

THE TRADEMARKS  
LAW REVIEW

FOURTH EDITION

Editor  
Jonathan Clegg

THE LAW REVIEWS

# THE TRADEMARKS LAW REVIEW

FOURTH EDITION

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# PREFACE

This is the fourth edition of *The Trademarks Law Review*. The key objectives for each of the jurisdictions included in the publication remain the same: to provide, first, an annual snapshot of trademark law, which includes a summary of the key legal provisions; second, a review of recent developments and trends from the courts; and third, an informed view of areas of expected legal activity and legislative change going forward.

To this end, our panel of leading trademark practitioners have each been invited to provide a chapter of commentary on their own jurisdiction. The broad structure of each chapter is similar, allowing for clear points of comparison, while leaving enough space for issues of particular relevance in a given country to be explored. Our authors have therefore all struck a balance between conveying the key elements of the trademark landscape in their respective countries, while also giving a flavour of current and commercially active issues in the trademark arena. The former must necessarily be concise – this book does not in any sense aim to provide an exhaustive analysis – but our authors have been encouraged to explore the latter with appropriate emphasis depending on what has been happening recently in their respective jurisdictions.

Globally, 2020 has been a year like no other in recent memory. The covid-19 pandemic has left its mark, and continues to do so, on virtually every commercial sector, with working practices and the nature of commercial activities looking set to permanently change in many areas. This has been a year of lockdowns, of working remotely, of communicating through video conference calls, and, of course, of great uncertainty around how and when coronavirus will be controlled.

The trademark community has experienced all of this along with the rest of the world. Many IP offices have allowed blanket and often lengthy extensions or suspensions to pending *ex parte* and *inter partes* matters in recognition of the challenges facing businesses, and their advisers, around adhering to normal procedures. In some countries, including the UK, the courts too have changed their practices to allow for hearings to be held remotely via video conferencing, a development that may have far-reaching effects even when the pandemic is behind us. Although this is hard to assess in a global context, it seems very likely that the overall output of trademark offices and IP courts will have been significantly reduced through 2020 and into 2021.

Despite this, new cases continue to join the body of case law and the same key issues are evident, including online and digital infringements, whether in an online retail context, on social media platforms or elsewhere on the internet. In addition, significant recent trademark decisions (or pending cases) across the jurisdictions covered in this edition address a variety of significant issues. These include anti-counterfeiting, bad faith, the interaction of trademarks and company names, aspects of distinctiveness and the meaning of ‘genuine use’.

Our authors have also covered recent or imminent changes to trademark law and practice in their countries. These are many and varied, and include a new option to prosecute cancellation actions in the French IP Office, updated opposition and cancellation procedures in several other countries, the introduction of a registration system for geographical indications in Russia, and changes to domain name practice in Turkey. In addition, Brexit is finally coming into effect on 1 January 2021 with the UK's departure from the EU becoming operative in practical terms. The IP position, while now mainly clear in how it will work particularly in the area of trademarks, will nonetheless necessitate a different approach for businesses seeking to secure IP protection across the UK and the EU. Naturally, the focus of each chapter differs at a granular level to reflect those areas where its author considers legal scrutiny has been most clearly directed. Collectively, however, they cover a broad range of important and current issues.

We hope that readers will consult this new edition regularly, and that its concise nature and clear structure will provide easy access to understanding the essence of what is relevant and current in the world of trademark law.

**Jonathan Clegg**  
Cleveland Scott York  
London  
November 2020

## **Chapter 8**

# **PORTUGAL**

*Sara Nazaré and João Carlos Assunção<sup>1</sup>*

## **I      OVERVIEW**

Ownership of a Portuguese trademark is acquired by registration with the National Institute of Industrial Property (INPI).

The trademark owner has specific means to contest the infringement of its rights: he or she can obtain injunctions (preliminary or on the merits, or both) and other civil remedies, bring criminal charges or apply for customs procedures.

