



Chambers Global Practice Guides

Definitive global law guides offering
comparative analysis from top-ranked lawyers

Trade Marks 2022

Portugal: Law & Practice

Ana Falcão Afonso and João Carlos Assunção
VdA

practiceguides.chambers.com

PORTUGAL

Law and Practice

Contributed by:

Ana Falcão Afonso and João Carlos Assunção
VdA see p.22



CONTENTS

1. Governing Law and Types of Trade Marks	p.4	4.8 Incorrect Information in an Application	p.8
1.1 Governing Law	p.4	4.9 Refusal of Registration	p.8
1.2 Types of Trade Marks	p.4	4.10 Remedies against the Trade Mark Office	p.9
1.3 Statutory Marks	p.5	4.11 The Madrid System	p.10
1.4 Well-Known Foreign Marks	p.5	5. Opposition Procedure	p.10
1.5 Term of Protection	p.5	5.1 Timeframes for Filing an Opposition	p.10
1.6 Exhaustion of Trade Mark Rights	p.5	5.2 Legal Grounds for Filing an Opposition	p.10
1.7 Symbols to Denote Trade Marks	p.5	5.3 Ability to File an Opposition	p.10
2. Assignment and Licensing	p.5	5.4 Opposition Procedure	p.10
2.1 Assignment Requirements or Restrictions	p.5	5.5 Legal Remedies against the Decision of the Trade Mark Office	p.11
2.2 Licensing Requirements or Restrictions	p.5	6. Revocation/Cancellation Procedure	p.11
2.3 Registration or Recording of the Assignment	p.6	6.1 Timeframes for Filing Revocation/Cancellation Proceedings	p.11
2.4 Other Requirements for Licences or Assignments to be Valid	p.6	6.2 Legal Grounds for Filing a Revocation/Cancellation Proceeding	p.11
2.5 Assigning or Licensing Applications	p.6	6.3 Ability to File a Revocation/Cancellation Proceeding	p.12
2.6 Trade Marks as Security	p.6	6.4 Revocation/Cancellation Procedure	p.12
3. Registration	p.6	6.5 Partial Revocation/Cancellation	p.12
3.1 Trade Mark Registration	p.6	6.6 Amendment in Revocation/Cancellation Proceedings	p.12
3.2 Trade Mark Register	p.6	6.7 Combining Revocation/Cancellation and Infringement	p.12
3.3 Term of Registration	p.7	6.8 Measures to Address Fraudulent Marks	p.12
3.4 Updating or Refreshing Registrations	p.7	7. Initiating a Lawsuit	p.12
4. Applying for a Trade Mark Registration	p.7	7.1 Timeframes for Filing Infringement Lawsuits	p.12
4.1 Application Requirements	p.7	7.2 Legal Grounds for Filing Infringement Lawsuits	p.13
4.2 Use in Commerce Prior to Registration	p.8	7.3 Parties to an Action for Infringement	p.13
4.3 Series Mark Registrations	p.8	7.4 Representative or Collective Actions	p.13
4.4 Consideration of Prior Rights in Registration	p.8	7.5 Prerequisites and Restrictions to Filing a Lawsuit	p.13
4.5 Consideration of Third-Party Rights in Registration	p.8		
4.6 Revocation, Change, Amendment or Correction of an Application	p.8		
4.7 Dividing a Trade Mark Application	p.8		

PORTUGAL CONTENTS

7.6	Initial Pleading Standards	p.14	9.5	Ex Parte Relief	p.18
7.7	Lawsuit Procedure	p.14	9.6	Rights and Remedies for the Prevailing Defendant	p.18
7.8	Effect of Trade Mark Office Decisions	p.14	9.7	Customs Seizures of Counterfeits or Criminal Imports	p.19
7.9	Declaratory Judgment Proceedings and Other Protections for Potential Defendants	p.15	9.8	Different Remedies for Different Types of Trade Marks	p.19
7.10	Counterfeiting	p.15			
8.	Litigating Trade Mark Claims	p.15	10.	Resolving Litigations	p.19
8.1	Special Procedural Provisions for Trade Mark Proceedings	p.15	10.1	Options for Settlement	p.19
8.2	Requirement to Establish Use of a Sign as a Trade Mark	p.15	10.2	Prevalence of ADR	p.19
8.3	Factors in Determining Infringement	p.15	10.3	Other Court Proceedings	p.19
8.4	Elements of Other Trade Mark Claims	p.16	11.	Appeal	p.19
8.5	Effect of Registration	p.16	11.1	Timeframes for Appealing Trial Court Decisions	p.19
8.6	Defences against Infringement	p.16	11.2	Special Provisions for the Appellate Procedure	p.20
8.7	Obtaining Information and Evidence	p.16	11.3	Scope of the Appellate Review	p.20
8.8	Role of Experts and/or Surveys	p.16	12.	Trade Marks and Other Intellectual Property	p.20
8.9	Trade Mark Infringement as an Administrative or Criminal Offence	p.17	12.1	Copyright and Related Rights	p.20
8.10	Costs of Litigating Infringement Actions	p.17	12.2	Industrial Design	p.20
9.	Remedies	p.17	12.3	Rights of Publicity and Personality	p.20
9.1	Injunctive Remedies	p.17	12.4	Unfair Competition	p.20
9.2	Monetary Remedies	p.17	13.	Additional Considerations	p.20
9.3	Impoundment or Destruction of Infringing Articles	p.18	13.1	Emerging Issues	p.20
9.4	Attorneys' Fees and Costs	p.18	13.2	Trade Marks and the Internet	p.21
			13.3	Trade Marks and Business	p.21

1. GOVERNING LAW AND TYPES OF TRADE MARKS

1.1 Governing Law

The national legal diploma governing trade marks is the Industrial Property Code (IPC), approved by Decree-Law No 110/2018, of December 10th, which is statutory.

European legislation, such as the Regulation (EU) No 2017/1001 on the European Union (EU) Trademark, is also applicable in Portugal.

