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Portugal

INTELLECTUAL PROPERTY

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This country-specific Q&A provides an overview of intellectual property laws and regulations applicable in Portugal.

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PORTUGAL

INTELLECTUAL PROPERTY



1. What different types of intellectual property rights exist to protect: (a) Inventions (e.g. patents, supplementary protection certificates, rights in trade secrets, confidential information and/or know-how); (b) Brands (e.g. trade marks, cause of action in passing off, rights to prevent unfair competition, association marks, certification marks, hallmarks, designations of origin, geographical indications, traditional speciality guarantees); (c) Other creations, technology and proprietary interests (e.g. copyright, design rights, semiconductor topography rights, plant varieties, database rights, rights in trade secrets, confidential information and/or know-how).

a) Inventions (e.g. patents, supplementary protection certificates, rights in trade secrets, confidential information and/or know-how);

- Patents,
- Utility models, and
- Supplementary protection certificates for medicines and plant protection products.

b) Brands (e.g. trade marks, cause of action in passing off, rights to prevent unfair competition, association marks, certification marks, hallmarks, designations of origin, geographical indications, traditional speciality guarantees);

- Trademarks (including collective marks and certification marks),
- Logotypes (identifies an entity which commercializes goods and/ or provides services, and not the goods and services themselves),
- Appellations of origin, geographical indications and traditional speciality guarantees,

- Rewards (includes awards for merit bestowed by the Portuguese State or by foreign countries; medals, diplomas and monetary prizes or prizes of any other nature obtained at expositions, fairs and contests that are official or officially recognised, held in Portugal or in foreign countries; diplomas and certifications of analysis or praise, issued by laboratories or State services or organisations qualified for such purposes; titles of supplier of the Head of State, Government and other entities or official establishments, national or foreign; all other prizes or official demonstrations of preference),
- Hallmarks, and
- Unfair competition (despite not being an intellectual property right, unfair competition is illicit).

c) Other creations, technology and proprietary interests (e.g. copyright, design rights, semiconductor topography rights, plant varieties, database rights, rights in trade secrets, confidential information and/or know-how).

- Copyright (literary and artistic works) and related rights (performances, phonograms, broadcasts, etc),
- Design,
- Semiconductor topography,
- Plant variety and autochthonous plant material,
- Database right for the producer,
- Trade secrets (despite not being protected by an intellectual property right, trade secrets are protected).

2. What is the duration of each of these intellectual property rights? What procedures exist to extend the life of registered rights in appropriate circumstances?

Patents: 20 years,

Utility models: 10 years,

Supplementary protection certificates for medicines and plant protection products: The certificate shall take effect at the end of the lawful term of the basic patent for a period equal to the period which elapsed between the date on which the application for a basic patent was lodged and the date of the first authorisation to place the product on the market in the Community, reduced by a period of five years. However, its validity cannot exceed five years from the expiry date of the related patent, except for medicines for paediatric use, where a further six-month extension is provided for.

Trademarks: unlimited.

Logotypes: unlimited.

Appellations of origin, geographical indications and traditional speciality guarantees: unlimited.

Rewards: unlimited,

Copyright (literary and artistic works): 70 years,

(Copyright) Related rights: 50 years,

Design: 25 years,

Semiconductor topography: 10 years,

Plant variety: 10 or 15 depending on the plant type,

Producer's database right: 15 years.

3. Who is the first owner of each of these intellectual property rights and is this different for rights created in the course of employment or under a commission?

For patents, utility model registrations, semiconductor topographies registrations and design registrations the first owner is the inventor, designer or creator. However, if an invention, a design or a semiconductor topography is invented or created during the execution of an employment contract the first owner is the employee. This rule also applies, with the necessary adaptations, to inventions, designs or semiconductor topographies that are made under commission.

Works protected by copyright are owned by their intellectual creators. However, exceptions are provided for some types of works such as databases, photographs, software, and some journalistic works. In these cases, the copyright is originally held by the

employer or by the person who orders the work.

