

Intellectual Property and Information Technology



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JUDGMENT OF THE LISBON COURT OF APPEAL IN CASE NO. 206/22.1YHLSB.L1

(available [here](#))

Summary:

Lisbon's Court of Appeal upheld the decision to deny an SPC to cover the medicinal product "Rayaldee" and its active ingredient "calcifediol", ruling that the marketing authorization ("MA") invoked was not, unlike what is required under Regulation (EC) no. 469/2009, the first for that active ingredient. The Court clarified that according to CJEU's case law, SPC protection applies only when the first MA of a product is at stake and that new therapeutic applications or formulations of an active ingredient are not enough for an MA to be considered the "first" when there have been several other (prior) MAs to cover the same active ingredient (even if for distinct therapeutic applications).

Background

- In February 2021, the Appellant ("A") applied for the supplementary protection certificate ("SPC") no. [1070](#), to cover, ultimately, the medicinal product "Rayaldee" and its active ingredient "calcifediol"; this SPC intended to extend the protection conferred by European patent [EP 2968172 B1](#), granted in July 2020, for the "*stabilized modified release vitamin D formulation and method of administering the same*";
- In March 2022, the Portuguese Industrial Property Office ("INPI") refused the request for the SPC at hand considering it didn't fulfill, primarily, the condition set out in Article 3, paragraph d) of [Regulation \(EC\) no. 469/2009](#) of the European Parliament and of the Council of 6 May 2009 concerning the supplementary protection certificate for medicinal products ("Regulation 469/2009"), in its original version, which required the authorization to place the product on the market as a medicinal product (*i.e.*, the marketing authorization, hereinafter "MA") on which the SPC request was based to be the **first** such authorization with reference to that product; INPI considered A's application didn't comply with this requirement given that, in the 1970's, several MAs had been granted for medicinal products containing the active ingredient "calcifediol";
- A challenged the above-mentioned INPI decision before the Intellectual Property Court ("TPI") claiming, essentially, that:
 - all requirements of Article 3 and 7 of Regulation 469/2009 were fulfilled;
 - in [Case C-130/11, Neurim](#) ("Neurim"), the CJEU had found that a new therapeutic application of a known active ingredient was enough to ensure the granting of an SPC (even if such active ingredient had already been subject to a prior MA); A argued this decision should be applicable to its case as the medicinal products covered by the prior MAs **treated different medical conditions** than the one treated by "Rayaldee", where "calcifediol" all but equated to a fully new product;
 - the definition of "product" in Regulation 469/2009 should not be interpreted so strictly as to cover only innovations in the fields of active ingredients (rather also taking into account innovations in their respective therapeutic application);

- TPI, while recognizing (i) the differences between “Rayaldee” and the precursor medicinal products that used “calcifediol” as an active ingredient, as well as (ii) the investments made by A in developing and testing “Rayaldee”, found A’s claim invalid and maintained INPI’s decision;
- A subsequently escalated the litigation to the Lisbon Court of Appeal (“TRL”), seeking to have TPI’s ruling reviewed and reversed;
- Accepting the appeal and on the basis of the facts herein outlined, the TRL set out to decide whether, “(...) the requirement established in Article 3, paragraph d) of Regulation [469/2009] (...) is fulfilled in the case at hand (...)”.

Reasoning

After a short overview as to the purpose of SPCs (that aim to compensate rightsholders for the loss of part of the patent protection period due to the often-lengthy process of securing MAs for new medicinal products), the Court moved on to clarify the key elements considered for granting an SPC, namely that:

- (i) the product is protected by a basic patent in force;
- (ii) an MA has been validly granted;
- (iii) said MA is the first for that product;
- (iv) the product hasn’t already benefitted from an SPC; and
- (v) the MA has been granted less than six months prior to the SPC application.