Portugal is a party to various treaties relevant to trade marks, such as:

- the Paris Convention for the Protection of Industrial Property (the Paris Convention);
- the Convention Establishing the World Intellectual Property Organization;
- the Madrid Agreement Concerning the International Registration of Marks and respective Protocol;
- the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS);
- the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (Nice Classification).

All the above are self-executing. In fact, the Constitution of the Portuguese Republic establishes an automatic regime of reception of the rules enshrined in international conventions, which means that upon ratification and publication, they are binding in Portugal, with no need of being transcribed into national law.

1.2 Types of Trade Marks

Portuguese legislation distinguishes between trade marks for goods and services, collective marks and certification or guarantee marks. Portuguese Law does not recognise common law trade mark rights.

Trade Marks

A trade mark for goods and services may consist of a sign (or signs) that can be represented graphically, namely words (including personal names or surnames), drawings, letters, numbers, sounds, colours and videos, as well as the design of a product or its packaging. The general rule is that any signs chosen can be represented in a manner that enables clear and precise determination of the scope of protection granted to the owner, as well as the distinction between one's goods and services from those of others. However, in what concerns the use of names and surnames, registration may be refused when names are used without the authorisation of the persons they relate to or, if these are deceased, of the heirs or relatives or, even if authorisation is obtained, if the use of the name generates disrespect or negatively affects the prestige for those persons.

Collective Marks

Collective marks are those capable of distinguishing the goods or services of the members of an association and certification or guarantee marks are used for goods or services subject to the control of a certain natural or legal person who owns the mark and defines certain standards for the respective goods and services.

Geographical Indications

Geographical indications and designations of origin constitute different types of industrial property rights: the first typically corresponds to the name of a region or place that serves to designate a product originating from that region or whose reputation, particular quality or characteristics can be attributed to that geographical origin. Also, the production, transformation or development must be carried out within that geographical area. The second are the name of a region, a specific place or, exceptionally, of a country that serves to identify a product originating from that region, or whose quality or char-

acteristics are derived, essentially or exclusively, from the geographical environment, including the natural and human factors that compose it, and whose production and development are carried out within that demarcated geographical area.

1.3 Statutory Marks

Portuguese law differentiates well-known and famous (“prestigious”) trade marks, which are both subject to specific protection, from other trade marks.

The most relevant legal implication of such a distinction is that registration is refused if a trade mark (even one applied for goods or services that are not identical or related) is a translation of, or is identical or similar to, an earlier trade mark that enjoys a prestigious reputation in Portugal or the EU (for EU trade marks), and whenever use of the subsequent trade mark seeks to take undue advantage of or harm the distinctive character or reputation of an earlier trade mark.

According to national case law and doctrine, only a significant difference between contested trade marks precludes an imitation judgment for well-known trade marks.

1.4 Well-Known Foreign Marks

Even though well-known foreign marks may be protected in Portugal under Article 6 bis of the Paris Convention, which could be invoked for such purpose, these do not constitute a legal category of marks per se within the national legal framework.

1.5 Term of Protection

A trade mark registration lasts for ten years as from the date of application and may be indefinitely renewed for identical periods.

1.6 Exhaustion of Trade Mark Rights

Under Portuguese Law, a trade mark registration does not allow the owner to prohibit the use of the trade mark on goods lawfully commercialised by itself or by a third party with its consent in the European economic area. However, this does not apply whenever there are legitimate grounds for the prohibition, such as when the goods are modified or altered after being placed in the market.

1.7 Symbols to Denote Trade Marks

While registration is in force, the owner may use the words “Registered Trademark” (or R.T.) (M.R. for *Marca Registada* in Portuguese) or the ® symbol, which is more common.

2. ASSIGNMENT AND LICENSING

2.1 Assignment Requirements or Restrictions

Assignment of trade marks must be made in writing and can either be:

- total or partial; and
- free of charge or subject to a payment.

When a trade mark assignment is partial, this must be made clear in the written agreement, with an unequivocal indication of the part being assigned. If a trade mark contains the personal name or the business or company name of the trade mark holder or applicant, an express clause is necessary for its transfer.

2.2 Licensing Requirements or Restrictions

Licence agreements must be written and can either be:

- total or partial (eg, for only a part of the goods and services); and

- free of charge or subject to a payment.

Also, licences can cover all or part of the Portuguese territory and can last for the entire term of the registration or less than that. Licences are presumed to be non-exclusive (ie, when exclusivity is intended by the parties, this must be expressly foreseen in the respective agreement). Unless provided otherwise:

- the grant of an exclusive licence does not prevent the holder from exploiting the licensed trade mark; and
- the right acquired through a licence may not be assigned without the holder's written consent.

Furthermore, if granting sublicences is not expressly authorised, this shall be subject to the holder's written consent.

2.3 Registration or Recording of the Assignment

Assignment and licensing of a trade mark registration or application must be recorded before the Portuguese Industrial Property Office (*Instituto Nacional da Propriedade Industrial* or INPI) in order to be effective before third parties. This is a requisite for the agreement's full effectiveness, ie, failure to record it does not affect its validity nor the possibility of the parties invoking the agreement between themselves. Also, there is no specific deadline to promote the recordal.

For assignments, this may be requested either by the transferor or the transferee, and regarding licences, by either the licensor or the licensee. Upon recordal, trade mark assignments and licences are also subject to publication in the Industrial Property Bulletin (not the whole agreement, but only essential aspects, eg, identification of the involved Parties).

2.4 Other Requirements for Licences or Assignments to be Valid

There are no other requirements.

2.5 Assigning or Licensing Applications

All trade mark applications can be assigned or licensed during the application procedure. However, should a trade mark application be subject to one or more licences, its refusal implies the expiry of any licence granted meanwhile.

2.6 Trade Marks as Security

Trade mark registrations and applications may be subject to garnishment and seizure, as well as given by way of security or subject to other forms of confiscation of property under Portuguese Law. All these actions shall be subject to recordal before the INPI.

