

Portugal

Contributing firm

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1. Legal framework

National

In Portugal, trademarks are governed by the Industrial Property Code (approved by Decree-Law 36/2003), which entered into force on July 1 2003.

The Industrial Property Code contains rules not only on trademarks and service marks, but also on patents, utility models, semiconductor topographies, models and designs, names and insignias of establishment, logos, appellations of origin and geographical indications. The code additionally includes provisions on protection against unfair competition.

International

Portugal is a founder member of the Paris Convention for the Protection of Industrial Property and of the Madrid Agreement on International Trademark Registration. It is also a signatory to the following international trademark treaties:

- the Nice Agreement on the International Classification of Marks;
- the Lisbon Agreement on the International Registration and Protection of Appellations of Origin;
- the Madrid Agreement (Indications of Origin); and
- the Madrid Protocol.

2. Unregistered marks

Protection

Article 227 of the Industrial Property Code establishes a priority right for unregistered marks.

It provides that anyone who uses a free or unregistered trademark for a period of up to six months will enjoy a priority right to register

the mark during that six-month period, and may oppose applications filed by others during such period.

Use requirements

According to administrative and judicial practice, there are no specific use requirements to establish such priority rights. Rather, this depends on the individual facts of each case – for instance, the nature of the goods or services for which the trademark is used.

3. Registered marks

Ownership

Any individual or legal person – including a trader or holding company – with a lawful interest in a mark may seek its registration. An entity that protects or controls economic activities may have the right to use collective marks to distinguish goods resulting from such activities or originating from certain regions.

Scope of protection

Protected: Under Portuguese law, a mark may consist of a sign or set of signs which is capable of being represented graphically – in particular, words, including personal names, designs, letters, numerals, sounds or the shape of goods or their packaging – provided it is also capable of distinguishing the goods or services of one company from those of others.

This definition, set out in Article 222 of the Industrial Property Code, follows closely the definition included in the First Trademarks Directive (89/104/EEC) and the Community Trademark Regulation (40/94).

Not protected: Article 223 of the code lists the following exceptions which cannot be registered as a trademark:

- marks that are devoid of distinctive character;

- marks comprised exclusively of the shape of the goods, where this results from the nature of the goods, is necessary to obtain a technical result or gives the goods substantial value;
- marks comprised exclusively of indications that may be used commercially to designate the kind, quality, purpose, value, geographical origin or time of production of the goods or provision of the services, or other characteristics of the goods or services;
- marks comprised exclusively of indications that have become customary to describe the goods in current language or in good-faith and established commercial practices; and
- marks comprised exclusively of colours, except where they are combined together or with graphics, wording or other elements in a particular and distinctive manner.

4. Procedures

In Portugal, the exclusive rights to a trademark are established through registration. In principle, the person who is first to file a trademark application enjoys the right to registration.

In accordance with the Paris Convention, priority may be claimed within six months of the filing date of the home application.

Examination

When studying the trademark application, the examiner of the Industrial Property Institute (INPI) will consider both the formal and the substantive aspects of the application. The examiner will thus conduct a search of prior rights entered in the INPI databases, such as marks, logos, names and insignias of establishment, in order to ensure that the application is not identical or similar to any prior right.

Opposition

All applications are published in the *Official Gazette (Industrial Property Bulletin)* for opposition purposes. The deadline for oppositions is two months from publication.

Registration

Once the two-month opposition period has expired, the examiner will make a final decision on whether to grant registration. A refusal to grant registration may be based on formal aspects (ie, the necessary documentation has not been duly filed) or substantive aspects (ie, the existence of a prior identical or similar right).

Any interested party may appeal against INPI's decision within two months of its publication in the *Industrial Property Bulletin* (Article 42 of the code).

If the examiner grants registration, the applicant must pay the final registration tax.

A trademark is valid for 10 years from the date of registration, and protection may be renewed for successive 10-year periods thereafter. If renewal is not requested within the specified period, the trademark can still be renewed up to six months later, upon payment of a fine. Once this six-month grace period has expired, renewal is still possible up to one year after the notice of cancellation, provided it does not prejudice the rights of third parties.

Removal from register

Cancellation: Once the deadline for appeals has expired, cancellation actions may be filed.

Cancellation of a registration is sought by filing a legal action with the Lisbon Commercial Court within 10 years of the date of registration, requesting the annulment of the registration on the grounds that it was granted without full observation of the legal provisions.

Once 10 years have expired since registration, it is possible to file a cancellation action on the grounds of bad faith only.