4. Which of the intellectual property rights described above are registered rights?

Patents,

Utility models,

Supplementary protection certificates for medicines and plant protection products,

Trademarks,

Logotypes,

Appellations of origin, geographical indications and traditional speciality guarantees,

Rewards,

Copyright (despite existing without registration, registration is possible for evidencing purposes),

Design,

Semiconductor topography,

Plant variety and autochthonous plant material,

Database right for the producer (despite existing without registration, registration is possible for evidencing purposes).

5. Who can apply for registration of these intellectual property rights and, briefly, what is the procedure for registration?

Any natural or legal person with the capacity to acquire rights and with a legitimate interest.

Patent procedure: filing the application before the Portuguese Institute of Industrial Property (INPI), formal examination, search report, publication within 18 months from the application date, two-month opposition period, substantive examination and decision.

The application procedure for supplementary protection certificates for medicines and plant protection products: filing application within six months from the granting of the marketing authorisation or, when the marketing authorisation is granted before the basic patent is granted, within six months from the patent granting date. INPI issues and publishes its decision within 12 months.

Utility models registration procedure: filing the application before INPI, formal examination within two months, publication within six months from filing date, two-month opposition period, search report within ten months, decision is issued approximately nine months from filing date.

Trademarks and logotypes registration procedure: filing the application before INPI, formal examination, publication approximately within one month, two-month opposition period, substantive exam, and decision approximately within four to six months from filing date.

Design registration procedure: filing the application before INPI, formal examination, publication approximately within one month, two-month opposition period, granting approximately within three to four months from filing date (no substantive exam is conducted).

Semiconductor topography registration procedure: the same of the patent procedure with necessary adaptations.

Works protected by copyrighted and databases protected by the “Database right for the producer” are registered before the Inspeção-Geral das Atividades Culturais (IGAC).

6. How long does the registration procedure usually take?

Patents and semiconductor topographies: two to three years.

Supplementary protection certificates for medicines and plant protection products: up to 12 months.

Utility models: around nine months.

Trademarks and logotypes: four to six months.

Design registration: three to four months.

7. Do third parties have the right to take part in or comment on the registration process?

Yes. Third parties have the right to oppose. In the proceedings for the registration of trademarks or logotypes third parties can also file observations in addition to oppositions.

8. What (if any) steps can the applicant take if registration is refused?

The applicant can appeal before the INPI or before the Intellectual Property Court (IPC). A refusal from the IPC may be appealed to the Lisbon Court of Appeal.

9. What are the current application and renewal fees for each of these intellectual property rights?

The current INPI's fees can be consulted in the following web page:

<https://inpi.justica.gov.pt/Portals/6/0013800142.pdf>

The current IGAC's fees, for the registration of works protected by copyright can be consulted in the following web page:

<https://www.igac.gov.pt/documents/20178/7479288/Tab+ela+de+taxas+01-03-2021/657e6356-ad91-468a-a349-b8ad4602278f>

10. What are the consequences of a failure to pay any renewal fees and what (if any) steps can be taken to remedy a failure to pay renewal fees?

If renewal fees are not paid within the six months grace period, the registrations or patents lapse.

However, if registrations or patents lapse due to failure to pay renewals, the owners may file for their revalidation within one year from the date of publication of the notices of lapse. The revalidation is granted if the fees in the amount of three times the renewal fees are paid and if there is no harm to third parties' rights.

11. What are the requirements to assign ownership of each of the intellectual property rights described above?

Generally, there are no specific requirements for assigning the ownership of industrial property rights. Except for patents, utility models and semiconductor topographies, the rights may be partially transferred. All industrial property rights may be transferred free of charge or at a cost.

However, if a logotype is used to identify business premises, it can only be transferred if the premises are transferred as well.

Moral rights (copyrights) cannot be transferred. The assignment of economic rights may be partial or total. If partial, a written document with notarized signatures is required. If total, a public deed is required.