## **II     LEGAL FRAMEWORK**

### **i      Legislation**

The most significant piece of Portuguese legislation regarding the protection of industrial property (IP) is the Industrial Property Code (IPC), approved by Decree-Law No. 110/2018, of 10 December 2018, which revoked the previous IPC.

As a Member State of the European Union, EU legislation is applicable in Portugal on the general terms provided for in EU legal instruments, such as the Regulation on the European Union trade mark.

Also, Portugal is a party to many relevant international treaties regarding the protection of trademarks, such as the Paris Convention for the Protection of Industrial Property (the Paris Convention), the Madrid Agreement Concerning the International Registration of Marks, and the Agreement on Trade-Related Aspects of Intellectual Property Rights.<sup>2</sup>

### **ii      Authorities**

The INPI is responsible for overseeing the protection of trademark rights in Portugal. This entity has competence to assess and decide on the registration of trademark rights as well as on requests for the declaration of nullity or annulment of such registrations, and opposition proceedings related to any national trademark application. It is also responsible for publishing the Industrial Property Bulletin (the IP Bulletin), which contains the main relevant facts relating to IP rights. The INPI also maintains an online freely accessible database, which contains information about all Portugal-related registered trademarks.

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<sup>1</sup> Sara Nazaré is a managing associate and João Carlos Assunção is an associate at Vieira de Almeida. The previous edition of the Portuguese chapter had been authored also by António Andrade, who left the firm. His participation in the previous version of this chapter is therefore acknowledged with appreciation.

<sup>2</sup> Also known as the TRIPS Agreement.

The National Legal Entities Registry (RNPC) oversees the registration of company names.

Finally, the management, maintenance and registration of domains under the top-level domain (TLD) ‘.pt’ (corresponding to Portugal) is the responsibility of the private non-profit Association DNS.PT, which succeeded the Foundation for National Scientific Computation.

### **iii Substantive law**

#### ***Registered trademarks***

In Portugal, registration is the key way of obtaining protection and exclusivity rights in relation to a trademark (i.e., the registration is the legal condition for trademark protection) and as a rule, the first-to-file principle applies. Registration is obtained following an administrative procedure involving both the INPI and any interested parties, which concludes with the decision to grant or refuse the trademark registration.

Upon filing of the trademark application and publication of the notice of application in the national IP Bulletin, registrability is examined on absolute grounds, which relate to the public interest (e.g., protection of consumers), and on relative grounds (both *ex officio* and based on oppositions filed by third parties).

According to the applicable legal provisions of the IPC, a trademark may consist of a sign or set of signs that can be represented graphically, namely words (including the names of persons), drawings, letters, numbers, sounds, colours and videos (motion mark), the form of a product or its packaging, provided that these can be represented in a manner that enables clear and precise determination of the scope of protection granted to the owner, and as long as these adequately distinguish the products and services of one company from those of others; this is subject to a case-by-case analysis by the INPI, according to an established practice and internal guidelines.

For the sake of distinctiveness, trademark protection cannot be conferred on signs that exclusively consist of the form or another characteristic imposed by the nature of the product itself, or the form or another characteristic of the product necessary to obtain a technical result, nor to signs that are exclusively made up of indications that may serve in commerce to designate the type, quality or other inherent characteristics of the product or service. Moreover, trademarks that exclusively consist of signs or indications that have become common use in modern-day language or in the usual habits of commerce are also refused.

As of the date of application, a trademark registration has a duration of 10 years and may be indefinitely renewed for identical periods. During this period, the owner may use the words ‘Registered Trademark’, the initials ‘RT’ or simply the circled ‘R’ symbol (®).

Collective trademarks may be defined as trademarks that are capable of distinguishing the goods or services of the members of an association, which is the proprietor of the mark, from the goods or services of other entities. Guarantee or certification trademarks are used for products or services subject to the control of a natural or legal person who owns the mark and determines certain standards for the corresponding products and services. Both may only be registered by legal persons who, for instance, supervise certain economic activities and intend to distinguish the products of these activities.

