

Garrigues

# Portugal

**A lack of objective guidance from the Portuguese Trademark Office and conflicting decisions from the courts with regard to the classification of goods and services create difficulties for IP rights owners seeking to protect their rights in Portugal**

The Portuguese legal system is normally in harmony with the dominant guidelines in the First Trademarks Directive (89/104/EEC) (now the Trademarks Directive (2008/95/EC)) and the Community Trademark Regulation (40/94); however, there are peculiarities to the Portuguese regime of relevance to those intending to protect their trademark rights.

## Use

In Portugal, prior use is considered a legitimate way of acquiring a priority right when registering a trademark if specific deadline requirements are complied with. In fact, pursuant to the terms of Article 227 of the Code of Industrial Property (CPI), a person using an unregistered trademark for a period of no more than six months obtains a right of priority to register the mark and may contest applications filed by other parties. The owner of such a mark also gains the right to appeal judicially any decision to register a confusingly similar mark during this period (in accordance with Articles 239(1)(e) and 266(1)).

Therefore, to mitigate the risk of the existence of any prior use of any sign which is either identical or similar to a proposed registration, it is advisable to carry out a search in the most relevant online search engines. If a trademark is in use on the market there is a high probability that it will already be listed on the Internet.

This use system, while perhaps unusual, can be beneficial. In uncertain economic situations applicants can take advantage of the priority period to test the attractive power of a trademark on the market before filing the application with the Portuguese Trademark Office.

## Logotypes and trade names

A second peculiarity of the Portuguese trademark system concerns the relevance of

other business identifiers such as trade names or logotypes as grounds for refusing the registration of trademarks.

Under Article 239(2)(a) of the CPI, the prior existence of a trade name constitutes grounds for refusal of a trademark if it is capable of inducing error or confusion and in the event this is invoked as the basis of an opposition. Since the owners of trade names may oppose applications for later marks, it is of vital importance to consult the Trading Name Database to guarantee the reliability of the results of availability searches. This database was recently updated and it is now possible to perform similarity searches, which boosts the level of certainty of any results obtained.

Similarly, prior rights in logotypes ("the name given to the distinctive symbol intended to identify a sign or group of signs capable of graphic representation, namely using nominative or figurative elements or both [...] adequate to distinguish an entity which provides services or commercializes products") can constitute grounds for refusal of a trademark if the sphere of activity of the owner is likely to be confused with the services/products covered by the trademark (Article 239(1)(b) of the CPI).

Determining the sphere of activity of the owner can prove tricky, since until entry into force of the new CPI (Decree-Law 143/2008) there was no requirement to identify products or services offered. Hence, under the previous regime, it was necessary to undertake a separate search to determine the logotype owner's field of activity so as to verify whether any risk of confusion existed.

## Classification

Portugal has adopted the Nice Classification. However, the analysis and correction system adopted has one or two nuances in comparison with other EU countries and, in particular, Spain.

According to Article 233(1)(b) of the CPI, products or services must be grouped by order of their respective classes in the international classification and designated in precise terms, preferably under the terms of the alphabetized list in the Nice Classification. Despite these provisions, the Portuguese Trademark Office is relatively

generous when accepting new terms, but there appear to be no internal guidelines in this respect.

Verification of a trademark application's compliance with the rules of classification is carried out by way of formal examination and, currently, in addition to an appraisal of the appropriateness of the classes with the services and products indicated, an analysis is also carried out as to whether the products or services themselves can be classified in the manner they are listed. This formal analysis takes place at a date prior to publication as is the case under the Community trademark (CTM) system. The Portuguese Trademark Office will issue a notification informing of any irregularity in the classification and suggest amendments to ensure compliance with the Nice Classification (Article 236 of the CPI). Thus, subject to payment of the necessary fee, the modification of the description of the products or services covered by a mark is easily achieved prior to publication. It is also possible to amend the list of products and services after publication by adding or removing classes. In the case of additions, the application will be subject to renewed publication to allow third parties the chance to object.

Matters of classification take on particular relevance when proof of use of a trademark is in question. Herein, Article 268 of the CPI states that genuine use exists only when a trademark is used in the way it is registered or in a way that does not alter its distinctive character. Case law suggests that use of a sign to identify a specific product, for example wine, will be considered genuine use of a mark which identifies alcoholic beverages.

In light of the above, whenever an application for a national trademark is in question it may be more convenient to adopt an overall class description and also indicate by way of example the specific products or services to be covered.

## Classification and similarity

Case law in Portugal has developed interesting and wide-ranging interpretations of the concept of similarity. According to the Court of Appeals of Lisbon,

similarity between one parties' products and services and those of another does not depend on whether both sets fall within the same Nice Classification class. The classes are for indicative purposes only. The criteria for recognizing similarity are not dependent merely on formal classification (Case 1777/2007-8).

It is also worth pointing out that "in addition to the criteria for the use and purpose of products and services, jurisprudence also refers to the criteria of the nature (structure) of products and services plus the criteria of the respective markets and distribution habits of said products and services... [W]henver all these criteria possibly compete in an actual case, the concept of similarity is clearly reinforced. The fact that products or services are intended for the same purpose and to serve the same use have the same nature and are distributed, sold or provided by way of the same commercialization markets, is simultaneously indicative ... of the existence of obvious similarity," (Couto Gonçalves, *Direito de Marcas*, pages 134 to 135).

However, a close analysis of case law indicates several contradictory decisions: on the one hand products such as meat and jams or milk and their derivatives have been considered similar, while on the other the courts have found no close affinity between Port and aged sugar cane rum, mineral water and beer. In addition, the Court of Appeals of Lisbon has considered that beer has no affinity with wine, since no consumer, no matter how inattentive, will purchase wine when he or she meant to purchase beer.

While an analysis of the risk of confusion is at the root of every interpretation of similarity, such analysis can lead to differing opinions. There is still no uniform Portuguese case law on this matter, which is made more problematic by the lack of objective guidelines from the Portuguese Trademark Office. Clients must be alert to the range of official positions on the matter and must carry out as many preliminary checks as they can to reduce the risk of their trademark application being refused or the subject of opposition. [WTR](#)



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