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# Trade Secrets

**Portugal**

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VdA

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## Law and Practice

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**VdA see p.15**



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## 1. LEGAL FRAMEWORK

### 1.1 Sources of Legal Protection for Trade Secrets

Trade secrets are governed by the Industrial Property Code (IP Code).

A new legal framework entered into force in January 2019 through Decree-Law No 110/2018, of 10 December 2018, which approved the new IP Code and transposed Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure (the Trade Secrets Directive).

### 1.2 What Is Protectable as a Trade Secret

Protection as a trade secret may cover all types of information relating to corporate activities, provided it meets the legal requirements.

Scholars exclude personal data, obvious information, information that is in the public domain and information whose content is unlawful by nature from the scope of protectable information.

### 1.3 Examples of Trade Secrets

The IP Code does not provide for an enumeration of the types of information that are protectable as trade secrets.

In recent case law, protectable objects have been given a wide categorisation, with the courts including the following as examples of information that is suitable to be protected as trade secrets:

- customer and distributor lists;
- market studies;
- salary statements;
- product launch dates;

- source codes;
- formulas and manufacturing processes, mainly in the food industry;
- algorithms;
- methods of assessment of manufacture and distribution costs;
- sources of supply;
- quantities produced and sold;
- market shares;
- distributor lists;
- commercial strategies;
- structure of the cost price;
- sales policies; and
- techniques used in a company (even if they are devoid of inventiveness).

### 1.4 Elements of Trade Secret Protection

To be protected as a trade secret, the information must cumulatively:

- be secret in the sense that it is not generally known or readily accessible, as a body or in the precise configuration and assembly of its components, to persons within the circles that normally deal with the kind of information in question;
- have commercial value because it is secret; and
- have been subject to reasonable steps to keep it secret under the circumstances, by the person lawfully in control of the information.

The required elements are very close to those established in Article 39 of the TRIPS Agreement and Article 2 (1) of the Trade Secrets Directive.

### 1.5 Reasonable Measures

The trade secret owner has the burden of showing that it took measures to keep the information secret.

According to the doctrine, reasonable measures may include both substantial measures (eg, lim-

iting access to digital documents through passwords or to physical documents through safes, classifying the information, carefully handling rubbish and the destruction thereof) and legal measures (eg, non-disclosure agreements).

However, so far there is no case law defining the reasonable extent of such measures.

### **1.6 Disclosure to Employees**

Where disclosure of information to employees is controlled and secrecy is kept, said disclosure does not necessarily affect the protection of the trade secret.

In the context of an employee relationship, the employer may agree several undertakings with the employees and/or take actions to inform employees of their obligation of non-use and/or disclosure of specified confidential information in order to safeguard its secrecy.

### **1.7 Independent Discovery**

In line with the Trade Secrets Directive, the IP Code establishes certain acts where the acquisition, use and disclosure of a trade secret is lawful.

This is the case, for instance, when the trade secret is obtained by independent discovery or creation, or by observation, study, disassembly or testing of a product or object that has been made available to the public (reverse engineering) or that is lawfully in the possession of the acquirer of the information who is free from any legally valid duty to limit the acquisition of the trade secret.

### **1.8 Computer Software and Technology**

There are no specific provisions for the protection of trade secrets that are unique to computer software and/or technology.

### **1.9 Duration of Protection for Trade Secrets**

The trade secret protection lasts as long as the legal elements required for trade secret protection are fulfilled. As long as the disclosure is controlled, and the information keeps its value and secrecy, the protection will last.

It is perhaps more difficult to understand the implications of an accidental disclosure. There is no case law on this, and assessment should be made on a case-by-case basis, but the major concern would be whether the information was generally disclosed to the public or not and whether or not it is still secret, valuable and controlled. In theory, it may be possible that people who have become aware of a trade secret by accident are willing to undertake not to disclose said information and to keep it secret.