#### ***Unregistered and well-known trademarks***

Under Portuguese law, no protection is available for unregistered trademarks.

Nevertheless, whoever uses an unregistered trademark for a period not exceeding six months, and proves that use, has the right of priority, during that grace period, to register the trademark, and can oppose other applications made by third parties.

Trademarks that constitute a reproduction or imitation of certain unregistered external features, namely packaging or label, including the form, colouring and layout, and other elements demonstrably used by others in their registered trademarks should be refused. However, parties interested in the refusal of a trademark under this rule may only intervene in the application procedure once they have applied for registration of the original trademark themselves, including the relevant external features.

Moreover, registration is also refused for a trademark that is a reproduction or, as a whole or in part, an imitation or translation of another well-known trademark in Portugal, if it is applied for identical or similar products or services and may be mistaken for the other trademark or if an association with the owner of the well-known trademark is possible. Finally, registration will also be refused if a trademark (even one applied for products or services that are not identical or related) is a translation of, or is identical or similar to, an earlier trademark that enjoys a prestigious reputation in Portugal or the European Union (if it is an European Union trademark), and whenever use of the subsequent trademark seeks to take undue advantage of or may be detrimental to the distinctive character or reputation of an earlier trademark. Parties seeking the annulment of trademarks with the aforementioned grounds have to apply for registration of their own trademark for the products or services that generated the visibility or reputation, respectively.

### ***Logotypes***

Logotypes, which have legally replaced both trade names and insignias since the revision of the IPC in 2003, may consist of a sign or number of signs that can be represented graphically, namely by word or figurative elements or a combination of both, or by a sign or combination of signs that can be represented in a manner that enables clear and precise determination of the scope of protection granted to the owner, and it must be appropriate for distinguishing an entity that provides services or commercialises products. It can be used, for instance, in places of business, advertising, forms and correspondence. When the same sign serves to distinguish one and the same entity, it may only be subject to one logotype registration. However, the same entity may be distinguished by more than one logotype.

Most procedural formalities applicable to trademarks' registration also apply to logotypes' registration, such as publication of any filed application in the IP Bulletin, which in turn triggers the two-month period for submission of oppositions or third-party observations by interested parties.

### ***Company names***

According to the relevant provisions of the Portuguese Companies Act, the characteristic elements of a company name may not suggest a different activity than the one effectively pursued by the company, or a different legal type of company or legal person (e.g., a non-profit organisation). Moreover, a company's name cannot be identical or confusingly similar to any other registered company's name. Also, company names cannot be exclusively composed of geographical indications or common-use words that identify or relate to the corporate activity, products or technique, or contain any words considered immoral or offensive.

Company names are registered with RNPc and there is no public database of company names (as there is for trademarks). Thus, the search of prior company names is performed *ex officio* by the RNPc and reflected in a certificate issued by that authority, upon request by an interested party.

Earlier registration of trademarks, logotypes, designations of origin and geographical indications constitutes grounds for refusal or annulment of company names that may be confused with them.

#### ***Trade names***

Even though trade names are protected in Portugal under Article 8 of the Paris Convention, which may be invoked for the purpose of using a certain trade name, these do not constitute a legal category of IP rights per se within the national legal framework.

#### ***Geographical indications***

Under Portuguese law, a geographical indication is understood to mean the name of a region or a specific place that serves to designate or identify a product originating from that region (or, exceptionally, country) or whose reputation, particular quality or characteristics can be attributed to that geographical origin and whose production, transformation or development are carried out within that demarcated geographical area.