3. REGISTRATION

3.1 Trade Mark Registration

Under Portuguese Law, registration is a legal condition for trade mark protection and grant of exclusive rights regarding a trade mark. As a general rule, the first-to-file principle applies. The same standards apply in relation to all types of trade marks.

3.2 Trade Mark Register

Registrations are made before the INPI, which provides an on-line and publicly available register, including information on national and European trade marks, as well as international registration trade marks in force in Portugal.

In what concerns EU trade marks, this register links directly to European Union Intellectual Property Office's eSearch on-line database. It is usual practice to conduct searches for earlier trade marks before filing an application, with a view to avoid potential oppositions or ex officio refusals by the INPI.

3.3 Term of Registration

Registration lasts for ten years as from the date of application and may be indefinitely renewed, totally or partially (for some of the goods and/or services), for identical periods, subject to the payment of the applicable renewal fees, within the six-month period before expiry. In the period of six months after the expiry date, renewal is still admissible provided that the corresponding fees and an accrual are paid.

The trade mark owner might also renew the registration within one year after publication of the notice of expiry in the Industrial Property Bulletin, subject to the payment of three times the amount of fees due.

3.4 Updating or Refreshing Registrations

In principle, a registered trade mark must be kept unaltered and any change to its constitutive elements shall be subject to a new registration. However, simple modifications that do not prejudice the trade mark's identity and only affect, for instance, its dimensions or the respective colour (if this has not been expressly claimed as a specific feature), are allowed.

4. APPLYING FOR A TRADE MARK REGISTRATION

4.1 Application Requirements

Trade mark registration is obtained following an administrative procedure involving both the INPI and any interested parties, and may be applied for by any natural or legal person.

Any application must be made in a form indicating:

- the applicant's name, address, ID or tax number (if resident in Portugal) and e-mail address; and

- the goods and/or services which the trade mark intends to distinguish defined in precise terms (according to Nice Classification), with multi-class applications being allowed.

Such form shall be accompanied by a graphic representation of the sign or other form of representation which enables clear and precise determination of the scope of protection aimed by the applicant. When the application claims protection for a certain combination of colours, such colours must be specifically indicated. When the applicant intends to register a collective or certification or guarantee mark, as well as a three-dimensional, sound, hologram, multimedia or motion mark, this shall be expressly indicated. Also, when applicable, the application must include:

- the country of the first application (and the respective date and number), if the claimant wishes to claim priority;
- authorisation from any person who is not the applicant and whose name or portrait may feature in the trade mark;
- indication of the legal and statutory provisions or internal regulations that govern the use of a collective or certification or guarantee trade mark;
- authorisation to include in the trade mark any symbols, crests, emblems or distinctions of the State, municipalities or other Portuguese or foreign public or private bodies, and any signs covered by Article 6 ter of the Paris Convention;
- authorisation to include in the trade mark signs of a high symbolic value, eg, religious symbols; and
- a transliteration and, if possible, a translation of any inscriptions characters outside the Latin alphabet that feature the trade mark.

4.2 Use in Commerce Prior to Registration

There is no requirement that an applicant uses its mark prior to registration and in principle no protection arises from mere use (without the respective registration). Nevertheless, whoever uses an unregistered trade mark for a period not exceeding six months, and proves that use, has the right of priority, during that period, to apply for registration, and can oppose to other applications from third parties.

Genuine/serious use of a trade mark requires use in its registered form or in a form that only differs in elements that do not alter the mark's distinctive character, including use by a third party, provided that this is controlled by the proprietor. Any evidence submitted to prove a trade mark's prior use (eg, advertising banners, invoices, etc) is subject to the INPI's free assessment.

4.3 Series Mark Registrations

Registration of series marks is not allowed.

4.4 Consideration of Prior Rights in Registration

The INPI examines relative grounds of refusal based on ex officio searches for earlier potentially conflicting IP rights. Also, the owner of an earlier registration can provide a declaration of consent or participate in an assignment to allow the subsequent registration of another trade mark.

4.5 Consideration of Third-Party Rights in Registration

Third parties have the right to participate during the registration procedure by filing an opposition or third-party observations. There must be an interest to participate, which shall be briefly alleged and which may correspond, for instance, to the ownership of an earlier right which the third party aims to protect. Applicants have the

right to reply to oppositions or third-party observations.

4.6 Revocation, Change, Amendment or Correction of an Application

While amendments or corrections are possible during the registration procedure, after the application's publication amendments are only allowed to:

- limit the list of goods and/or services;
- change the applicant's name or address; and
- amend typos or transcription mistakes; and
- only as long as this does not affect the essential characteristics of the applied trade mark (eg, the word or figurative elements which form it) and does not extend the applied list of goods and/or services.

The applicant may withdraw its application.

4.7 Dividing a Trade Mark Application

The applicant may promote the division of an application into various divisional applications, which keep the original application date (or priority date, if applicable), but any divisional application may only include elements which were contained in the original application as filed.

4.8 Incorrect Information in an Application

When incorrect information is found, arising from a material error regarding, eg, the applicant's identification and related information is detected, the interested party may request a modification of such information before the INPI, which, as a matter of principle, also notifies the interested party to promote any necessary modification should incorrect information be detected ex officio.