Revocation: A declaration of intent to use the registered mark must be filed with INPI every five years from registration or renewal; failure to do so may cause protection to lapse. In the case of Madrid Agreement registrations, the declaration must be filed every five years from the date of international registration.

If the mark is not effectively used for five consecutive years, the registration may be cancelled, unless there are legitimate reasons for non-use.

5. Enforcement

Legal actions against trademark infringement must be brought before the courts. The trademark owner may commence a civil action to condemn the infringer, restrain further infringement and claim damages. Where there is evidence of wilful misconduct, damages can also be claimed through a criminal action.

A mark is infringed when someone, without the trademark owner's consent:

- reproduces or totally or partially imitates a registered mark, or uses a counterfeit or imitated mark;
- deceitfully uses on its goods a legitimate, registered mark; or
- sells, offers for sale or puts into circulation goods bearing a counterfeit, imitated or deceitfully used mark.

Damages or lost profits resulting from the infringement can be compensated through a civil action or a request for damages in conjunction with a criminal action.

The trademark owner may also request an injunction against the infringer (if the offending goods are in its possession) or any other party that has the offending goods in its possession.

For many years now, Portuguese Customs has seized infringing goods through *ex officio* actions, as established under Portuguese law and EU Council Regulation 1383/2003. The authorities will launch *ex officio* actions if they suspect that certain goods infringe an IP right. They will not hesitate to withhold goods and inform the rights holder accordingly where their suspicions are aroused, in order to allow the rights holder to examine the goods and take the appropriate action.

Most *ex officio* interventions concern goods being imported from or exported to countries rated as high risk. As it is not possible to control all goods traffic, Customs has developed a 'risk analysis' system similar to that used in many other countries. Under this system, the shipments that are to be physically controlled are selected following an analysis of the transport documents and the place of provenance. Certain signs will ring alarm bells for Customs, such as:

- the place of origin of the merchandise;
- incomplete identification of shipper and/or addressee;
- the kind of goods contained in the shipment;
- unusual transportation routes;
- mixed shipments; and
- the kind of packaging.

When Customs uncovers a suspect shipment, it will retain the goods and inform the rights holder and the declarant or holder of the goods. Often, Customs will first approach the rights holder or its Portuguese representative to inform it of the nature and number of items held.

The rights holder will be allowed to examine the goods and to file the corresponding application for action.

Experience suggests that the Customs post at Lisbon airport operates mainly on an *ex officio* basis.

6. Ownership changes – legalization requirements

Assignments: A trademark registration or application can be transferred, whether for free or for consideration, independently of the goodwill of the business, provided that this does not mislead consumers as to the source of the goods.

The assignment need not be recorded at INPI to be recognized as valid and enforceable between the parties or in the courts. However, it must be recorded in order to be recognized as valid and enforceable against subsequent assignees acting in good faith, other third parties and administrative agencies.

There is no penalty for failure to record a deed of assignment with INPI. However, subsequent use of the mark by the assignee does not count for use requirement purposes if the deed of assignment is unrecorded.

There is no fixed time limit in which to record a deed of assignment. However, it is advisable to record this promptly after execution, to ensure that:

- oppositions and infringement suits may be filed in the assignee's name;
- the use by the assignee supports the registration; and
- INPI notifications regarding cancellation actions on the grounds of non-use are received by the assignee.

In order to record the assignment the following documents are required:

- the deed of assignment;
- a power of attorney from the assignee; and
- the original registration certificate.

If the assignment is part of a worldwide transaction between the assignor and the assignee covering other countries and marks, the deed of assignment submitted may be either:

- the original instrument covering the entire worldwide transaction, with particulars of the local applications and registrations that are to be transferred in Portugal; or
- a deed of assignment concerning only those marks owned by the assignor in Portugal.

If the original instrument covering the entire worldwide transaction is used, it is sufficient to submit a certified copy of or extract from the original instrument. In either case, power of attorney from the assignor is not required, and a notarized and legalized photocopy of the executed deed of assignment may be submitted instead of the original executed document.

The assignor must execute the deed of assignment; execution by the assignee is optional. While the deed of assignment need not be executed under seal or witnessed, it must be notarized and legalized either by a Portuguese consulate or by apostille under the Hague Convention.

The deed of assignment need not indicate an effective date. If no effective date is indicated, the effective date is the date of execution.

A deed of assignment may be backdated, creating a '*nunc pro tunc*' assignment. Thus, in a multinational transaction, if a separate deed of assignment for Portugal is executed some time after the execution date of the purchase agreement for the entire transaction, the Portuguese deed of assignment may be backdated to the date of the purchase agreement.