#### ***Designations of origin***

Designations of origin are defined as the name of a region, a specific place or, in exceptional cases, of a country that serves to designate or identify a product originating from that region, or whose quality or characteristics are derived, essentially or exclusively, from the geographical environment, including the natural and human factors that compose it, and whose production, processing and development are carried out within that demarcated geographical area. The importance of designations of origin – notably in the wine sector (always of interest in Portugal) – is reflected in the relevant number of disputes between trademarks and prestigious designations of origin (Port (or Porto) wine being the most eloquent example). Trademark applicants, who often choose signs composed, at least partially, of words such as ‘Porto’, or ‘Madeira’, may thus raise concerns of infringement in the owners of these designations of origin, even when the trademarks do not intend to distinguish wine products.

#### ***Domain names***

It is commonly accepted that the trademark owner’s right of property and exclusivity includes the right to use that sign online and as a domain name, as well as the right to prevent others from doing so.

The Portuguese regulations regarding this matter include rules that intend to guarantee the respect of earlier rights with a view to preventing the abusive registration of domain names in the .pt domain, in particular prohibiting names that may give rise to confusion or undue association as to their ownership. In this sense, the Regulation on the Registration of .pt Domain Names states that a domain name cannot correspond to words or expressions that are contrary to the law and public order but also cannot correspond to any internet TLD that exists or is in the process of being created, or otherwise to names that may give rise to confusion regarding their ownership.

### **III REGISTRATION OF MARKS**

#### **i Inherent registrability**

National trademark applications may be filed, either on paper or online by: (1) the owner, if established or resident in Portugal, or a person who is established or resident in Portugal and is duly empowered for that purpose; (2) the owner, if established or domiciled in a foreign country, provided that the owner can provide either a Portuguese address or email address or fax number; (3) an Official Industrial Property Agent (AOPI); and (4) a lawyer or solicitor. All representatives require a power of attorney before filing, except AOPIs, who are accredited by the INPI.

The applicant has to provide, *inter alia*, a graphical representation of the sign or other form of representation that allows clear and precise determination of the scope of protection granted to its owner and must enumerate the goods and services covered by it, grouped in accordance with the Nice Classification and defined in clear and precise terms.

The fees for a national trademark application at INPI, for one class of goods or services, are €255.29 for a paper-based application, or €127.65 for an online application. There is an additional cost of €32.36 per additional class (€64.71 for a paper-based application). Renewal fees are of the same amount as filing fees.

Renewal of national trademarks must be requested within the six-month period before the registration's expiry. However, the request for renewal can also be made within one year as from the publication of the notice of expiry in the IP Bulletin, but three times the amount of due fees must be paid in this case. Also, this must be done without prejudice to rights of third parties acting in good faith.

According to the IPC, once a trademark registration is granted, it enjoys a presumption of validity, along with all other industrial property rights.

#### **ii Prior rights**

The protection of earlier rights is observed by the INPI when examining an application.

According to the IPC, registration is refused when a trademark consists of a reproduction or imitation of all or part of a trademark previously registered for identical or similar products or services that may mislead or confuse the consumer or present a risk of association with the earlier trademark (the same applies to logotypes and infringement of other IP rights, *mutatis mutandis*).

Further grounds of refusal are the use of names, portraits or any expressions without the authorisation of the persons they relate to, or their heirs or relatives or, if authorisation is obtained, if it causes disrespect to those persons; the recognition that the applicant's intent is one of unfair competition, or that unfair competition is possible regardless of the applicant's intention; and the reproduction or imitation of all or part of a designation of origin or a geographical indication protected under national or European rules or international agreements that the EU is part of, if the designations of origin or geographical indication have been applied before the trademark application.

When cited in opposition proceedings, further grounds of refusal may be the reproduction or imitation of a third party's company name and other distinctive signs, or merely a characteristic part thereof, if it is likely to mislead or confuse the consumer, and also the infringement of copyrights.

### **iii Inter partes proceedings**

When a national trademark application is filed, the same is published in the IP Bulletin, a daily publication that contains, *inter alia*, information about trademark applications (including details about the applicant) and their grant or refusal.