4.9 Refusal of Registration

Registration can be refused on absolute grounds if the trade mark consists of:

- signs that cannot be represented graphically or in any other form that allows the clear and precise determination of the scope of protection granted to the owner;
- signs devoid of any distinctive character;
- signs that exclusively consist of the form imposed by the nature of the good itself, the form of the product necessary for obtaining a technical result or the form that confers a substantial value on the goods;
- signs that:
 - (a) are exclusively made up of indications that may serve in commerce to designate the type, quality, quantity, purpose, value, geographic origin, or means of production of the good or service, or other characteristics thereof; or
 - (b) exclusively consist of indications that have become common use in modern-day language or in the usual habits of commerce (unless these have acquired distinctive character through use, prior to the date of application);
- symbols, crests, emblems or distinctions of the State, municipalities or other Portuguese or foreign public or private bodies, the emblem and name of the Red Cross or other similar bodies and any signs covered by Article 6 ter of the Paris Convention, unless authorised;
- signs of a high symbolic value, such as religious symbols, unless authorised and unless these have become common use in modern-day language or in the usual habits of commerce of the respective goods and services and are accompanied with signs conferring distinctive character;
- expressions or figures that are contrary to the law, morals and public order (such as trade marks with immoral or offensive meaning);
- signs that may mislead the public, namely as to the nature, properties, utility or geographic origin of the goods or services;
- signs that breach national or European legislation or conventional rules regarding the protection of geographical indications and designations of origin;
- signs that contain, as a whole or in some of its elements:
 - (a) traditional terms for wines;
 - (b) traditional specialities guaranteed; and
 - (c) protected plant varieties, which are protected by EU legislation or international conventions in which EU is a party; and
- the Portuguese national flag or some of its constitutive elements or a sign that contains the Portuguese national flag among other elements and could:
 - (a) mislead the public as to the geographic origin of the goods or services;
 - (b) lead the consumer to erroneously think that the goods or services come from an official body; or
 - (c) generate disrespect or diminution of prestige for the national flag or its elements.

4.10 Remedies against the Trade Mark Office

At the first stage, when the INPI considers there are grounds of refusal of the registration, it issues a provisional refusal order, which is notified to the applicant. The applicant may reply within one month (which may be extended for one additional month), with a view to overturn this decision, notably by:

- limiting the list of goods and/or services;
- pronouncing on the grounds raised by the INPI;
- requesting that INPI notifies the holder of the registration which grounded the refusal (if based on relative grounds and if such registration was granted at least five years before the date of application) to submit evidence of genuine use of the respective trade mark; and

- filing a declaration of consent issued by the holder of the registration which grounded the refusal (if based on relative grounds).

If the applicant's response leads to the conclusion that the provisional refusal was unfounded or that any objections were eliminated, the INPI will in principle grant the registration within one month. If it does not, the provisional refusal turns into a definitive decision, which may be appealed by the applicant before the Intellectual Property Court ("IP Court") within two months as from publication of such decision.

4.11 The Madrid System

Portugal participates in the Madrid System. An application for international registration is made on a special form that is submitted to the INPI, in accordance with the provisions of the Madrid Agreement (or Protocol). The procedure is similar to national registration procedures, but the INPI has to inform the WIPO when an international registration (or a subsequent designation) is refused, either provisionally or definitively.

5. OPPOSITION PROCEDURE

5.1 Timeframes for Filing an Opposition

An interested party may submit an opposition within two months as from publication of the application. This period may be extended for one additional month, upon a briefly grounded request for such purpose.

5.2 Legal Grounds for Filing an Opposition

The majority of oppositions are based on earlier trade mark rights, which opponents seek to protect from confusingly similar trade marks being applied for. However, oppositions may be based in all absolute and relative grounds for refusal, including reproduction or imitation

of other IP rights, such as logotypes, company names, designations of origin, geographic indications, as well as unfair competition or copyright infringement. While dilution is recognised amongst scholars, it is not expressly foreseen in national legal rules.

5.3 Ability to File an Opposition

Oppositions may be filed by whoever feels they would be prejudiced if the registration at stake was granted, with no need for legal representation or ownership of a trade mark registration. The current official fees for submission of an opposition are EUR53.87 (online) and EUR107.73 (on paper).

5.4 Opposition Procedure

Oppositions must be filed within two months following the publication of the application in the Industrial Property Bulletin and applicants have the right to reply within two months as from notification of the opposition. Both these terms may be subject to extension for one additional month. All parties may submit any documental evidence deemed convenient.

In the applicant's reply, this may inter alia rebut the opponent's allegations and request that the opponent provides evidence that the trade mark serving as the basis was subject to genuine use for five consecutive years prior to the date of application or the claimed priority date, if it has been registered for at least five years. This will lead to a notification to the opponent to submit proof of trade mark use and should it fail to do so or submit insufficient evidence of such use, the opposition is rejected. Opposition proceedings are subject to a decision by the INPI, with no hearing taking place, and such decision may be appealed by both the applicant and the opponent(s), depending on whether registration is refused or granted (totally or partially).

5.5 Legal Remedies against the Decision of the Trade Mark Office

The INPI's decisions granting or refusing a trade mark registration, or granting or refusing the revocation or declaration of expiry of a registration, may be appealed before the IP Court within two months as from the publication of the decision, by the trade mark applicant or owner, those that filed an opposition, those that requested the revocation or anyone directly harmed by the decision. After the appeal is filed, 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. The IP Court usually decides in around one year.

These decisions may be appealed before the Lisbon Court of Appeal within 30 days, under the general rules of civil procedure, and the opposing party is also summoned to respond within 30 days. A decision from the Lisbon Court of Appeal, which has a specialised section dedicated to Intellectual Property and Competition, Regulation and Supervision, is issued in one to two years. An appeal of this second appeal decision to the Supreme Court of Justice is only possible in specific and rare circumstances.

6. REVOCATION/ CANCELLATION PROCEDURE

6.1 Timeframes for Filing Revocation/ Cancellation Proceedings

A request for revocation of a trade mark registration, regardless of its grounds, must be filed within five years as from the order that granted it. A request for cancellation of a trade mark registration may be filed at any time while registration is in force. A request for cancellation based on lack of genuine use may only be filed after five consecutive years as from the date of registra-

tion, ie, the period after which a trade mark registration is subject to cancellation on such basis.