### **1.10 Licensing**

It is possible to share trade secrets, provided said sharing is made in a controlled way in order to keep the information secret (namely by non-disclosure agreements with clear terms and conditions) and valuable. Under the IP Code, licences are only established for industrial property rights (patents, utility models and registrations), which means that any licence to be granted will follow the general civil law regime.

There is no case law on this matter.

### **1.11 What Differentiates Trade Secrets from Other IP Rights**

Trade secrets are not recognised as industrial property rights but rather as sui generis exclusive rights.

Contrary to other types of intellectual property rights, trade secrets:

- are not disclosed to the public;
- are not registered rights (quite the opposite);

- are more challenging in terms of evidence of their existence;
- have a very wide object and generally cover information that is not protectable under IP rights; and
- are harder to sell and transfer.

They are, however, close in many aspects to industrial property rights and to their respective means of enforcement and remedies.

## 1.12 Overlapping IP Rights

Trade secret rights may coexist with other IP rights, provided that the requirements necessary for both rights to be asserted are met in relation to the same information. As these tend to be mutually exclusive, there are very few cases where such an overlap will occur.

However, it is possible for a plaintiff to assert the same trade secret rights together with other types of intellectual property rights. For the court jurisdiction, see **5.4 Jurisdiction of the Courts**.

## 1.13 Other Legal Theories

It is possible to bring claims relating to trade secrets that do not derive solely from the trade secret misappropriation legal framework under the IP Code.

For instance, it is also possible to bring a claim related to trade secrets based on the following:

- unfair competition (when there is an act of competition contrary to honest practices in industrial or commercial matters) under the IP Code;
- contractual liability (eg, breach of a non-disclosure agreement), under the Civil Code (and the Labour Code if the breach is conducted by an employee);
- disciplinary liability (in cases of a breach of fiduciary duty of an employee) under the Labour Code; and

- criminal liability (see **1.14 Criminal Liability**).

Under the IP Code, the acquisition, use or disclosure of a trade secret shall also be considered unlawful whenever a person, at the time of the acquisition, use or disclosure, knew or ought to have known, under the circumstances, that the trade secret had been obtained directly or indirectly from another person who was using or disclosing the trade secret unlawfully. This may apply to a case where a third party (eg, a future employer) induces the employee to breach a contractual confidentiality obligation to the owner/employer. Both the employee and the third party would be liable for the trade secret infringement.

There is also a general civil provision according to which the instigators and assistants are also liable for the injury arising from an unlawful act.

## 1.14 Criminal Liability

Trade secret theft is not established in Portuguese Law as a criminal offence, but only as a misdemeanour. The unlawful acquisition, use and disclosure of trade secrets is qualified as a misdemeanour, according to the IP Code. The penalty fines range from EUR1,000 to EUR30,000 for a natural person, or from EUR5,000 to EUR100,000 for a legal person.

The disclosure of a secret can also be framed as a criminal offence, whenever a secret of a third party is revealed by someone who took knowledge of the secret in the context of their job, profession or art. The crime is punishable with imprisonment of up to one year or a fine of up to 240 days. If the disclosure of the secret is rewarded or aimed at causing damage to a third party, or if it was made through the media, the crime may be punished with imprisonment of up to one year and four months, or with a fine of up to 320 days.

Taking advantage of a secret known in the context of one's job, profession or art (in relation to the commercial, industrial, professional or artistic activity of a third party) is also framed as a crime, punishable with imprisonment of up to one year or a fine of up to 240 days.

These may be cumulated with civil claims, but care must be taken in preparing such a combined strategy since filing first a civil claim on the basis of the facts that will ground the criminal one will generally be considered a waiver of the right to pursue criminal offences.

### **1.15 Extraterritoriality**

The Portuguese courts are only competent to assess a claim based on misappropriation that happens outside the Portuguese territory if any infringing act occurs in Portugal, under the relevant European and national civil procedural legislation.