An interested party may submit an opposition or third-party observations regarding an application within two months (which can be extended for one additional month) of publication of the application. This is subject to the payment of a fee of €53.93 (online) or €107.86 (paper). Applicants have the right to reply to oppositions or third-party observations within two months of their notification, and they may defend by requesting that the claimant in the opposition proceedings provides evidence that the trademark serving as the basis was subject to serious use for five consecutive years prior to the date of the application or the claimed priority date, if it has been registered for at least five years. Either *ex officio* or on request by the interested party and with the acquiescence of the opposing party, the assessment of the application may be suspended for no longer than six months.

After these periods of opposition or observations, and respective reply, the application is subject to examination, and both parties' allegations are considered by the INPI in reaching its decision, which is usually issued within a period of about four to six months. In contrast to the European Union Intellectual Property Office, the INPI examines not only absolute grounds for refusal, but also relative grounds based on *ex officio* searches for previous potentially conflicting trademarks.

In Portugal, the revocation (either through cancellation on expiry grounds or resulting from invalidity grounds) of a registered trademark shall result from a decision of INPI, except when it results from a counterclaim filed in the context of judicial proceedings (however, when a request for the declaration of nullity or annulment has been filed at the INPI prior to the counterclaim, the proceedings are stayed until the decision on the application filed at the INPI is definitive or the application has been withdrawn). The referred decisions from the INPI may be appealed to the Intellectual Property Court (IP Court). The interested party with legal standing for the declaration of nullity or annulment procedure must be represented by an IP agent, lawyer or solicitor. The request for annulment of trademarks and logotypes' registrations must be filed within five years as from their grant.

### **iv Appeals**

INPI's decisions granting or refusing a trademark registration, or granting or refusing a revocation of a registered trademark, may be appealed before the IP Court within two months of publication of the decision in the IP Bulletin, by the applicant or owner of the registration, those that filed an opposition, those that requested the revocation or anyone directly harmed by the decision. After the appeal is received by the Court, the opposing party, if any, is summoned to respond within 30 days, if it so wishes. The INPI is not a party to these proceedings.

An appeal against a decision by the IP Court (see previous paragraph), or against any IP Court decision in invalidity proceedings, may be appealed before the Court of Appeal, under the general rules of civil procedure. An appeal to the Supreme Court of Justice (third instance) is only possible in specific and rare circumstances.

## **IV CIVIL LITIGATION**

### **i Forums**

Trademark enforcement disputes are typically resolved before the IP Court, a court established in 2012, now with three judges. It hears cases relating to copyright, industrial property, domain names, trade names, company names and unfair competition. Although it should be considered a specialised court, not all judges are specialised in IP.

The decisions of the IP Court can be appealed to the Lisbon Court of Appeal (second instance court) and, in some cases, to the Supreme Court of Justice (final instance court).

Besides judicial courts, the parties can agree to submit a dispute to an arbitral tribunal. In Portugal, the institutionalised arbitration centre ARBITRARE, created in 2009, has jurisdiction to resolve disputes related to industrial property rights, .pt domain names, trade names and corporate names.

### **ii Pre-action conduct**

There are no mandatory pretrial formalities that need to be undertaken (such as warning letters). Although they have no procedural effects, it is customary to send out cease-and-desist letters before filing a civil action.

The parties can also agree to submit the dispute to mediation prior to the judicial dispute, although this is not common practice.

### **iii Causes of action**

#### ***Trademark infringement***

Any proprietor can react against the use (wholly or in part) of his or her registered trademark or a similar trademark by a third party, when: (1) the proprietor has an earlier registered trademark; (2) both trademarks are used for identical or similar products or services; and (3) the trademarks are graphically, figuratively, phonetically or in any other way so similar that the consumer can be easily misled or confused, or if it entails a risk of the later trademark being associated with the earlier registered trademark, in such a way that the consumer can only distinguish them after careful examination or comparison.

