

New Industrial Property Code (IPC)

main changes compared to the old IPC

Arising from the need to transpose the Directive on the Harmonization of Trademarks (EU Directive) 2015/2436 of the European Parliament and of the Council dated December 16, 2015, which brings closer the laws of the Member States relating to trademarks) and the Directive of Trade Secrets (EU Directive) 2016/943 of the European Parliament and of the Council, dated June 8, 2016 on the protection of know-how and confidential business information (trade secrets) against illegal acquisition, use and disclosure thereof), Portugal has a new Industrial Property Code (IPC) which came into force in its entirety on July 1 2019 (the provisions of the Industrial Property Code on the protection of trade secrets came into effect on January 1, 2019).

In addition to transposing the mentioned directives, the legislator has made as well several other changes to harmonize practices with other jurisdictions.

The following is a summary of the main changes to be taken into account.

Patents

With regard to patents, it has been abolished the prohibition of double protection of a same invention, simultaneously by a National patent and by an European patent in force in Portugal.

The possibility of adding new technical matter to patent applications has also been eliminated, which harmonises this prohibition on adding new matter to applications under prosecution with the vast majority of international jurisdictions and, in particular, with the practice of the European Patent Office regarding applications for an European Patent.

In what concerns the rights granted by a patent, there is now an express reference to indirect infringement, since the patent confers on its holder the right to prevent third parties, without its consent, from offering or making available to anyone who does not have the right to exploit the patented invention the means to carry it out as regards one of its essential elements, if the third party has or ought to have been aware that such means are suitable and intended for that execution.

Other important changes that have been introduced in the IP Code:

- The concept of filing date has been clarified and it is now clear what has to be complied with for an application to receive a filing date;
- An equivalent to Rule 28(2) EPC has been introduced in the Portuguese IP through an exclusion from patentability of plants or animals exclusively obtained by means of an essentially biological process;
- Other exclusions also introduced in the IPC:
 - the use of biological material for cultivation or the discovery and development of new plant varieties;
 - the use by a farmer of the produce of his crop for reproduction or multiplication on his holding, provided that the reproductive plant material has been sold or otherwise marketed by the patent holder, or with his consent, to the farmer for agricultural purposes;
 - the use by a farmer of protected animals for agricultural purposes provided that farmed animals or other reproductive material have been sold or otherwise marketed to the farmer by the patent holder or with his consent; for the purposes here provided, the use referred to includes making available the animal or other animal reproductive material for the purpose of the agricultural activity, but not its sale for the purpose of a reproduction activity for or in the context of commercial;
 - biological material obtained by the reproduction, or multiplication, of a biological material marketed by the patent holder, or with his consent, in the European Economic Area, if reproduction or multiplication necessarily results from the use for which biological material has been placed on the market, provided that the material obtained is not then used for further reproduction or multiplication.

Utility Models

With respect to utility models (UM), the INPI [*the Portuguese Intellectual Property Office*] has made it compulsory again to carry out a substantive examination of the patentability requirements (novelty, inventive step and industrial applicability). Requests for utility models submitted without an examination before the entry into force of this IPC and which have not yet been object of a decision shall be evaluated under the provisions previously in force (they may be provisionally granted without examination).

The new IPC has also extended the limitations on the utility model, not being possible now to obtain an UM for inventions whose commercial exploitation would be contrary to law, to the public order, public health and good practices regarding inventions involving biological material, inventions related to chemical compositions or substances *per se*, and to chemical processes, to inventions concerning pharmaceutical compositions or substances, and to pharmaceutical processes and, finally, to inventions involving foodstuff or processes for preparation, production or confection of such products.

Annulment/nullity Division at the PTMO

In a new process of assessing the validity of certain Industrial Property Rights, the competence to assess and decide on requests for nullity and annulment of registrations of Designs or Models, Trademarks, Logotypes, Designations of Origin, Geographical Indications and Rewards has now been transferred to the Portuguese Intellectual Property Office [INPI] and, therefore, the Intellectual Property Court will no longer have the jurisdiction in what concerns the declaration of invalidity of these registrations, except when the request for declaration of nullity or annulment is filed in counterclaim within the scope of an infringement legal action being assessed by that Court.

The Intellectual Property Court is the competent court of appeal for the final decisions handed down by INPI in this new procedure.

Some of the procedural rules introduced in the field of trademarks registration have been extended to logotypes, namely with regard to the abolition of the requirement for a graphical representation of the sign, to the reinforcement of registration rights and to the institution of a procedure to assess the validity of the registrations.

The deadline for requesting the annulment of industrial property rights has been reduced from 10 to 5 years counting from the date of the granting decision of those rights.

Trademarks and logotypes

As regards the trademarks, there have been also other significant changes, the most relevant of which is the abolition of the requirement for the graphic representation of the sign; there is now a requirement for the trademark to be represented in such a way as to enable to determine clearly and precisely the object of protection granted to its holder.

When a trademark registered for more than 5 years is alleged to be an obstacle in an Opposition procedure, the trademark's applicant against which the Opposition is lodged may require the holder of the opposing trademark to provide evidence of serious use of that trademark in the five years preceding the date of the trademark application whose granting of registration is contested.

When a decision of provisional refusal is delivered by the PTMO, during ex-officio examination, on the basis that it may lead to confusion regarding a priority trademark registered for more than 5 years, the trademark applicant may request that the holder of that trademark registration be notified to provide evidence of use.

If evidence of use is not presented, the priority trademark referred to in the provisional refusal decision shall no longer constitute an obstacle to the granting of registration of that subsequent trademark application.

The owner of the trademark that is the object of a legal action for annulment or declaration of nullity may require the author of that action to produce evidence of serious use of the priority trademark invoked. The failure to present evidence of serious use will result in the refusal of the annulment or nullity declaration application.

When the trademark invoked in an infringement action has been registered for more than 5 years on the date that the infringement action begins, the defendant may request that the holder of the priority trademark produces evidence of serious use of that trademark.

Any third party who objects the granting of a trademark registration may now intervene in the registration case and submit his/hers/its own comments within two months after the publication of

the trademark application, provided that the plea is based on absolute grounds for refusal of the trademark registration.

Bad faith becomes a ground for refusal of a trademark registration.

It is as well now established the right of a trademark registration holder to oppose against preparatory acts carried out by third parties in the course of commercial operations or against goods in transit, through the filing of a legal action to determine the existence of infringement of his/hers/its trademark rights.

The time limit for counting the duration of a trademark and logotype registration has been changed, being now counted 10 years from the date of filing of the trademark application, discarding thus the previous practice of counting that deadline from the date of grant. With regard to the next renewal of trademarks or logotypes granted prior to the entry into force of this decree-law the deadline previously in force shall apply (date of granting), being the deadlines for subsequent renewals to be counted in accordance with the amendment introduced (date of filing).

A fee for grant of trademarks and logotypes registration has now being established which must be paid within six months following the publication of the grant.