## **2. MISAPPROPRIATION OF TRADE SECRETS**

### **2.1 The Definition of Misappropriation**

In line with the Trade Secrets Directive, the unlawful acquisition of trade secrets includes:

- unauthorised access to or appropriation or copying of any documents, objects, materials, substances or electronic files that are lawfully under the control of the trade secret holder and contain the trade secret or from which the trade secret can be deduced; and
- any other conduct which, under the circumstances, is considered contrary to honest commercial practices.

Likewise, the use or disclosure of a trade secret is unlawful when a person:

- acquired the trade secret unlawfully;

- breached a confidentiality agreement or any other duty not to disclose the trade secret; or
- breached a contractual or any other duty to limit the use of the trade secret.

For a claim of trade secret misappropriation, the law does not require the trade secret to be actually used nor the respective access to be gained through unlawful means. The acquisition of a trade secret without the consent of the trade secret holder is considered sufficient to be unlawful.

### **2.2 Employee Relationships**

The elements of a trade secret misappropriation claim under the IP Code do not differ where the misappropriation involves an employee of the owner.

Furthermore, employees are bound to special obligations – if not through a written agreement – by the Labour Code, the provisions of which may also be breached by an employee, such as:

- to be loyal to the employer – ie, not carry out any business in competition with the employer, nor disclose information related to the organisation, methods of production or business; or
- to act in good faith.

### **2.3 Joint Ventures**

The law does not make any reference to any obligations between joint ventures with respect to trade secrets.

### **2.4 Industrial Espionage**

There are no specific provisions nor claims or penalties/remedies in relation to industrial espionage.

## 3. PREVENTING TRADE SECRET MISAPPROPRIATION

### 3.1 Best Practices for Safeguarding Trade Secrets

The trade secrets legal framework was approved by the new IP Code, which has been in force since January 2019, and is still very recent in Portugal. There are no clear recognised “best practices” for safeguarding trade secrets.

Given the uncertainty on how the courts will apply the trade secrets legal provisions, it is advisable for companies to have a strong plan for the protection of trade secrets, where the secret information is classified and clear measures of protection of secrecy are established and under surveillance, following the best practices adopted in those countries where the matter has been more developed.

For instance, the employer may take reasonable steps to educate employees on the importance of keeping confidential information secret and to adopt internal rules and codes of behaviour in relation to trade secrets. Careful actions in relation to the exit and hiring of employees are also advisable.

### 3.2 Exit Interviews

Where the employees have already provided non-disclosure undertakings (eg, in the employment contract), the protection of a trade secret may already be safeguarded.

If that was not the case, employers and employees are able to jointly agree on confidentiality assurances during the exit process, provided those assurances are in accordance with the law.

However, employers cannot unilaterally require employees to provide written assurances with

respect to confidentiality and/or trade secrets, nor can they force employees to provide details of a new position.

Regardless, there is still a loyalty duty in respect to trade secrets (and potential information) after the employee’s departure.

Although the extent of said duty is not entirely clear, the non-disclosure obligation cannot be so severe that it would prevent employees from working after their departure, nor can employees be bound to a non-competition obligation that does not comply with the legal requirements under the Labour Code.

Therefore, employers can expressly inform the employees about which information is considered confidential and/or is protected as trade secrets, and about the employees’ legal duties in that respect.

## 4. SAFEGUARDING AGAINST ALLEGATIONS OF TRADE SECRET MISAPPROPRIATION

### 4.1 Pre-existing Skills and Expertise

Considering the legal definition of trade secret and in accordance with the recitals of the Trade Secret Directive, trivial information and the experience and skills gained by employees in the normal course of their work are excluded from the scope of trade secret protection, as is information that is generally known among, or readily accessible to, persons within the circles that normally deal with the kind of information in question.

There is no relevant case law in Portugal addressing the doctrine of “inevitable disclosure”.

However, the Portuguese courts have been interpreting freedom to work more restrictively, as this is a constitutional right that cannot be seriously restrained. This may constitute a serious objection for the doctrine of “inevitable disclosure” in Portugal.

## 4.2 New Employees

There is no case law nor doctrine guidance on best practices for employers to use to minimise the likelihood of a trade secret misappropriation claim.