6.2 Legal Grounds for Filing a Revocation/Cancellation Proceeding

A trade mark registration may be revoked, for instance, when:

- the owner does not have the right to it;
- the trade mark consists of a reproduction or imitation of all or part of a trade mark previously registered for identical or similar goods or services that may mislead or confuse the consumer or present a risk of association with the earlier trade mark (the same applies to logotypes and infringement of other rights, eg, company names, *mutatis mutandis*);
- the trade mark consists of names, portraits or any other 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;
- when it allows unfair competition acts; and
- the trade mark constitutes a reproduction or imitation of certain unregistered external features, namely packaging or a label, including the form, colouring and layout, and other elements proven to have been demonstrably used previously by others in their registered trade marks.

A trade mark registration may be cancelled due to *inter alia*:

- lack of payment of renewal fees;
- lack of genuine use within the five consecutive years following the date of registration;
- the fact that the trade mark itself became the usual designation in commerce for the good or service for which it was registered, as a consequence of the activity or inactivity of the proprietor; and/or
- the fact that the trade mark became likely to mislead the public, namely as to the nature,

quality or geographic origin of the goods or services, as a result of the trade mark use carried by its owner or an authorised third party.

6.3 Ability to File a Revocation/Cancellation Proceeding

A revocation/cancellation proceeding may be initiated by any interested party (eg, the owner of a prior IP right which may be deemed infringed by the trade mark registration being revoked), who shall briefly allege such interest when filing the respective request (eg, by reference to the earlier rights that ground it) and who must be represented by an Industrial Property Official Agent, an attorney or a solicitor for this purpose.

6.4 Revocation/Cancellation Procedure

Both revocation and cancellation requests must be filed before the INPI. However, revocation may be requested before a civil court when it is filed as a counterclaim (eg, in the context of the defence against an infringement action).

6.5 Partial Revocation/Cancellation

Partial revocation is possible, for instance, when the grounds of revocation (eg, imitation of an earlier trade mark) are only verified in relation to part of the goods and services distinguished by the trade mark subject to the revocation request. Partial cancellation is possible, for instance, if the trade mark is subject to genuine use only in relation to part of the goods/services.

6.6 Amendment in Revocation/Cancellation Proceedings

The trade mark owner may file a request to waive (all or) part of its rights while revocation proceedings are pending. Should this be the case, those requesting for revocation are notified of this circumstance and shall inform whether the revocation proceedings shall continue or terminate. If they fail to respond or inform that the revocation proceedings should terminate, the waiver is

accepted and the revocation request is deemed withdrawn.

If the revocation proceedings continue and the INPI declares the revocation of the registration as a whole, the waiver does not produce any effects. If the revocation is partial, the waiver will be effective only in relation to the goods or services which were not affected by the revocation.

6.7 Combining Revocation/Cancellation and Infringement

Revocation and infringement are only heard in the context of the same action by the IP Court if revocation is requested as a counterclaim within the defence against an infringement action and only if no request for revocation was filed before the INPI prior to such counterclaim. In what concerns timing, infringement cases typically take longer to reach a final decision in first instance, notably since there is usually a trial hearing (which in principle will not take place in a revocation proceeding).

6.8 Measures to Address Fraudulent Marks

There are no special procedures to revoke or cancel trade marks that were filed fraudulently.

7. INITIATING A LAWSUIT

7.1 Timeframes for Filing Infringement Lawsuits

Civil remedies for trade mark infringement might be claimed at any time. However, claim for compensation for damages and losses should be brought within three years counted from the date when the injured party became aware of the right it is entitled to.

Criminal remedies should be initiated by a complaint lodged by the injured party within six months of the date the crime was committed.

The right to file a criminal complaint ceases if a civil claim based on the same facts as the prospective criminal complaint has been brought previously.

7.2 Legal Grounds for Filing Infringement Lawsuits

Remedies for infringement of registered trade marks foreseen in the IPC are mostly in line with Directive 2004/48/EC on the enforcement of intellectual property rights.

Enforcement disputes are typically resolved through civil proceedings filed before judicial courts, namely preliminary and definitive injunctions prohibiting the infringing conduct or the continuation thereof, and damages claims in case of negligent or wilful infringement.

Besides judicial civil proceedings, other remedies such as arbitration and criminal remedies are available.

If the infringement of the registered trademark results from use of the trade mark within a domain name under the top-level domain (TLD) “.pt” (corresponding to Portugal), the court decision or arbitral award ordering the removal of the domain name should be implemented by the private non-profit Association DNS.PT, which succeeded the Foundation for National Scientific Computation. In principle, no protection is available for unregistered trade marks. Nonetheless, unregistered trade marks might be enforced on the grounds of unfair competition, provided that infringement can be construed as an act of confusion or undue association that contravenes business rules and honest commercial practices.

7.3 Parties to an Action for Infringement

The parties to an action for infringement necessarily are the registered trade mark owner and the infringer(s). Non-exclusive and exclusive

licensees have also legal standing to instigate infringement proceedings provided that:

- the licence agreement does not exclude the right of action; and
- the registered trade mark owner consents to it.

Exclusive licensees are entitled to instigate infringement proceedings if the registered owner does not file the proceedings within a period of six months as from a formal notice for such purpose.

Both non-exclusive and exclusive licensees are entitled to intervene within infringement actions aiming at file his/their damage claims.

Trade mark applicants might file infringement actions before registration but after the written pleas the proceedings are stayed and the final decision on the merits will only be rendered after the registration is granted.

7.4 Representative or Collective Actions

Portuguese legal system does not contain any rules regarding class actions for the enforcement of trade marks.

7.5 Prerequisites and Restrictions to Filing a Lawsuit

There are no mandatory prerequisites or formalities that need to be undertaken to file an action for infringement (such as warning letters). Even though they have no procedural effects, it is customary to send out warning or cease-and-desist letters, being them advisable for damage claims, before filing the proceedings.

The following restrictions to file an infringement action should be considered:

- exhaustion;

- acquiescence;
- lack of genuine use causing ground for cancellation;
- abuse of right;
- breach of competition rules; and
- conflict with other fundamental rights.

7.6 Initial Pleading Standards

Enforcement disputes through civil proceedings are filed before the IP Court under the general regime provided for in the Portuguese Civil Procedural Code (CPC).