12. Is there a requirement to register an assignment of any of these intellectual property rights and, if so, what is the consequence of failing to register?

If a transfer of an industrial property right is not recorded before the INPI it produces effects only between the assignor and the assignee.

13. What are the requirements to licence a third party to use each of the intellectual property rights described above?

The licencing of industrial property rights and of copyrights must be in written form.

14. Is there a requirement to register a licence of any of these intellectual property rights and, if so, what is the consequence of failing to register?

If a licence of an industrial property right is not recorded before the INPI it produces effects only between the licensor and the licensee.

15. Are exclusive and non-exclusive licensees given different rights in respect of the enforcement of the licensed IP, and if so, how do those rights differ?

Generally, the licensee has the same rights as the owner. However, there are specific rules for trademark licenses. A trademark licensee can only start judicial proceedings for trademark infringement with authorization from the owner or if, after prior notice, the owner does not start such action within a period that may not exceed six months.

16. Are there criminal sanctions for infringement of any intellectual property rights, and if so, what are they and how are they invoked?

The response is affirmative. Both the IP Code and the Portuguese Copyright and Related Rights Code

("CDADC") establish criminal penalties for the violation of intellectual property rights.

Infringements involving patents, utility models, semiconductor product topographies, designs, trademarks, logos, appellations of origin, and geographical indications may be deemed criminal offenses under certain circumstances. Such offenses are subject to imprisonment for a maximum of 3 years or a fine lasting up to 360 days.

Specific criminal sanctions also exist for offenses tied to industrial property rights. For instance, the sale or concealment of counterfeit products could be classified as a criminal offense, leading to imprisonment for up to 18 months or a fine of up to 120 days.

Moreover, it might be viewed as a criminal transgression for an individual to, in bad faith, acquire patent rights, utility models, or design registrations that they are not rightfully entitled to. The penalty for this could involve imprisonment for up to 1 year or a fine lasting up to 120 days.

Criminal proceedings associated with industrial property rights necessitate the submission of a criminal complaint.

Certain acts of copyright infringement may also incur criminal penalties, resulting in a prison sentence of up to 3 years and a fine ranging from 150 to 250 days. Unlike industrial property rights, criminal proceedings involving copyrights do not rely on the submission of a criminal complaint, except for crimes exclusively tied to moral rights.

17. What other enforcement options are available for each of the intellectual property rights described above? For example, civil court proceedings, intellectual property office proceedings, administrative proceedings, alternative dispute resolution.

Legal action in civil courts can be pursued to address intellectual property rights issues. Within this context, two primary categories of civil proceedings exist: preliminary injunctions and main actions. These proceedings can be initiated before the Intellectual Property Court, located in Lisbon.

For the resolution of intellectual property rights disputes, alternative dispute resolution methods are also available. The majority of arbitration disputes are resolved through voluntary arbitration. However, in

certain copyright disputes, mandatory arbitration is required. Additionally, mediation can also be utilized.

Alternative dispute resolution was predominantly utilized for inhibitory actions concerning pharmaceutical patents and generic medicines as outlined in Law 62/2011 of December 12, 2011. Initially, this legislation mandated arbitration for dispute resolution, but this system was abandoned in 2019. Consequently, such disputes can now be resolved through the Intellectual Property Court or voluntary arbitration.

Regarding matters of unfair competition and trade secret violations, administrative proceedings can be initiated. To do so, a complaint must be submitted to the Portuguese Authority for Economic and Food Safety (referred to as "ASAE").

Furthermore, customs enforcement of intellectual property rights is facilitated under the provisions stipulated in Regulation (EU) 608/2013 of the European Parliament and the Council.

18. What is the length and cost of such procedures?

The duration varies depending on the particular circumstances of the case. On average, main actions tend to take around 1-2 years, while preliminary injunctions can be resolved within a span of up to 12 months.

Arbitration proceedings are contingent on the specific subject matter and the applicable rules.