However, it seems that the new employer may ask the new employee to provide some assurances in relation to potential trade secret misappropriation (eg, to undertake that all the electronic devices and accounts were closed and returned to the former employer, and that no confidential information and/or trade secrets of the former will be used by the new employee).

This may be scrutinised while drafting the employment contract.

# 5. TRADE SECRET LITIGATION

## 5.1 Prerequisites to Filing a Lawsuit

No prerequisites nor preliminary steps are needed to bring a civil lawsuit based on trade secrets.

## 5.2 Limitations Period

The limitation period for filing a trade secret claim is five years, starting on the day when the right (trade secret claim) can be enforced – ie, the period starts when the rights holder becomes aware of the infringement and is able to identify the infringer(s) even if he/she is not yet aware of the details and the extent of the losses suffered.

When the claim is based on contractual liability (eg, infringement of a non-disclosure agree-

ment), an ordinary 20-year limitation period is applicable. Likewise, specific deadlines are applicable in relation to criminal complaints.

## 5.3 Initiating a Lawsuit

The steps that an owner must take to initiate a trade secret lawsuit in Portugal are no different from those needed to file any other civil lawsuit.

The owner must file a statement of claims, invoking the right it intends to assert (see **5.5 Initial Pleading Standards** regarding proof of right) and the facts that substantiate an infringement. A judicial fee needs to be paid, the amount of which varies depending on the value of the claim (see **5.11 Cost of Litigation**).

## 5.4 Jurisdiction of the Courts

The Intellectual Property Court (IP Court) is a specialised state court, with jurisdiction at a national level, and is competent to handle all actions concerning industrial property in all forms as provided in law, as well as unfair competition acts and infringement of trade secrets in industrial property matters. Its jurisdiction to try claims based solely on trade secrets is still under discussion due to this dubious legal provision (in which case, the general civil courts would be competent). Non-civil claims (labour, criminal, etc) shall be tried before the relevant competent courts.

## 5.5 Initial Pleading Standards

According to the IP Code, trade secrets are considered as such under the same definition as Article 2(1) of the Trade Secrets Directive. The initial pleading must contain an allegation and demonstration by the claimant of the existence and ownership of such a right (ie, by alleging and demonstrating – adding evidence – the requirements set forth in the law: the fact that the information is secret, that it has commercial value because it is secret and that it has been subject to reasonable steps under the circumstances, by



the person lawfully in control of the information, to keep it secret) (see **5.8 Maintaining Secrecy While Litigating**).

## 5.6 Seizure Mechanisms

As a result of the transposition of the Enforcement Directive (Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004), it is possible to seize the infringing goods and materials, and the instruments used in producing and distributing said goods, as well as documentation pertaining to them. Such seizures are usually not conducted via *ex parte* proceedings, as these are very scarce in Portugal.

In order to successfully obtain an order for seizure, the owner must demonstrate that its right is/was infringed or that there is a reasonable fear that it will be infringed and that such infringement causes a severe injury that will be difficult to repair (close to the irreparable harm requirement).

The seizure can be requested as a pre-emptive action, or as a claim within the civil preliminary injunction/main infringement action.

Customs seizures are also available.

## 5.7 Obtaining Information and Evidence

The IP Code provides for the same measures as enabled in the Enforcement Directive, notably the following measures for obtaining information and evidence:

- presentation of evidence and information in the possession of, held by, or under the control of the opposing or a third party; and
- presentation of banking, financial, accounting or commercial documents.

The evidence and information measures might also be asked as a pre-emptive action, or as a

claim within the preliminary injunction/civil main infringement action.

## 5.8 Maintaining Secrecy While Litigating

The IP Code contains a provision similar to Article 9 of the Trade Secrets Directive.