Within the initial claim, all facts regarding the enforced rights, the infringement actions and, if applicable, damages, should be alleged, and the types of evidence to be produced (testimony by means of declarations by the parties or witnesses, documents, technical expertise and judicial inspection) should be listed/attached.

Additional Arguments

Additional arguments on the infringement cannot be filed. If there are new infringing acts or damages (occurring after the initial claim), additional briefs and claims are allowable until the final decision, provided that timely filed:

- within the preliminary hearing (if scheduled);
- or ten days after the notice on the date for the final hearing (if scheduled); or
- at the final hearing (if scheduled).

Defence

The defendant might respond to the initial claim through a fully substantiated defence, being allowed to file a counterclaim on revocation. The defendant should also list/attach to the defence any evidence to be produced.

Modifying or Adding Evidence

If the preliminary or final hearing are scheduled, the claimant and the defendant are entitled to modify or include new evidence at a later stage.

Counterclaim

If a counterclaim on revocation/cancellation is filed within the defence, and subject to the parties' request and mutual acceptance, the IP Court might stay the proceedings and invite the defendant to file a request for revocation before the INPI, under penalty of the counterclaim in the infringement action being deemed as withdrawn.

7.7 Lawsuit Procedure

The judicial courts with jurisdiction to hear civil enforcement proceedings are:

- the IP Court, where the action should be filed;
- the Lisbon Court of Appeal (second instance court where the decisions of the IP Court are appealed to); and
- the Supreme Court of Justice (third instance court wherein appeals are only possible in specific and rare circumstances).

Besides judicial courts, parties can agree to submit a dispute to an arbitral tribunal. Before filing civil enforcement proceedings, besides lawyer fees for the advice and additional support (eg, drafting warning letters and initial claim), expenses with certified copies and translations (in the context of judicial proceedings) for evidentiary purposes might be required.

7.8 Effect of Trade Mark Office Decisions

The decision on revocation by the INPI is mandatory to judicial courts and has the following effects on infringement actions:

- if the revocation request was previously filed before the INPI and a counterclaim for revocation is filed within the defence of the infringement action, the judicial action is stayed until the INPI renders its decision or the revocation request is withdrawn; and
- if the INPI has issued a decision dismissing an identical revocation claim, the revocation

counterclaim in the infringement action is dismissed.

7.9 Declaratory Judgment Proceedings and Other Protections for Potential Defendants

The alleged infringer can start declaratory proceedings aiming at obtaining a judgment on non-infringement before the IP Court, with no prerequisites or formalities.

7.10 Counterfeiting

Counterfeiting – either by using counterfeit or imitated trade marks in goods, packages or services, or by counterfeiting or imitating well-known trade marks for which registration has already been applied for in Portugal, or by importing, exporting, distributing or launching in the market for the said purposes goods or packages with counterfeit or imitated trade marks – constitutes a criminal offence punishable with imprisonment for up to three years or a fine that can amount up to EUR180,000.

8. LITIGATING TRADE MARK CLAIMS

8.1 Special Procedural Provisions for Trade Mark Proceedings

Preliminary injunctions (PI) are subject to special procedural provisions from the IPC, namely:

- if actual infringement is already being committed, the applicant only has to demonstrate the ownership of a registered trade mark 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); and
- the defendant may request that a bond is posted by the applicant, to secure possible compensation for damages, provided that it proves the applicant's liability.

In trade mark enforcement proceedings, there are no technical judges. The judges, to whom the proceedings are randomly allocated, decide based on:

- the rules of the burden of proof (on the enforced rights and infringement), which lies on the claimant; and
- the general principle of free assessment of evidence (except for certain types of evidence, such as authentic documents, ie, issued by public authorities within their scope of jurisdiction and in compliance with the applicable legal formalities).

8.2 Requirement to Establish Use of a Sign as a Trade Mark

The claimant/applicant has to establish that the defendant has used the sign as a trade mark (ie, in connection to certain goods/services), in contrast to a purely descriptive use.

8.3 Factors in Determining Infringement

Infringement consists in the unauthorised use (wholly or in part) by third parties, of:

- an identical sign, for identical goods or services;
- an identical or similar sign, for identical or similar goods, if there exists a likelihood of confusion on the part of the public, or if it entails a risk of undue association; or
- identical or similar sign to a prestigious trade mark, even for goods or services that are not identical or related, whenever use of the subsequent trade mark seeks to take undue advantage of or harm the distinctive character or reputation of an earlier trade mark.

Arguments that would be considered and assessed are the comparison of the goods and services to establish similarity (nature, intended purpose, methods of use, complementarity, competition, distribution channels, relevant pub-

lic), the degree of similarity between the signs and the degree of distinctiveness and reputation of the infringed trade mark.

8.4 Elements of Other Trade Mark Claims

Dilution is not expressly foreseen in national legal rules as a ground for an infringement action. However, as underlined by scholars, dilution should be considered in infringement actions regarding trade marks with a certain reputation.

A decision ruling the infringement might also order inhibitory measures, such as temporary prohibition to perform certain professional activities, or to participate in fairs or markets, and a temporary or definitive closure of the business or removal of domain names (in case of cyber-squatting).

8.5 Effect of Registration

Registration of trade marks constitutes a legal requirement for enforcement proceedings. Registered IP rights are legally presumed valid and thus the burden of proof for revocation lies on the defendant.

Regardless of registration, enforcement proceedings are prevented due to exhaustion, acquiescence and lack of genuine use causing ground for cancellation.

8.6 Defences against Infringement

Grounds for defence against infringement include:

- no identity or similarity of goods/services;
- no similarities between allegedly infringed trade mark and used sign and/or no likelihood of confusion or risk of association;
- use outside the course of trade;
- purely descriptive use;
- consent from the trade mark owner or licensee;

- lack of genuine use of the invoked trade mark;
- invalidity of the invoked trade mark;
- exhaustion;
- acquiescence;
- abuse of right;
- breach of competition rules; and
- conflict with other fundamental rights.