The expenses associated with these procedures are determined based on the value ascribed to the action by the court. For example, the judicial fees required for submitting a statement of claim to the Intellectual Property Court in an IP case without a damages request amount to €612 (six hundred and twelve euros).

19. Where court action is available, please provide details of which court(s) have jurisdiction, how to start proceedings, the basics of the procedure, the time to trial, the format of the trial, the time to judgment and award of relief and whether any appeal is available.

The Intellectual Property Court, headquartered in Lisbon, holds jurisdiction over cases involving intellectual property matters and has authority across the entirety of Portugal. However, it is not responsible for handling

issues related to intellectual property unfair competition and trade secrets when these matters lack the involvement of industrial property rights ("in matters of industrial property").

Preliminary injunction proceedings are inherently urgent in nature. The procedural phase commences with an application submitted by the plaintiff, followed by the defendant's opposition. The opposition marks the conclusion of the pleading phase. Following this, the court schedules a trial hearing to listen to the witnesses of both parties and facilitate the discussion on relevant facts and applicable law.

The main action commences with the submission of a statement of claim. This is followed by a statement of defense, and if a counterclaim accompanies the statement of defense, a statement of reply. The subsequent stages involve a preliminary hearing, a trial hearing, and the issuance of a decision.

The option to appeal against administrative decisions made by the Portuguese Industrial Property Office is also available. The process is simpler and only allows for the appeal application and the opposition.

In general, appeals can be directed to the Lisbon Court of Appeal and, under specific circumstances, to the Supreme Court.

20. What customs procedures are available to stop the import and/or export of infringing goods?

Customs enforcement of intellectual property rights is facilitated in accordance with the provisions outlined in Regulation (EU) 608/2013 of the European Parliament and the Council.

The option to register the trademark with customs is also available.

21. Are any non-court enforcement options or dispute resolution mechanisms mandatory in respect of intellectual property disputes in any circumstances? If so, please provide details.

Mandatory arbitration is involved in certain copyright disputes:

According to Article 144, paragraph 2, of the CDADC, if the parties fail to reach an agreement regarding the determination of the "fair amount" to be awarded to the author, the responsibility for establishing this amount

falls upon the Ministry of Culture.

Similarly, Article 221(4) of the CDADC mandates arbitration for disputes related to the protection and limitations of technological protective measures.

Under Article 5(2) of Law Decree no. 332/97, dated November 27, pertaining to the right of rental, in cases where the parties cannot come to a consensus on the amount of equitable remuneration, arbitration is the designated method for determination. The same principle is applicable to equitable remuneration for the right of lending, as indicated in Article 6(2) of Law Decree no. 332/97, dated November 27.

Finally, mandatory arbitration is also specified for disputes between AGE COP and collective management entities, outlined in Article 6, paragraph 5 of Law No. 62/98, dated September 1.

22. What options are available to settle intellectual property disputes in your jurisdiction?

In Portugal, it is possible to reach an agreement both before the legal proceedings commence and during the ongoing process. Typically, the judge endeavors to facilitate a settlement between the parties.

The preliminary hearing is designed to encourage the parties to reach an agreement as one of its objectives.

23. What is required to establish infringement of each of the intellectual property rights described above? What evidence is necessary in this context?

Regarding patents, utility models, Supplementary Protection Certificates, semiconductor product topographies, and designs, the plaintiff must demonstrate that the defendant engages in manufacturing, offering, storing, placing on the market, or utilizing a patented product. This also includes instances where the defendant imports or possesses such a product for the aforementioned purposes. Infringement will also be established if the plaintiff shows that the defendant employed a patented process or introduced products into the market that were directly obtained through the patented process.

Concerning trade secrets, the claimant needs to prove that the defendant unlawfully acquired, utilized, or disclosed a trade secret.

