

**RULES**  
of granting licence to use

**THE COTTON TRADEMARK**



**I. GENERAL PROVISIONS**

1. The subjects of these Rules are: the COTTON TRADEMARK which is the property of the Gdynia Cotton Association, registered in the Patent Office of the Republic of Poland under the number 136078 in the register of trademarks, and making the Trademark available for use in the territory of the Republic of Poland.
2. The right to use this Trademark can be granted on the basis of a licence agreement concluded in writing with the Gdynia Cotton Association.
3. The licence agreement authorising a business entity to use the said Trademark in the territory of the Republic of Poland may be concluded if products are made of a high quality cotton fibre and if they meet the following criteria:
  - a. share of 100% content of cotton fibre – in grey yarns, fabrics, and knitted fabrics,
  - b. share of 97% content of cotton fibre and share of 3% of elastic filament fibre – in weaving yarns, running metre fabrics, and in ready-made goods;
  - c. share of 95% content of cotton fibre and share of 5% of elastic filament fibre – in knitting yarns, running metre knitted fabrics, and in ready-made goods;
  - d. in ready-made goods also the content of 5% of decorative elements, adornments and other additions is permitted, but only as finishing of the product;
  - e. keeping current fashion trends as far as designing and colours are regarded and maintaining high quality as well as usage virtues of the product, in compliance with the purpose thereof;
  - f. maintaining usage virtues by means of control of technical parameters, such as:
    - dimension changes after washing,
    - whiteness index for bleached products,
    - colour fastness in washing and damp ironing,
    - compliance with the Regulation (EC) No. 1907/2006 of the European Parliament and of the Council of 18 December 2006, concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), and in particular art. 33 of

the Regulation – stating that manufacturers and importers of items (products) are obliged to inform their customers on presence of any substances raising any concern (SVHC - Substances of Very High Concern) in their products which exceed 0.1% of the mass, and to supply the manual for safe use of the product.

Products which are not covered by the licence agreement are, in particular: blended fabrics and knitted fabrics which contain only a bended volume of cotton fibre and in which the cotton content does not fit the tolerance limits described in Chapter I pt. 3 a, b, c, d. The cotton fibre content in the products will be measured in accordance with the percentage weight ratio.

4. Licence to use the COTTON TRADEMARK shall be granted for 5 years.
5. The licence fee for every 5-year period is PLN 5,000.00 + VAT.
6. The members of the Gdynia Cotton Association shall be granted the prescribed discount: the licence fee for the 5-year period is PLN 500.00 + VAT.
7. If the Licensee submits a justified application, the Gdynia Cotton Association can grant the licence to use the COTTON TRADEMARK on a specific product or products for the period shorter than 5 years. This can follow from the Licensee's estimate referring to the product life cycle shorter than 5 years.  
The minimal licencing period is 2 years, whereas the licence fee in such case is:
  - a) PLN 1,000.00 + VAT per every year for which the licence was granted, but not less than PLN 2,000.00 +VAT;
  - b) the members of the Gdynia Cotton Association shall be granted a respective prescribed discount and the fee shall be PLN 100.00 + VAT per every year for which the licence was granted, but not less than PLN 200.00 +VAT.
8. Shall the Licensee's membership in the Gdynia Cotton Association cease in the course of the licence period, the Gdynia Cotton Association shall be eligible to receive the compensation for the difference between the licence fees – in the amount of PLN 900.00 + VAT per every commenced year – until the end of the current licence period.
9. The Gdynia Cotton Association shall notify the Licensee of expiry of the licence for a specific product or products and shall determine the fee for the subsequent licence period.
10. If, after expiry of the current licence period, the Licensee does not extend the agreement with the Gdynia Cotton Association for the subsequent licence period and shall continue using the COTTON TRADEMARK on their product or products, or shall use the Trademark on other product or products, without concluding the written agreement with the Gdynia Cotton Association, the Gdynia Cotton Association shall be eligible to receive the compensation for the licence fee in the amount of PLN 1,000.00 + VAT for every year of non-contractual use the COTTON TRADEMARK on the specific product or products.  
This provision shall apply after the provisions of Chapter I pt. 9 are exhausted ineffectively.
11. The Licensor shall be authorised but not obliged to instigate or take up litigation of any type in order to prevent unauthorised use or unfair competition related to the COTTON TRADEMARK.  
Compensation due for infringement of the right of protection by third persons shall be settled under proceedings of intellectual rights protection.

## **II. PROCEDURE**

1. The applicant shall submit the application for granting consent to use the COTTON TRADEMARK on their product (products).
2. The application should contain:
  - a. product name,
  - b. brief description of technology,
  - c. description of finishing,
  - d. declaration of the business entity, signed by a person authorised in compliance with the National Court Register entry, that the products will maintain the compliance with the criteria determined in Chapter I pt. 3, within the whole period of the Trademark use,
  - e. sample presenting the product (products).
3. Having acquainted with the application, the Presidium of the Board of Directors of the Gdynia Cotton Association shall grant the consent for the use of the COTTON TRADEMARK.
4. The Gdynia Cotton Association shall conclude with the Licensee the licence agreement which shall name the product or products for which the COTTON TRADEMARK can be used, the period of use of the Trademark, payment conditions, and reasons for which the consent for using the Trademark may be revoked.
5. Every licence agreement is registered by the Licensor in the Patent Office of the Republic of Poland in Warsaw – in the register of trademarks.
6. The registration cost – in compliance with the payment due to the Patent Office – valid on the day of signing the licence agreement – shall be borne by the Licensee, against the VAT invoice issued by the Licensor.
7. For their own needs, the Gdynia Cotton Association keeps the register of the concluded licence agreements. The register contains the name of the business entity, names of products, period of the licence to use the Trademark, and the date of conclusion of the agreement.

## **III. FINAL PROVISIONS**

1. Within the period of validity of the licence to use the COTTON TRADEMARK, the Gdynia Cotton Association shall have the right to take at the Licensee's random samples of products (for inspection), or to purchase a product marked with the COTTON TRADEMARK and carry out the quality inspection in order to determine compliance of the raw materials content or other technical parameters with the Licence criteria.
2. Provision of point 1 shall also apply to products delivered by third persons, in the case of suspicion of unauthorised application of the COTTON TRADEMARK.
3. Shall the inspection result be negative the Gdynia Cotton Association shall have the right to revoke the licence to use the COTTON TRADEMARK on a specific product. Revoking of the licence shall not cause the reimbursement of the portion of the licence fee which remained until the current licence period.

4. The Licensee shall have the right to appeal against the decision on revoking the licence to use the COTTON TRADEMARK; in such situation, the Presidium of the Gdynia Cotton Association Board of Directors shall be obliged to reconsider the application.
5. In all cases referring to the COTTON TRADEMARK the provisions of the Act on Industrial Property Law of 30 June 2000 (consol. text in JL 2023 item 1170 of 11 May 2023, as amended) shall apply.
6. The Rules of granting licence to use the COTTON TRADEMARK were endorsed by the Board of Directors of the Gdynia Cotton Association in the their session on 20 September 1996, in Wisła, as amended.

**The current provisions have been valid since 05 September 2023.**