It subsequently determined that A’s SPC application **didn’t fulfill requirement (iii)**, on the basis of:

- the concepts at issue in this case, those of:
 - “product”, which refers to **active ingredients**, and **not** their use, *i.e.*, therapeutic applications (which is an undefined, unharmonized concept), and
 - “first MA”, which refers to the **first MA** to have been granted for a medicinal product incorporating that active ingredient, regardless of its therapeutic application or formulation;
- Case [C-673/18](#), *Santen* (“Santen”), where the CJEU had found that “*an MA cannot be considered to be the first MA (...) where it covers a new therapeutic application of an active ingredient (...) and that active ingredient (...) has already been the subject of an MA for a different therapeutic application*”;
- Case [C-443/17](#), *Abraxis* (“Abraxis”), where the CJEU had shed light on the fact that “(...) *the legislature intended, in establishing the SPC regime, to protect not all pharmaceutical research giving rise to the grant of a patent and the marketing of a new medicinal product [with a new therapeutic application], but to protect research leading to the first placing on the market of an active ingredient (...) as a medicinal product*”;

TRL deemed that *Santen* and *Abraxis* should be considered and applied to A’s case, since they marked CJEU’s updated and technically adjusted interpretation on the subject matter, that should serve as baseline for alike situations, *i.e.*, dealing with the requirements for granting SPCs (in detriment of *Neurim*, a prior decision).

Decision: In this sense, TRL ultimately upheld TPI's decision, considering that the MA invoked by A was not the first with reference to the "calcifediol" and could not be considered for the purpose of granting an SPC, since Regulation 469/2009 does not distinguish between therapeutic applications, but rather active ingredients, for the purpose of determining whether a "first" MA of a product is at stake. As a result, it dismissed A's appeal and upheld INPI's original decision to refuse the granting of an SPC to extend the protection of the medicinal product "Rayaldee" and its active ingredient "calcifediol".

Key Takeaways

While TRL's decision may seem, on the surface, to counter the purpose of fostering and advancing research and innovation in the pharmaceutical field, essential to the improvement of public health, it rather intended to counterbalance the interests at hand:

- On the one hand, by ensuring **legal certainty** when it comes to the interpretation of the requirements for granting SPCs, namely when it comes to the definition of "product", which Regulation 469/2009 equates to "active ingredient" and not to their respective "therapeutic applications" – a concept which is neither defined nor harmonized and that could, consequently, lead to divergent interpretations across EU Member States; and
- On the other hand, by **avoiding the risk of exploitation** of this disjointed (*vis-à-vis* the letter of the law) interpretation of "product", that could lead to the "eternalization" of patents through SPCs, with resort to the mere quantitative reformulation of active ingredients – that, while allowing for the creation of medicinal products usable for new, but inconsequential, purposes, would be devoid of real and innovative therapeutic importance.

A different interpretation would depend on the (perhaps overdue) update of the legal requirements for granting SPCs, to include new (relevant) uses and (innovative) formulations of active ingredients, with the aim of safeguarding the costly research that goes into placing new medicinal products on the market (even if they are based on known active ingredients).

JUDGEMENT OF THE LISBON COURT OF APPEAL IN CASE NO. 307/23.9YHLSB

(available [here](#))

Summary:

Lisbon's Court of Appeal rejected the claim that the holder of a priority trademark used to reject the inscription of a second trademark, not having participated in the administrative proceedings whereby the trademark was rejected, should partake in the appeal proceedings before the IP Court.

Lisbon's Court of Appeal inversely upheld the claim that a trademark must be registered when, pending an appeal of a rejection of its registration, the priority trademark preventing its registration expires (or for other reason ceases to produce effects).

Background

The Appellant filed an application with the Portuguese National Institute of Intellectual Property ("INPI") for the character/word-based trademark "*Quinta do Convento de São Pedro das Águias*" in connection with wine products (National Trademark No. 689663).

By Order of 25 January 2023, INPI rejected the application, having found risk of confusion with another national trademark registered for the same product class in the Nice Classification ("*São Pedro das Águias*", National Trademark No. 242461).