Upon a grounded request (the court cannot act on its own initiative), the court can determine that any procedural intervenient who has access to documents that form part of legal proceedings is not permitted to use or disclose any trade secret or alleged trade secret that is identified as confidential, of which they became aware as a result of such participation or access. This obligation to maintain secrecy remains in force after the legal proceedings have ended, but will cease to exist in the following circumstances, as provided in the Directive:

- where the alleged trade secret is found, by a final decision, not to meet the requirements to be considered a trade secret; and
- where, over time, the information in question becomes generally known among or readily accessible to persons within the circles that normally deal with that kind of information.

On the basis of a duly reasoned application by a party, the court can also take specific measures that are necessary to preserve the confidentiality of any trade secret or alleged trade secret used or referred to in the course of legal proceedings relating to the unlawful acquisition, use or disclosure of a trade secret (again, the court cannot make this decision on its own motion).

## 5.9 Defending against Allegations of Misappropriation

There are two main defence routes against a trade secret claim:

- the rebuttal of the existence of a trade secret by demonstrating that at least one of the

three requirements for the information to be considered as trade secret is not met; and

- the demonstration that either the acquisition, use or disclosure of the trade secret is not unlawful (under the same terms as those provided in Article 4 of the Trade Secrets Directive) or that it falls under the lawful acquisition, use and disclosure rule (very similar to Article 3 of the Directive).

### 5.10 Dispositive Motions

Although these are not considered dispositive motions (which are not a procedural figure in Portugal), a case can be immediately resolved without entering the assessment of the merits or pursuing to trial if a procedural objection is ruled favourably (lack of jurisdiction, lack of legal standing, expiry of the right) or if the defendant confesses the facts alleged in the statement of claims (either explicitly or by failing to file a defence).

### 5.11 Cost of Litigation

Several aspects must be considered when calculating predictable costs.

- The value of the proceedings – typically set at EUR30,000.01 in cases where exclusive rights (as immaterial rights) are at stake. In such a case, each party will have to pay EUR1,224 (paid in different phases of the proceedings, and the judicial fee of the appeal is EUR306). However, the court may set a different value for the case, considering different aspects, such as the amount of pecuniary interest of the claimant and the complexity of the case, which may lead to a substantial increase in the costs. It is, therefore, hard to predict the costs of a patent lawsuit.
- The amount that each party shall pay at the end of the proceedings – according to Portuguese civil procedural law, at the end of the proceedings, the court will fix the responsibility of the parties for the costs to the extent to

which the action was unsuccessful, being the due amount paid by the losing party directly to the court.

- Other administrative costs – for translators, advisers to the court and experts.

## 6. TRIAL

### 6.1 Bench or Jury Trial

Civil disputes are always decided by a single judge in the first instance, who conducts the entire trial. In appeal, the higher courts' decisions are usually handed down by a panel of at least three judges.

### 6.2 Trial Process

The parties or their representatives, if they wish to, may attend the hearing. The parties' lawyers may appoint technical advisers to assist them during the hearing (being granted the same powers, notably posing questions to the witnesses). It is also common for the judge to be assisted by technical advisers during the trial, who are appointed by the court, upon the recommendation of the Portuguese public institution agreed between the parties to that effect, based on a discussion between the parties on the characteristics that such advisers should have in order to assist the court in technical matters.

The following acts are conducted during the trial phase:

- the parties' deposition (if it was requested by any of the parties);
- clarifications of the experts about the written report provided (if expert evidence was conducted and clarifications about the final report were requested by the parties or ordered by the judge); and
- the questioning of witnesses and expert witnesses, which is generally conducted in person at the hearing or by means of telecon-

ference, by the parties and generally also the judge and the technical adviser assisting the judge, with cross-examination permitted but limited to the examination scope.

Documents, legal opinions and expert opinions can also be submitted in first instance as evidence, and can be discussed during the trial. Exceptionally, documents conveyed by the witnesses during the trial may be attached to the proceedings.

Taking into consideration the evidence that was produced in the proceedings, both parties' lawyers convey their conclusions on the facts and on the law. Each lawyer may reply to the opposing side's oral pleadings only once. It is very common for the parties to jointly request and for the judge to accept the submission of the final pleadings in writing in complex patent cases.