8.7 Obtaining Information and Evidence

Under the IPC, and as a result of the transposition of Directive 2004/48/EC on the enforcement of intellectual property rights, the following measures for obtaining information and evidence are available:

- presentation of evidence and information in the possession of, held by, or under the control of the opposing or a third party;
- presentation of banking, financial, accounting or commercial documents; and/or
- seizure of the infringing goods and materials and instruments used in producing and distributing said goods, as well as documentation pertaining to them.

The evidence and information measures might be asked as a pre-emptive action, or as a claim within the civil main infringement action.

8.8 Role of Experts and/or Surveys

Experts may have the following roles in infringement proceedings:

- as technical advisors to assist the court;
- as technical advisors to assist the parties/their attorneys;
- deposing in trial as expert witnesses;
- providing written opinions on behalf of the parties; and
- providing written expert evidence, conducted by a single expert or a team of experts, by decision of the court.

In trade mark infringement proceedings, experts usually take the roles referred to in points three to five, such evidence being subject to the general principle of free assessment by the Court.

8.9 Trade Mark Infringement as an Administrative or Criminal Offence

Under the IPC, the following constitute administrative offences:

- unfair competition;
- use of unlawful trade marks; and
- invocation or undue use of private rights.

The following acts constitute criminal offences punishable with imprisonment for up to three years and/or a fine:

- violation of exclusive rights; and/or
- counterfeiting, imitation and illegal use of a trade mark.

The trade mark owner can bring a criminal action by filing a complaint before the Public Prosecutor or a police authority.

The investigation is conducted by criminal authorities but the trade mark owner can file a request to be an assistant. In case of indictment of the alleged infringer, the file is delivered to the criminal court for a judgement. In case of non-indictment, the trade mark owner may request that such decision of the Public Prosecutor is reassessed by a judge of the criminal court. If the decision is reversed to a decision of indictment, the file is delivered to the criminal court for a judgement. The decision of the criminal court may be appealed to the second instance court.

8.10 Costs of Litigating Infringement Actions

Filing enforcement proceedings is subject to the payment of a court levy, which varies in accord-

ance with the value of the proceedings, that depends on the value of the claims.

In the end of the proceedings, the liable party (usually the losing party) has to pay the entirety of court fees (or the proportion of its liability in the court fees), varying in accordance with 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 EUR50,000.

9. REMEDIES

9.1 Injunctive Remedies

Preliminary injunctions (PI) are available both on the basis of the threat of or actual infringement. 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 a PI turns out to be unjustified, the applicant may be liable for damages.

Other measures might also be obtained as preventive actions:

- measures on obtaining and preserving evidence and information are available;
- preventive seizure of goods or of bank accounts, subject to evidence on circumstances that compromise the granting of a compensation on damages.

The defendant might oppose a PI resorting to all defence arguments available.

9.2 Monetary Remedies

The Court decision ruling on trade mark infringement might grant:

- a penalty payment for non-compliance with the prohibition of infringement and its continuation, which might be granted ex officio based on the loss of profit suffered by the applicant; or
- the compensation for actual damages, which have to be expressly claimed and evidenced, determined in accordance with the profit obtained by the infringer, the resulting damages and loss of profit suffered by the applicant, the expenses with the trade mark enforcement and with the investigation and termination of the harmful conduct, as well as the revenue resulting from the infringer's unlawful conduct.

No punitive damages can be claimed, but the IP Court shall consider non-pecuniary damages.

If it is impossible to ascertain, in accordance with the above principles (the actual damage principle), the amount of damages suffered by the injured party and provided that the latter does not oppose thereto, the IP Court may establish 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 infringing party had been authorised to use the trademarks in question (ie, hypothetical royalties) and the expenses incurred with the enforcement and with the investigation and termination of the harmful conduct.

9.3 Impoundment or Destruction of Infringing Articles

The Court decision ruling on the infringement might also order certain measures on the infringing goods, such as recall, removal from the channels of commerce, or destruction.

Such measures are subject to a standard of necessity and proportionality and shall consider the interests of the parties involved, the inter-

ests of third parties and, in particular, those of consumers.

9.4 Attorneys' Fees and Costs

Each party is liable for the costs of litigation during the proceedings. The winning party may ask the losing party to reimburse all court levies paid by the winning party, plus 50% of the whole amount of court levies paid by the parties to compensate attorney's fees, as well as the costs incurred in with translations, witnesses' displacement, court's advisory, experts (when expertise is ordered by the court) and certificate fees (when ordered by the court).

9.5 Ex Parte Relief

Measures for obtaining information and evidence might be ruled ex parte, provided that it is argued and evidenced that a delay in implementing the measures may cause irreparable damages to the claimant, or whenever there is a serious risk of destruction or suppression of evidence.

After an ex parte decision adopting such measures, the defendant receives the notice from the IP Court and, subject to substantiation of facts not considered and evidence thereto, might request the same to be modified or revoked.

9.6 Rights and Remedies for the Prevailing Defendant

The prevailing defendant is entitled to claim for:

- compensation for damages caused by injunctive remedies, whenever the same are unjustified or cease to produce effects due to claimant's liability, as well as in cases in which it is proven that there was no infringement or that the fear for serious and hardly repairable harm was unfounded; and/or
- reimbursement of court costs as the winning party.

9.7 Customs Seizures of Counterfeits or Criminal Imports

Customs procedures follow Regulation (EU) No 608/2013 concerning customs enforcement of intellectual property rights.

The Portuguese customs authority might seize any goods under their control which are suspected of trade mark infringement, ex officio or with a prior custom action application.

After suspending the release of the goods, the authority informs the trade mark owner and notifies the holder of the goods.

In a ten business days period from the information/notification, the trade mark owner must:

- confirm the infringement and the parties' agreement on the destruction of the goods that would be carried out under customs control and under the responsibility of the trade mark owner; and
- confirm the infringement and the filing of enforcement proceedings (if no agreement on the destruction is reached).