For trademarks, infringement is established when a third

party, without the claimant's consent, "uses" any sign in economic activities. This applies if:

- i. The sign is identical to the trademark and is employed in connection with identical goods or services covered by the trademark registration.
- ii. The sign is identical to the trademark and is used for goods or services similar to those covered by the registration, or if the sign is similar to the trademark and is used for goods or services identical or similar to those in the registration. This applies if there's a likelihood of confusion or association among consumers.
- iii. The sign is identical or similar to the trademark and is used for products or services, regardless of whether they're covered by the registration. This is applicable if the trademark holds a reputation in Portugal or the European Union (in the case of a European Union trademark), and if the use of the sign unfairly capitalizes on the trademark's reputation.

Regarding copyright and related rights, infringement is established when the defendant uses a protected work without consent or presents it as their own creation.

Any lawfully obtained evidence can be utilized to substantiate intellectual property rights infringement claims, such as documents, witnesses, expert report, or legal opinions.

In general, the burden of proof is on the claimant.

24. How does the court acquire any necessary information (fact or technical) and in what circumstances does it do so? In particular a) Is there a technical judge, a judge with technical experience, a court appointed expert, an expert agreed by the parties, and/or parties' expert witness evidence? b) What mechanisms are available for compelling the obtaining and protecting of evidence? Is disclosure or discovery available?

a) There are no technical judges at the Intellectual Property Court.

Experts can be summoned by the parties or the court. It's also common to use witnesses as experts ("expert witnesses").

b) Measures for obtaining and safeguarding evidence are accessible.

In cases where evidence is in the possession, control, or custody of the opposing party or a third party, the concerned party can request the court to procure this evidence. This is contingent upon the presentation of substantial proof indicating the infringement of industrial property rights, copyrights, or trade secrets to substantiate the claim.

Furthermore, when infringement or well-founded apprehension of substantial and irreparable harm to an intellectual property right is evident, the party with a vested interest can petition for immediate and effective provisional measures aimed at preserving evidence related to the alleged infringement.

25. How is information and evidence submitted to the court scrutinised? For example, is cross-examination available and if so, how frequently is it employed in practice?

The judge will exercise their discretion in evaluating the evidence based on their careful judgment of each fact. This discretionary evaluation will not extend to facts that necessitate specific formalities for their proof according to the law, nor to those facts that can only be substantiated through documents, or those that have already been conclusively proven either through documents or through the agreement or acknowledgment of the parties.

Cross-examination of witnesses is permitted, albeit it is confined to the scope of the testimony presented by the witness during their initial examination.

26. What defences to infringement are available?

The defences that can be raised in court against the infringement are, generally speaking, those stipulated in both the IP Code and the CDADC. These include non-infringement, free use, invalidity of the asserted right(s), limitation of rights, exhaustion of rights, lapse of rights, private use, prior use, licenses or other forms of authorization, and due cause for utilizing a particular right.

27. Who can challenge each of the intellectual property rights described above?

Patents, utility models, supplementary protection certificates, semiconductor product topographies, and

designs can be contested by any interested party through declarations of nullity or annulment, as well as by the Public Prosecutor.

Trademarks and logos can also be challenged by any interested party.

28. When may a challenge to these intellectual property rights be made (e.g. during any registration process or at any time during the subsistence of the right)?

Opposition proceedings are accessible during the registration process of industrial property rights. The proceedings take place before the Industrial Property Office.

While rights are in effect, there exists the opportunity to contest the validity of industrial property rights. Nullity can be contested at any point during the existence of these rights by any interested party. Annulment of most industrial property rights can be pursued within 5 years from the decision of grant.

29. Briefly, what is the forum and the procedure for challenging each of these intellectual property rights and what are the grounds for a finding of invalidity of each of these intellectual property rights?

Concerning patents, utility models, supplementary protection certificates, and semiconductor product topographies, a declaration of nullity or annulment can only be pronounced by a Court decision, typically issued by the IP Court.

In the instance of trademarks, logotypes, and designs, declarations of nullity or annulment are submitted to the INPI, except when there is a case being considered by the IPC, wherein the defendant might raise invalidity as a counterclaim.