A trial typically lasts between two days and two weeks, depending on the court's agenda and on the number of witnesses appointed by the parties and heard at the trial. If any of the witnesses are foreign and require an interpreter, this may delay the trial.

## 6.3 Use of Expert Witnesses

Expert witnesses can act in a trial in two different ways:

- witnesses can be appointed by the parties to be examined before the court during the hearing (where they need to take an oath), although they can also give formal written testimonies (affidavit), which is less common; cross-examination is always permitted, but is limited to the scope of the deposition that was given when examined by the party that appointed them; the witnesses shall be independent and have no direct or indirect interest in the dispute; the Bar Association deontological rules prevent lawyers from

instructing the witnesses/manipulating their deposition; their oral declarations are recorded; or

- experts can also provide written opinions (not an affidavit) prior to being heard in a hearing before the court or instead of deposing orally; these written expert opinions can be attached as evidence at any time in first instance prior to the delivery of the decision.

The costs of experts are difficult to predict, as they depend on the experience/background of the expert, the technical field in question, and the level/time of assistance required. Costs are paid by the party who instructs the expert.

## 7. REMEDIES

### 7.1 Preliminary Injunctive Relief

Preliminary injunctions can be applied for at any time; although there is no urgency requirement, it is advisable to file for preliminary injunctions as soon as possible.

They can be filed before the main action or pending it. If they are filed before the main action is brought, the main action needs to be filed within 30 days of the day the preliminary injunction became *res judicata*. Once decreed, a preliminary injunction can stay in place for as long as the right in question is in force and/or the corresponding main action is not dismissed.

Preliminary injunctions can be decreed on the basis of a threat of infringement or actual infringement, to avoid an imminent future violation or to obtain an order for the infringement to cease. The trade secret owner must demonstrate the he/she holds the right, that is being or will be infringed. If the injunction is applied for on the basis of a threat of infringement, the holder must also demonstrate the irreparable harm. The court must take into consideration the existence

of any of the circumstances provided in Article 13(1) of the Trade Secrets Directive.

The provision of a bond is not required in order for a preliminary injunction to be granted but can be fixed by the court; it is usually calculated based on the market value of the products/rights in question.

## 7.2 Measures of Damages

In determining the amount of compensation for losses and damages, the court shall consider the profits obtained by the infringer, the resulting damages and lost profits suffered by the injured party, the costs borne in the protection of the right in question, the investigation and termination of the harmful conduct and the importance of the revenue resulting from the infringer's unlawful conduct.

The court should also take the moral damages caused by the infringer's conduct into account.

If it is impossible to quantify the losses effectively suffered by the injured party, the court may – provided this is not opposed by the injured party – define a fixed amount on the basis of equity (based, as a minimum value, on the payment that the injured party would have received if the violator had been authorised to use the intellectual property rights in question, as well as the costs borne in the protection of the intellectual property right and the investigation and termination of the harmful conduct).

No punitive damages can be claimed.

The case law on the calculation of royalties is not plentiful. Such royalties are usually calculated based on the average amount of the royalties received by the claimant in the position of a licensor, in a licence contract, or on the average amount of royalties practised in the industrial or commercial sector at stake.

According to a decision of the Lisbon Court of Appeal, the liability for ungrounded preliminary injunctions should be considered a strict liability (ie, the fault of the applicant must be established).

## 7.3 Permanent Injunction

Main (final) injunctions are the most typical claims formulated by exclusive rights holders (notably for the infringers to be ordered to cease the infringing conduct) and can be claimed on the basis of actual infringement (reactive action) or threat of infringement (pre-emptive action). Their duration is not limited.

The court may also order the infringer to pay a recurring penalty payment and corrective measures, such as the ones provided in Article 10 of the Enforcement Directive (recall from the channels of commerce, definitive removal from the channels of commerce or destruction). Where a judicial decision was taken on the merits of the case, the court may also impose other measures on the infringer aimed at preventing the continuation of the infringement conduct. These measures may include the temporary prohibition of carrying on certain activities or professions, for instance, but there is no case law on the matter. Where freedom of work is a constitutional right, it is not yet clear how this provision may be applied.