Similarly, if desired, the Portuguese deed of assignment may have a later (but not earlier) effective date than the purchase agreement.

In either case, the effective date of the transfer of ownership of the mark between the parties is the date specified in the Portuguese deed of assignment. However, Article 30 of the Industrial Property Code provides that the effective date of the transfer of ownership with respect to third parties is the date on which the deed of assignment is recorded at INPI.

A specific power of attorney from the assignee is usually required to record a deed of assignment. According to Portuguese legal practice, this need not be filed immediately with INPI; instead, it may be kept on file by the local trademark representative pending a possible request from INPI. Notarization, consular legalization or apostille under the Hague Convention is not required.

Although there is no tax levied on the assignment of a trademark, the consideration for the transfer must be stated in the deed of assignment. Either the actual value of the marks transferred or a nominal consideration may be specified; a failure to state accurately the true consideration will not jeopardize the validity of the assigned mark.

Portuguese law does not provide for the association of trademark registrations or applications. Where the assignor owns more than one registration or application for the same or a very similar mark, all such registrations or applications need not be assigned simultaneously; where assigned simultaneously, all such registrations or applications need not be assigned to the same assignee.

A partial assignment – including the transfer of only some of the goods or services covered by a single registration or application – is a valid transfer of title under Portuguese law and is thus recordable. Goods or services listed in the same class in a registration or application may be assigned to unrelated parties.

If either the power of attorney or the deed of assignment is not in Portuguese, a Portuguese translation must be submitted to INPI. However, if either document is in both Portuguese and another language, there is no need for an official translation.

As a member of the Madrid Agreement for the International Registration of Trademarks, Portugal fully recognizes the assignment of international registrations filed through the World Intellectual Property Organization, without requiring additional documentation or procedures.

Change of name or address: A change in the name or address of a trademark owner must also be recorded at INPI, although a failure to do so will not affect the validity of the mark.

However, failure to record a change of name or address will preclude the trademark owner from:

- filing a renewal application, declaration of intent to use, opposition, cancellation or other action with INPI;
- filing or commencing an infringement action in court; or
- filing a subsequent assignment of a mark with INPI.

There is no deadline for filing a change of name or address, and no monetary penalty for delayed recordation. Recordation of a change to the trademark owner's name or address may be delayed until it can be made simultaneously with the submission of a renewal application or any other filing to the INPI. However, timely recordation of a name or address change is recommended in order to facilitate service of notice of any INPI actions or notices relating to a registration or pending application.

If the trademark owner has two or more addresses (eg, main office and factory), it has the option of recording either address. However, it is

recommended that the owner use the same address for all registrations.

To record a change of name, a certificate from a public official or agency with jurisdiction over the trademark owner (eg, the registrar of companies or secretary of state) is required.

The certificate need not be notarized, but must be legalized.

To record a change of address, no supporting documentation is required. INPI will record a change of address upon receipt of a written request indicating the new address.

Licences: A trademark owner or applicant may license the mark, whether for free or for consideration, for all or part of the Portuguese territory, and for all or part of the goods or services covered.

A written licence agreement must also be recorded at INPI.

A licensee's use of the mark will be considered as use on the part of the registered owner.

7. Areas of overlap with related rights

There is a degree of overlap between trademark rights and other rights.

In some cases certain subject matter may be protected both as a trademark and as a copyrighted work, if it fulfils the legal requirements for both trademark and copyright protection.

Similarly, some industrial designs may be protected both as industrial property, through registration with INPI, and by copyright, with optional registration with the Copyright Office.

Under the Industrial Property Code, copyright can be used to protect or challenge any trademark. Article 239 provides that a mark will be refused trademark protection if any or all of its elements infringe copyright. A copyright owner can thus file an opposition against a trademark application based on its copyright, and the application may be refused on this basis.

8. Online issues

There are no specific limitations for the use of trademarks on the Internet. Therefore, both registered and unregistered marks can be used online without restriction.

However, this freedom raises a number of problems, given the nature of the rights in question: in particular, IP rights are territorial in nature, while the Internet has a worldwide scope.

Opportunities for online communication should not be hampered by the risk that the use of a sign on the Internet will automatically lead to the infringement of identical or similar signs in any country in which the Internet may be accessed.

It should be possible to do business online while avoiding infringement of rights that exist elsewhere by limiting one's commercial activities accordingly. This can be achieved by restricting the jurisdiction of domestic courts and limiting the concept of infringement to acts with actual or threatened commercial effect in a particular territory, or both.

To date, there have been no court cases in Portugal dealing with the use of a trademark on the Internet.