The IPC distinguishes between well-known and ‘prestigious’ trademarks, which are both specially protected. According to Portuguese case law and doctrine, only a significant difference between contested trademarks could preclude an imitation judgment for well-known trademarks. For prestigious trademarks, the goods and services covered by the trademarks in dispute do not have to be similar or identical for infringement to be recognised.

#### ***Company names***

Civil actions concerning company names must be filed with the IP Court. In these cases, company names can, for instance, be protected against other similar company names.

#### ***Unfair competition***

Unfair competition can also be grounds for a civil claim (alone or together with trademark infringement). Any act of competition that contravenes business rules and honest commercial practices should be considered an act of unfair competition.

#### iv Conduct of proceedings

##### *Preliminary injunctions*

The IPC allows for preliminary injunctions (PI) to be granted on the basis of the threat or actual infringement of any industrial property rights. If actual infringement is already being committed, the applicant only has to demonstrate the ownership of a right and that it is being infringed (irreparable harm only needs to be proven if the PI is requested on the basis of threat of infringement).

If the PI turns out to be unjustified, the applicant may be liable for damages.

##### *Ordinary proceedings*

Civil main action follows the general regime provided for in the Portuguese Civil Procedure Code (CPC). It includes three written pleadings: the initial claim or claims, the defence and, whenever a counterclaim is formulated by the defendant along with the defence, a reply.

However, the courts have, under the general adversarial principle, been accepting a reply by the claimant to the objections raised by the defendant in its defence. This reply may be admitted in writing, to be submitted within 10 days (the general deadline prescribed in the CPC), or orally during the preliminary hearing or prior to the final hearing. The same rule will apply if the claimant, in the reply, raises an objection to the counterclaim formulated by the defendant, whereby the court may admit the submission by the defendant of its counter-reply to the claimant's reply, on the same terms as outlined above.

The parties must indicate, in the initial claim and in the defence, the types of evidence intended to be used during the proceedings (the 'evidentiary application'). Despite this apparently tight timeline for submission of types of evidence, it is possible to modify or include new witnesses until the 20th day prior to the final hearing date (with the counterparty being allowed to do the same) and, should the court decide to schedule a preliminary hearing, it is also possible to modify the entire evidentiary application during this hearing. The CPC foresees the following types of evidence: the testimony (by means of the declaration by the parties or witnesses in the presence of the court), documents, technical expertise and judicial inspection.

This phase may last up to four months, should all the pleadings identified above be presented. The defendant is usually served with the claim within one or two weeks as from the submission of the initial claim; the deadline to file a defence can vary between 30, 35, 45 and 60 days (depending on whether the defendant's address is in the same district as the court or, ultimately, outside Portugal); the claimant will have a 30-day deadline to reply to the counterclaim, or a 10-day deadline to submit an application regarding the objections raised in the defence (subject to the procedural constraints identified above).

The hearing phase may be divided into two different periods: the preliminary hearing and the final hearing.

The preliminary hearing, which is not mandatory and, in some cases, may even be omitted, mainly serves the purpose of trying to conciliate the parties or preparing for the hearing.

During the final hearing, which is practically impossible to postpone and is always recorded, the court, presided over by a single judge, hears the testimonies of both the parties and the witnesses, and the legal counsels during their final oral arguments. The decision should then be rendered within 30 days as from the hearing's conclusion.

Depending on the length and technical complexity of the pleadings, the amount of evidence submitted and, finally, the amount of cases pending before the IP Court at that time, the hearing phase may last up to seven months.

