force of the TRIPs Agreement in relation to Poland and the new Industrial Property Law 2000, some patents are still valid for only 15 years.

### Facts

The owner of a patent valid for 15 years applied to the Patent Office for a decision extending the validity of his patent to 20 years. His claim was based on the fact that, according to the TRIPs Agreement, the period of patent protection shall not be shorter than 20 years. He had also paid the annuity fee for the 16th year of protection and the fees for the next four years.

The Patent Office refused to extend the validity of the patent on the grounds that:

- it would be contrary to Article 315 of the Industrial Property Law; and
- the TRIPs Agreement cannot be applied directly without passing a new law incorporating the TRIPs provisions into the Polish law system.

This decision was also upheld following reconsideration of the case by the Patent Office at the patent owner’s request.

### District court decision

The Patent Office’s decision was appealed to the Warsaw District Administrative Court. The complaint stated that the Patent Office had not taken into consideration the fact that, under the Polish Constitution, the TRIPs Agreement, as an international agreement, takes priority over national legislation, and the application of Article 33 of the TRIPs Agreement does not infringe the principle of non-retroactivity as, according to Article 70(2) of the TRIPs Agreement, in this case it applied only to the rights
existing at the moment when the TRIPs Agreement came into force in Poland.

The district court held that the decision of the Patent Office refusing to extend patent protection to 20 years on the grounds of Article 33 of the TRIPs Agreement was issued without any legal basis and as such was invalid.

The district court also observed that Article 33 of the TRIPs Agreement is directly effective and should be applied directly as a source of law as, according to the Constitution, it is part of the national legal order. According to the district court, the content of this article is clear and its application by the organs of public administration (ie, the Patent Office) does not require any act of implementation.

The Patent Office contested the district court’s decision and filed an appeal with the Supreme Administrative Court, requesting the revocation of the verdict and the return of the case to the court of first instance for reconsideration. In the appeal filing the Patent Office argued that Articles 33 and 70(2) of the TRIPs Agreement cannot be applied directly as they are not directly effective, and the Patent Office has the right to issue negative decisions on the grounds of the amended Law on Inventive Activity 1972, which is applicable according to Article 315 of the Industrial Property Law. Moreover, the Patent Office referred to decisions of the European Court of Justice (ECJ) (including its decision in Anheuser-Busch Inc v Budejovicky Budvar) which stated that the TRIPs Agreement cannot have direct effect. Furthermore, the Patent Office complained that in giving certain TRIPs provisions direct effect, the district court had exceeded its competence as such decisions are to be made by the WTO, or the ECJ in European cases. On these grounds the Patent Office requested the suspension of the appeal proceeding while the pre-judicial questions were referred to the ECJ.

**Supreme Court decision**

Considering the case, the Supreme Administrative Court decided that the question of the direct effect of Article 33, in connection with Article 70(2) of the TRIPs Agreement, must be analysed more carefully. The court laid down the conditions for the direct effect of international regulations in Poland: to have direct effect, a regulation must be clear, precise, unconditional and complete. The court held that in this case the first three conditions were definitely satisfied, although there were some doubts as to whether the regulations are complete. For this reason the court decided to refer to the Body of Seven Judges of the Supreme Administrative Court the pre-judicial question of whether Article 33 of the TRIPs Agreement could be regarded as directly effective in the light of Polish law and, if the answer were positive, how the Patent Office should extend the validity of the patent. Decisions of this body automatically become law in Poland.

The Body of Seven Judges decided to take over the appeal case.

The court dismissed the Patent Office’s request to suspend the proceeding and direct the pre-judicial question to the ECJ as groundless since, when the contested decision was issued, Poland was not a member of the European Union. Although the TRIPs Agreement was in force at that time (in 2001), it did not have the status of EU law. This decision followed an ECJ ruling of January 10 2006 (C-302/04).