Dissatisfied, the Appellant appealed the administrative decision to the Intellectual Property Court, requesting, as a procedural incident, that the priority trademark be considered invalid. On 24 October 2023, that Court dismissed the appeal, similarly finding there was risk of confusion, and rendering that a request for invalidity of a priority trademark would be subject to a specific proceeding, whose particularities could not be satisfied via a procedural incident proceeding.

Again dissatisfied, the Appellant appealed to the Intellectual Property section of the Lisbon Court of Appeal, and, at the same time, brought an action before INPI for a declaration of invalidity of the priority trademark, claiming that it used a "deceptive designation of origin", because it did not originate from the *Quinta do Convento de São Pedro das Águias*.

In one line, the Appellant argues that the priority trademark invoked to reject its application is invalid because the product protected is not manufactured in nor does originates from the *Quinta do Convento de São Pedro das Águias* - and, to that extent, cannot be used to reject its claim.

Furthermore, the Appellant argued, the validity of the priority trademark is a prejudicial question which, if decided in favour of the appellant, would have as consequence the legalization of the Appellant's trademark, due to the *ab initio* retroactive invalidity of the priority trademark.

Lastly, the Appellant claims the lower court's decision is invalid, since "the Defendant was not called to partake on the judicial challenge proceedings" (meaning the challenge of INPI's decision to reject the Appellant's application, grounded on the invalidity of the priority trademark).

While the proceedings were pending before the Lisbon Court of Appeal, on 16 January 2024, INPI published the lapse of that priority trademark in the Intellectual Property Bulletin, a decision that the INPI's Directorate for the Extinction of Rights communicated to the Court after the expiry of the two-month grace period, on 8 April 2024.

Reasoning

There are three fundamental issues to be decided in this judgement.

Starting at the latter, the Appellant appeals the first instance judgement on the surprising grounds that "the Respondent had not been called to partake on the judicial challenge proceedings."

Such argument constitutes a double surprise: on the one hand, it is unusual for a party (in this case, the Appellant) to invoke the invalidity of decisions for the benefit of what would be the counterparty (the "Respondent", in this case, and as mentioned by the Appellant); secondly, because the "Respondent" in the judicially contested proceedings (author of the act rejecting the registration of a trademark in favour of the Appellant) was INPI, and not the owner of the priority trademark.

In this regard, the TRL begins by observing that the Industrial Property Code (article 43) only provides that a counterparty be called to partake in the proceedings "if there is one", thus *"inferring, therefore, that there will be circumstances in which there is no opposing party"*. It proceeds with citing relevant academics: "in certain cases there will be no opposing party... in particular, when the INPI has issued a decision unfavourable to the applicant (e.g., refused the registration or patent), without there having been any opposition to the application by third parties. In these cases, the only party is the applicant."

To that extent, the Court without further consideration confirms that it is not compulsory to call onto the proceedings the owner of the priority trademark in an action that judicially challenges the administrative act that rejects the registration of a subsequent trademark in favour of a third party.

The first question having become superveniently void, due to the lapse of the priority trademark, as announced by the INPI in April 2024, only the third question remained for the TRL to rule.

To that third query "should the registration of a trademark be granted, when, pending an action to challenge the act of rejection, the priority trademark lapses, this having been the sole cause of the refusal of the respective registration?", the TRL replies positively: "Because the registry of the priority national trademark has been cancelled by an INPI decision, the motive for rejection of registration of the Appellant's trademark has ceased to exist."

Confirming, therefore, that this is a preliminary question, the solution of which, after all, must be taken into account when deciding an appeal, the Court concludes that "in view of the supervening fact pointed out, the judgement should be revoked and the registration of the national trademark granted".

Decision: The Lisbon Court of Appeals in the end partially upheld the arguments of the Appellant and revoked the first instance decision, and partially rejected the appeal. It concluded that: i) the validity of use of the designation of origin was irrelevant because the priority trademark had lapsed during the proceedings; ii) the registration of a trademark should be granted when,

pending an action to challenge the act of rejection, the priority trademark lapses, this having been the sole cause of the refusal of the respective registration ; and iii) it was not compulsory to call the owner of a priority trademark onto the proceedings because the owner of the priority trademark had not been a party to the prior administrative action. In that sense, while recognizing the adequacy of the lower court's decision, the Court of Appeals revoked both INPI's rejection and the first instance's decision, and ordered the registration of the national trademark.