The IP Court's decision may, in principle, be subject to appeal before the Lisbon Court of Appeal, which as a rule will have no suspensive effect. The appellant has to file the appeal within 30 days as from the notification of the decision (or 40, if the recordal of the hearing and testimonies provided therein is reappraised) and the respondent is granted another 30 or 40-day period to submit its counter-appeal arguments, with the option to extend the subject of the appeal. The respondent may also decide to submit a cross-appeal if one or more of the claims filed was rejected (at least in part), which must be filed within the 30-day period for the presentation of counter-appeal arguments. The Lisbon Court of Appeal, composed of a panel of three judges, has some powers to modify the decision on the facts.

The Lisbon Court of Appeal is currently delivering decisions in around six to twelve months.

An appeal to the Supreme Court of Justice is possible, although the requirements are stricter, and the subject of the appeal is limited to legal matters and interpretation.

The court fees may vary depending on the value of the claim and the complexity of the matter (the degree of complexity is assessed by the court at the end of the proceedings), but they can amount up to around €50,000.

## **v Remedies**

The remedies set out in the IPC are mostly in line with Directive 2004/48/EC on the enforcement of intellectual property rights. Accordingly, as well as injunctions (preliminary or otherwise, and those associated with a penalty payment in cases of non-compliance) and orders for compensation for damages and losses, the court may order three further types of measure, subject to a standard of necessity and proportionality: (1) recall; (2) removal from the channels of commerce; or (3) destruction of the goods that infringe industrial property rights. When applying these remedies, the judge has to consider the interests of the parties involved, the interests of third parties and, in particular, those of consumers.

The Court's decision may also include inhibitory measures, notably a temporary prohibition to perform certain professional activities, or to participate in fairs or markets, and a temporary or definitive closure of the business.

## **V OTHER ENFORCEMENT PROCEEDINGS**

### **i Criminal proceedings and misdemeanours**

Some specific criminal procedures and misdemeanours are also set out in the IPC.

The following types of conduct are considered a criminal offence:

- a* using counterfeit or imitated trademarks in products or packages;
- b* using, counterfeiting or imitating well-known trademarks for which registration has already been applied for in Portugal;
- c* using (even if in products or services without identity or relation between them), trademarks that are a translation of, or are identical or similar to, existing trademarks for which registration has been applied for and that enjoy a prestigious reputation in Portugal or the EU, if they are EU trademarks, if the use of the later trademarks seeks to unjustly obtain undue benefit from the distinctive or prestigious reputation of the earlier trademarks or may be detrimental to them; and

- d using a registered trademark belonging to another person in products, services or an establishment or company.

These crimes are punishable with imprisonment for up to three years or a fine of between €50 and €180,000.

Criminal procedure requires that the injured party files a complaint (within six months as from the date of the criminal action). The right to file a criminal complaint ceases if a civil claim based on the same facts has been brought previously.

Criminal procedures for infringement of industrial property rights are not common (the most common being in relation to counterfeiting).

Regarding misdemeanours, fines of between €3,000 and €30,000 (for legal persons) and between €750 and €7,500 (for natural persons) are applicable in cases of use of prohibited trademarks, as well as misuse of names, insignias or logotypes, and preparatory acts regarding the criminal offences set out in the IPC.

## **ii      Customs procedures**

Customs procedures follow Regulation (EU) No. 608/2013 of the European Parliament and of the Council concerning customs enforcement of intellectual property rights.

The Portuguese customs authority tends to be quite efficient in relation to trademarks and designs.

# **VI    RECENT AND PENDING CASES**

## **i      Trademarks and company names**

The Lisbon Court of Appeal recently overturned a decision of the IP Court on the assessment of the risk of confusion between a company name and trademarks.<sup>3</sup>

The Court of Appeal clarified that the comparison between company names and trademarks should follow the same reasoning as the comparison between two trademarks. Therefore, the first (and predominant) step to determine confusion is the analysis of the overall impression of the distinctive signs and only then should a decomposition of the particular elements of a sign or name occur.