At the same time, the Supreme Administrative Court stated that the district court did not justify its finding that the decision of the Patent Office was invalid, and produced no evidence that:

- the patent owner was directly entitled to 20 years of patent protection by virtue of the law; or
- it was not necessary to issue any administrative decision.

The district court had also not clarified how and to what extent the patent owner may demand confirmation of his exclusive rights.

However, the Supreme Administrative Court stated that the Patent Office’s finding that Article 33 of the TRIPs Agreement does not have direct effect, which means that it cannot be applied without the issue of a national implementing law, was not justified. When considering this issue, two elements had to be taken into account: the intention of the parties to the international agreement and the expression of the content of the agreement. These factors are decisive as to whether the agreement’s provisions are suitable for direct application and the relevant national constitutional provisions, which define a mechanism for the implementation of the international agreement into the national legal order. The parties to the TRIPs Agreement did not require the transposition of the agreement into national rules. The text of Article 33 of the TRIPs Agreement, stating that patent protection shall be no shorter than 20 years, points out that this refers to the legal situation of patent owners. This also applies to Article 70(2), which states that the TRIPs Agreement applies to all subject matter existing at the date of its application in a member state which is protected on that date. This regulation relates directly to all inventions for which patents are valid on that date; thus, it requires no national act of implementation. The Supreme Administrative Court also stated that Article 33 of the TRIPs Agreement is suitable for direct application.
as it is precise, clear and unconditional.

Dismissing the objection that Article 33 of the TRIPs Agreement cannot be regarded as complete, the Supreme Administrative Court held that it may be considered as having direct effect within the Polish legal system, and its direct application does not require the issue of any national act of implementation. This article exclusively regulates the period of patent protection and, in this scope, is complete. According to the Constitution, after publication in the Official Gazette a ratified international agreement becomes a part of the national legal system and may be applied directly. The only exception to this is if its application is dependent on issuing a national act. In the case of Article 33 of the TRIPs Agreement, the issue of a national act was not necessary, as the amended Law on Inventive Activity 1972 provides for 20 years of patent protection. The TRIPs Agreement was ratified by Poland and published in the Official Gazette, so it was properly implemented in the Polish legal system and some of its provisions (eg, Article 33) may thus be applied directly. As an international agreement, it takes priority over national law under the Constitution. Therefore, in this case, as the relevant provisions of the amended Law on Inventive Activity appear to conflict with the TRIPs Agreement, the TRIPs Agreement takes precedence.

Referring to the objection raised in the appeal, the Supreme Administrative Court agreed with the Patent Office that the district court had erred in stating that the decision of the Patent Office was made without any legal basis. Such a legal basis should result from the Code of Administration Proceedings, particularly from Article 155, which states that a final (administrative) decision giving any right to a party may, at any time with the agreement of the party, be revoked or changed by the organ of state administration (in this case the Patent Office) if the general rules so allow and the decision is motivated by social interest or the just interest of the party. According to the Supreme Administrative Court, in spite of the new legal situation following the entry into force of the TRIPs Agreement in Poland, in this case the Patent Office merely needed to correct the duration of the patent – and this could be done by issuing an administrative decision.

As a result, the Body of Seven Judges of the Supreme Administrative Court allowed the appeal by the Patent Office and revoked the district court’s decision. The Supreme Administrative Court also revoked the two decisions of the Patent Office refusing to extend the validity of the patent to 20 years.

Comment
This verdict does not mean, however, that patent protection periods are automatically extended. The introduction of the TRIPs Agreement into the national legal system does not provide sufficient legal basis to change the Patent Register regarding the protection period. Instead, this may be done at the patent owner’s request by an individual administrative decision in each case.

Andrzej holds an MSc in chemistry. He gained scientific and research experience during 10 years spent working in industry. Andrzej has been a patent attorney since 1972 and a European patent and trademark attorney since 2004. He is the manager of the patents department at Polservice, where he has also been president of the board since 2005. In addition, since 1998 Andrzej has been president of the Polish arm of the AIPPI.

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