Several grounds can lead to a finding of invalidity, contingent upon the specific IP right in question:

For patents and utility models, grounds for invalidation often involve a lack of novelty or an absence of inventive step.

Concerning designs, common grounds for invalidity encompass lack of novelty or a deficiency in distinctive character.

For trademarks and logotypes, invalidation typically arises due to likelihood of confusion with pre-existing

rights, insufficient genuine use, or registration achieved in bad faith.

30. Are there any other methods to remove or limit the effect of any of the intellectual property rights described above, for example, declaratory relief or licences of right?

The IP Code offers the option of issuing compulsory patent licenses for patents, utility models and semiconductor product topographies, subject to highly specific circumstances.

Furthermore, non-infringement actions (*actio negatoria*) can also be pursued.

31. What remedies (both interim and final) are available for infringement of each of the intellectual property rights described above?

In addition to injunctions and claims for damages, alternative remedies are accessible, including product recall and destruction, demands for information regarding the distribution channels of the infringing products or services, the publication of judicial decisions or the closure of the commercial establishment.

32. What are the costs of enforcement proceedings and is any kind of costs recovery available for successful parties? Is there a procedural mechanism enabling or requiring security for costs?

As previously mentioned, the expenses associated with enforcement proceedings differ based on factors such as the type of court, the nature of the proceedings, and the value of the claim in the case.

Typically, the prevailing party is eligible to request reimbursement of its expenses, which may include a percentage of the total fees paid by the parties, as a form of compensation.

Lastly, the IP Code stipulates that, when assessing the extent of damages, the court must consider the costs incurred in safeguarding, investigating, and putting an end to the infringing activity.

33. The Unified Patent Court ("UPC") [came

into] [will come into] existence in certain European states on 1 June 2023, as did the introduction of European patents with unitary effect ("unitary patents"). Have industry-specific trends developed in your country in terms of the number of patent applicants seeking unitary patent protection and/or enforcing European patents or unitary patents before the UPC?

So far, the European patent system had basically a strict local approach. This strictly local approach comes with economic costs, as patent holders will need to obtain legal titles independently in each of the countries where they intend to secure protection for the same intellectual property. In a time of competition between economic blocs, the European common market is at a disadvantage: while obtaining a patent in the US or China may cost, on average, less than 2,000 USD, protection across all European Union countries totals around 20,000 euros, with a substantial portion of these costs attributed to the necessary translations for each country. The high costs not only arise from patent protection but also from enforcing it in courts.

Under the current system, patent holders in Europe must defend the same intellectual property in local courts, necessitating the initiation of multiple legal proceedings for the same dispute. Moreover, when the matter is considered by different courts, the same patent, within a case with identical facts, often faces varying decisions. Examples of divergent rulings from different European courts on the same issue are not uncommon.

In summary, the existing system, built on a foundation of national rights, represents a factor undermining Europe's competitiveness. This is one of the aspects that the unitary effect European patent aims to rectify. It seeks to enable a patent automatically valid across all European Union countries, eliminating the need for validations in each individual country. This change remains advantageous for inventors, granting them access to European protection with significantly lower costs.

Unfortunately, Portugal is not a country with a significant number of patents. It has been growing, but it still only has around 1000 patents per year, and not all of them are internationalized. However, this last aspect could be strengthened with the unitary patent. With lower protection costs, small and medium-sized Portuguese companies may find better conditions to safeguard and consequently capitalize on their inventions beyond Portugal. Since the system came into effect, we have witnessed a growing interest among Portuguese companies in this system namely, to know more about

its advantages and disadvantages, the type of protection it offers, and the associated costs.

Additionally, despite the relatively short period since its implementation, we already have cases of Portuguese companies opting for the unitary patent route.

On the other hand, the unitary patent presents challenges for Portuguese companies that are patent users. For them, litigating might become more difficult due to the elevated costs, even though Portugal benefits from a local division, which brings decisions closer to the interested parties.

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