## **ii      Liability for ungrounded preliminary injunctions**

The civil liability of IP holders for ungrounded PIs is currently enshrined in Portugal in Article 343(3) of the IPC (previously Article 338-G(3)), which is heavily based on Article 9(7) of Directive 2004/48/EC. The IP Court issued its first decision on the matter of an IP holder's liability for ungrounded PI on 1 March 2018,<sup>4</sup> holding that the liability arising from said previous Article 338-G(3) of the IPC should be considered a strict liability, and ordered the PI applicant to pay damages to the generic company that had been ordered to stay out of the market while the IP rights asserted were in force.

On 19 February 2019, the Lisbon Court of Appeal overturned this decision and clarified that the liability provided for in Article 338-G(3) of the IPC demands the allegation and demonstration of the fault or negligence of the IP holder that applied for the PI. In a

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<sup>3</sup> Case No. 429/17.5YHLSB.L1-PICRS, dated 26 May 2020.

<sup>4</sup> Case No. 236/16.2YHLSB.

situation where the IP holder files for a PI on the basis of the public record that attested a certain expiry date of its IP right, which is published in the IP Bulletin, the Lisbon Court of Appeal concludes that the IP holder acted in good faith and with the required prudence, in view of the official elements available at the time.

This decision has been appealed to the Supreme Court of Justice.

## VII OUTLOOK

A new Industrial Property Code was approved in 2018 and entered into force in 2019. As expected, this new law transposed the content of Directive (EU) 2015/2436<sup>5</sup> and Directive (EU) 2016/943<sup>6</sup> to the national legal framework.

The new IPC foresees new criminal and civil offences and new means of reaction against infringement that, in principle, confer a greater protection to trademarks owners. It will be interesting to see whether such measures will grant a more effective protection to trademark owners, in practice.

The Portuguese IP Court certainly needs improvements, notably in the number of judges allocated to the Court, their specialisation in IP law and the logistical means for a better and more expeditious delivery of justice.

There has been a significant increase of infringement of IP rights on the internet and, accordingly, the IP Court has dealt more with this type of cases. Social networks have also contributed to the increase in the number of cases of infringement of rights; however, these are related more to rights of personality and privacy.

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5 Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trademarks.

6 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.

## **Appendix 1**

# **ABOUT THE AUTHORS**

### **SARA NAZARÉ**

*Vieira de Almeida*

Sara Nazaré is a managing associate at Vieira de Almeida. She obtained her law degree from the University of Lisbon faculty of law and studied at the Paris Descartes University (Paris V) with the Erasmus exchange programme. She also attended the legal-economics master's course at the University of Lisbon Faculty of Law (a curricular module of the master's degree in marketing management at the University Institute of Lisbon). Sara obtained her postgraduate qualification in arbitration from New University of Lisbon; she is admitted to the Portuguese Bar Association and is a member of AIPPI and ECTA (in the latter, also as a member of the Law Committee).

Sara joined Vieira de Almeida and its intellectual property practice in 2010, providing legal advice in litigation involving patents (mostly in the pharmaceutical industry), trademarks and designs in various jurisdictions, in the context of judicial and arbitral proceedings for infringement of industrial property rights (including damage claims), invalidity/revocation proceedings, administrative actions and assisting with the prosecution of supplementary protection certificates before the Portuguese Patent Office. Sara has also authored several legal opinions published in IP and arbitration publications.

### **JOÃO CARLOS ASSUNÇÃO**

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João Carlos Assunção is an associate at Vieira de Almeida. He obtained his law degree from the University of Porto Faculty of Law and has an advanced postgraduate qualification in corporate law (corporate finance and governance). João is awaiting his thesis' public defence in the master's degree in law and juridical science from the University of Lisbon Faculty of Law. He is admitted to the Portuguese Bar Association.

In 2016, João Carlos Assunção joined Vieira de Almeida and its intellectual property practice, where he has been providing legal and strategic advice in industrial property law (trademarks, designs, patents), particularly in the context of administrative, civil and arbitral litigation in relation to pharmaceutical patents.

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