## 7.4 Attorneys' Fees

The final award will determine the responsibility for the judicial fees (see **7.5 Costs**).

The winning party may ask the losing party (in total or the corresponding percentage) to proceed with the payment of an amount that corresponds to the sum of the court fees paid by the winning party, plus 50% of all judicial fees paid by all the parties as a fictional compensation for the attorney fees incurred.

This is done by sending a notification letter to the losing party, detailing and demonstrating the costs incurred.

## 7.5 Costs

The winning party may claim for the payment of the legal and attorney fees (see **7.4 Attorneys' Fees**).

The winning party can also claim the costs incurred for translations, witnesses' travel expenses, the court's adviser, experts (when this is ordered by the court) and certificate fees (when ordered by the court).

Again, this will be decided in the final award (that will fix the fees liability) and claimed by sending a notification letter to the losing party.

## 8. APPEAL

### 8.1 Appellate Procedure

All court decisions (final and not final) are, in principle, subject to appeal in one or two degrees, by any losing party. A party can file an independent or a cross-appeal.

The appeal against a decision of the IP Court (first instance) is to be filed to the Lisbon Court of Appeal (LCA). The decision of the LCA may be subject to an appeal to the Supreme Court of Justice (SCJ), depending on the circumstances of the case. Should any issue of unconstitutionality arise, appeals may be filed to the Constitutional Court, subject to some formal requirements being met.

In the LCA and SCJ, the appeal is mostly assessed by a panel of three judges and, as a rule, the appeal does not have a suspensive effect.

Most interim decisions are appealable along with the final decision, although some interim decisions may be subject to an autonomous immediate appeal in certain cases expressly provided in the law.

Preliminary injunctions follow the same regime, although it is generally not possible to appeal to the SCJ except in very special and rare cases.

Most of the appeals are filed within 30 days of the notification of the final award, although final preliminary injunction decisions and some other types of interim decisions (not decisions on the merits) need to be filed within 15 days.

An appeal can take around one to two years for preliminary injunctions and two to four years for main actions.

### 8.2 Factual or Legal Review

All appeal courts decide mostly on the papers.

While the LCA hears matters both of fact and of law, the SCJ and the Constitutional Court only hear on law. For an unconstitutionality matter to reach the Constitutional Court, the interested party must have raised it in the lower courts and, once raised, it can no longer be abandoned (the matter must be repeatedly brought again in further appeals).

The early waiver to the right to appeal is only possible if done by both parties.

## 9. CRIMINAL OFFENCES

### 9.1 Prosecution Process, Penalties and Defences

See **1.13 Other Legal Theories** regarding the definition of misdemeanour and crimes.

Although these routes are not common, to pursue a misdemeanour process, the injured party must file a complaint before the Economic and Food Safety Authority (ASAE), which will be in charge of the investigation.

Only natural persons may be punished for the crimes. To pursue a criminal offence, the offended party must make a complaint to the police, to the Public Prosecutor or to another criminal entity. The Public Prosecutor will be in charge of the investigation.

In the context of a criminal file, the trade secret owners may request to be made assistants (*assistente*) of the Public Prosecutor, being therefore entitled to access the file, request new evidence, and appeal decisions taken in the file.

The typical defences available are the same as those used in a civil lawsuit, together with the criminal liability requirements rebuttal.

## **10. ALTERNATIVE DISPUTE RESOLUTION**

### **10.1 Dispute Resolution Mechanisms**

Mediation is very rare in Portugal.

Arbitration can be considered (for both preliminary injunctions and main actions), with one of the main advantages being the swiftness and flexibility of the procedural rules. However, since the arbitral tribunal is not empowered to grant orders to third parties, the enforcement of relevant measures such as seizures of the infringing goods would have to be performed by a judicial court upon request.

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