Key Takeaways

The Relevance of Monitorization of Trademark Requests:

The clear consequence of this decision is that while it is not compulsory for the holder of the priority trademark to be cited in an action challenging in court the administrative act rejecting the registration of an allegedly infringing trademark in favour of a third party, **it is possible, in those same proceedings, to recognise the lapse of that priority trademark and to order the registration be granted to the newly found lawful trademark.**

As such, there is a risk that, even if the administrative agency for intellectual property recognizes the apparent conflict between a priority trademark and a newly requested trademark protection , unless the owner of the priority trademark partakes in the administrative proceedings of his own accord (by, for example, opposing to the registration of the new trademark), his rights and interests may lapse without even so much as their input.

Market and registry requests monitorization becomes even more crucial for the protection of trademarks.

JUDGEMENT OF THE INTELLECTUAL PROPERTY COURT AND OF THE LISBON COURT OF APPEAL IN CASE NO. 285/17.3YHLSB

(available [here](#))

Summary:

The Court of First Instance of Lisbon decided that the application of procedures or specifications contained in the State of the Art of certain products or processes for the manufacture of new products or for the creation of new processes is not considered an invention, but a mere innovation, not protected by patent rights.

Lisbon's Court of Appeal rules that because the allegation of wrongful consideration of facts (appeal of fact) is distinct from the allegation of misapplication of the law (appeal of law), a party claiming errors of fact must be specific as to each fact to be challenged and the evidence that, in their opinion, contradicts the facts proved or supports facts not proved.

Background

The dispute pits two competing kitchen robot retailers against each other.

The case began when the Plaintiffs filed an action seeking to recognise the invalidity of patents held by the Defendant in Portugal (with a view to ending its exclusive right to commercialise kitchen robots), claiming that these patents lacked validity due to a lack of inventive step and/or novelty, in the light of the European Patent Convention.

In summary, the plaintiffs claimed that the patents had been unduly granted, either because their inventive elements were already included in the state of the art at the time of the corresponding application, or because they were evident from that state of the art to an expert in the speciality, under the terms of Article 138(1)(a) EPC.

The defendant filed a defence, contested the allegations of invalidity and counterclaimed for a ban on the marketing of the plaintiffs' competing product.

Following the preliminary ruling, the court ordered a single expert opinion by a professor from the Department of Electronic and Computer Engineering of the Instituto Superior Técnico, and a judgement was handed down in December 2019 recognising the invalidity of the patents registered in the name of the Defendant under litigation, a decision which both the Plaintiffs and the Defendant have appealed against.

In December 2020, the Court of Appeal recognised that the parties were right, insofar as they argued that the court had failed to consider facts and evidence.

The case then went to the lower court, where the lower court again ruled in June 2021 that the patents were invalid.

The defendant appealed. The appeal was admitted, and the Court of Appeal ordered, in May 2022, that the judgement be replaced by another that took into account what was decided by the Court of Appeal in factual terms in December 2020.

In June 2022, just one month after the TRL's decision, the lower court upheld the previous decision in its entirety, despite having included the facts considered by the TRL in its reasons.

Both the Defendant and the Plaintiff appealed.

Reasoning

Decision on the merits at first instance (June 2021, as confirmed in 2022):

The first instance begins by looking at the content of "novelty" and "inventive step" as they exist in the EPC. Under Article 54 of the EPC, "an invention shall be deemed to be new if it does not form part of the state of the art", the "state of the art" being defined as "everything which has been made accessible to the public before the date of filing of the European patent application by written or oral description, use or any other means." According to Article 56, "an invention

is considered to involve an inventive step if, for a person skilled in the art, it is not apparent from the state of the art".