The Portuguese customs authority tends to be quite efficient in relation to trade marks.

9.8 Different Remedies for Different Types of Trade Marks

There are no different types of remedies for different types of trade marks.

10. RESOLVING LITIGATIONS

10.1 Options for Settlement

Trade mark disputes might be settled any time, prior to a definitive decision being issued. Within the preliminary hearing, parties are asked whether they intend to settle.

There are no mandatory formal requirements, but it would be advisable to file a request containing the full settlement, which would be homologated by the court decision, thus benefiting from enforceability.

10.2 Prevalence of ADR

Alternative dispute resolution (ADR) remedies are possible and available, but these are not mandatory, ie. they are subject to parties' agreement.

Arbitration is the most common form of ADR. In Portugal, the institutionalised arbitration centre ARBITRARE has jurisdiction to resolve disputes related to industrial property rights, including domain names and company names.

10.3 Other Court Proceedings

The revocation request filed before the INPI with regard to a certain trade mark is a ground for staying an infringement action related to that trade mark.

11. APPEAL

11.1 Timeframes for Appealing Trial Court Decisions

IP Court's decisions are subject to appeal before the Lisbon Court of Appeal within 30 days as from the notification of the decision (or 40, if the reappraisal of the records of the hearing and testimonies provided therein is requested) 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.

Certain interlocutory decisions from the IP Court, eg, decisions granting a stay of the proceedings, should be appealed within 15 days as from the notification of the decision.

The Lisbon Court of Appeal is currently taking around six to twelve months to decide an appeal.

An appeal to the Supreme Court of Justice within 30 days as from the notification of the decision of the Lisbon Court of Appeal is possible, although the admissibility requirements are much stricter.

11.2 Special Provisions for the Appellate Procedure

There are no special provisions concerning the appellate procedure for trade mark proceedings, being applicable the general provisions of the Civil Procedure Code.

11.3 Scope of the Appellate Review

The awards of the Lisbon Court of Appeal and of the Supreme Court of Appeal are rendered by panels of three judges.

The Lisbon Court of Appeal has some powers to modify the decision on the facts, based on records of the trial and written evidences.

The subject of the appeal to the Supreme Court of Justice is limited to legal matters and interpretation.

12. TRADE MARKS AND OTHER INTELLECTUAL PROPERTY

12.1 Copyright and Related Rights

A sign able to be protected by trade mark registration might also be protected by a logotype registration or by copyright, provided that the respective requirements are met.

Previous logotype, copyright or related rights might constitute ground for refusal of trade mark applications, and ground for revocation of trade mark registrations.

Registration of trade marks may be refused or revoked when names and surnames are used without the authorisation of the persons they

relate to or, if these are deceased, of the heirs or relatives or, even if authorisation is obtained, if the use of the name generates disrespect or negatively affects the prestige for those persons.

12.2 Industrial Design

A sign able to be protected by a trade mark registration might also be protected by industrial design, provided that the respective requirements are met.

12.3 Rights of Publicity and Personality

Celebrities might seek protection for their own name and figure by means of trade mark registrations.

12.4 Unfair Competition

Under the IPC, any act that contravenes business rules and honest commercial practices, including, eg, acts susceptible of creating confusion with competitors and their products/services, as well as unauthorised references made with the purpose of benefitting from the reputation or credit of a third party's name or trade mark, should be considered an act of unfair competition, and can ground a civil claim (alone or together with trade mark infringement).

13. ADDITIONAL CONSIDERATIONS

13.1 Emerging Issues

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, 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 fault or negligence of the IP holder that applied for the PI. In a 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.

13.2 Trade Marks and the Internet

No special rules are applicable with regard to trade marks on the internet.

13.3 Trade Marks and Business

In general, there is no legal requirement for any business to register its trade marks. However, in the wine sector, there are special rules requiring the registration of trade marks for business development (namely for the promotion or marketing of wine products).

VdA is an international law firm noted for top-quality legal advice and cutting-edge innovation. A profound business know-how coupled with a highly specialised cross-sector legal practice enable the firm to effectively meet the increasingly complex challenges faced by clients. Through VdA Legal Partners, clients have access to a wide sectorial coverage and a team of lawyers across seven jurisdictions: Portugal, Angola, Cabo Verde, Equatorial Guinea, Mo-

zambique, Sao Tomé and Príncipe, and Timor-Leste. VdA's IP practice team has very experienced practitioners mainly focused on patent, trade mark, design and unfair competition litigation, particularly as advisers to the highest-profile pharmaceutical companies in the market, and has also been involved in the most complex patent litigation (civil and arbitration) cases in Portugal.

AUTHORS



Ana Falcão Afonso is a principal consultant at VdA. She obtained her law degree from the Catholic University, and her postgraduate qualification in intellectual property from the

University of Lisbon. From 1997-2011, Ana worked as associate and managing associate in the litigation practice, where she was involved in several judicial and arbitration procedures, on civil and commercial matters, including enforcement of trade marks and patents. From 2011-18, Ana joined the knowledge management department, as PSL, collaborating with the intellectual property and the litigation and arbitration practices. In 2019, Ana joined the intellectual property area, focusing on IP litigation, notably regarding trade marks and pharmaceutical patents.



João Carlos Assunção is an associate at VdA. He obtained his law degree from the University of Porto and has an advanced postgraduate qualification in corporate law.

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. In 2016, after an internship in the knowledge management department, João joined the intellectual property practice, where he has been providing legal and strategic advice in industrial property law (trade marks, designs, patents), particularly in the context of administrative, civil and arbitral litigation in relation to pharmaceutical patents.

VdA Legal Partners

Rua Dom Luís I, 28
1200-151 Lisboa
Portugal

Tel: +351 21 311 3400
Fax: +351 21 311 3406
Email: afa@vda.pt
Web: www.vda.pt