To that extent, the court analyses each of the patents - or, rather, each of the aspects of each of the claims of each of the patents - by analysing whether, in each of the cases, the innovative feature is 1) excluded from the state of the art at the time of the application or, on the contrary, 2) expressly included or, 3) in any case, would be evident to a person skilled in the art, including in the documentation necessary to ascertain the state of the art, not only on the basis of previous patents, but also on the basis of an analysis of academic and technical literature.

The court also concluded that three of the four patents did not present that inventive step, since it would always "be evident to an expert in the field and without recourse to any inventive step, from the state of the art ascertained at that date."

In only one case, because a part of one of the claims of one of the patents was not yet included in the prior art, nor was it obvious, was the patent considered valid, because, according to the court, a patent grant cannot be cancelled or declared null and void due to the partial invalidity of the claim.

Decision on the aspects appealed (September 2023):

Arguing for the validity of its patents, the defendant claimed that there had been inventive activity to support the granted patent (namely through a methodological approach known as the "*problem-and-solution*"), which had been unduly ignored by the court.

In short, the Defendant claimed that the inventive elements under discussion should not be considered part of the "state of the art" of the product (a reluctance motor), but rather as state of the art of similar products (electric motors) or even totally dissimilar ones (such as circuit boards), as that is the literature where the solutions emerged. To that extent, a concrete problem had been identified in the state of the art of the specific product, for which a solution had been created, inspired by industrial solutions already applied to other products or other procedures, but which could not be considered state of the art for the product *under consideration*. The Defendant thus argued that an expert in the field could not be expected to resort to industrial applications described for different products.

The Plaintiffs in turn argued that the *problem-and-solution* approach is based on whether the expert in the specialty acted to solve the technical problem because the state of the art contained suggestions to that effect, or whether he acted without such motivation.

Quoting the European court, they observe that "even an implicit incitement or an implicitly identifiable encouragement is sufficient to show that the expert in the specialty would have combined existing elements of the state of the art before the filing date of the application or the priority of the application applicable to the examined claim", to conclude that the patents *sub judice* "are not true inventions, but rather adaptations of already existing techniques and concepts, techniques and concepts which would lead the expert in the specialty, in an obvious way, to arrive at the solution which is the subject of the patents in question."

Once Claims and Counterclaims had been presented, the moment arrived when the TRL was expected to rule on the "validity of the patents for having inventive step and novelty" and the "lack of inventive novelty in the patents."

Before proceeding with any decision on the merits, however, the TRL reprimands the parties ("all of them") that they "intend to evade" basic principles of appeal proceedings by obtaining a second decision on the same matter, and by seeking to challenge facts by alleging errors of law.

This is because, says the court, "the appellants referred to evidence generally", "never arguing that 'according to these documents combined with that testimony, fact no. Y should have had this wording', or 'is not proven'".

As consequence, for the Court, "what was expressed in the judgement as a matter of established fact [is] left untouched". Therefore, observes the court, the decision will be limited to analysing whether the law has been correctly applied, based on the facts established by the court. From this perspective, the court "dismisses as unfounded" the two appeals and "upholds in its precise terms" the contested decision.

Overall Decision: In the end, on the matter of whether "an expert in the field can be expected to resort to industrial applications described for different products" or inventive activity is, by definition "action motivated by no suggestions whatsoever" the court stayed silent.

Instead, the TRL reprimands the parties ("all of them") for "intending to evade" basic principles of appeal proceedings and, finding the parties did not sufficiently specify which facts they contested, it limits the decision to analysing whether the law has been correctly applied, based on the facts established by the court. From this perspective, the court "dismisses as unfounded" the two appeals and "upholds in its precise terms" the contested decision.

Key Takeaways

The position of the court of first instance regarding the densification of the criterion for assessing whether the requirements of the "problem-and-solution" inventive approach for granting patents have been met is neither confirmed nor rejected by superior instances.

It is, in that sense, a less substantive sentence than expected, although not a less meaningful one.

Indeed, while the last three decades have witnessed a turn in procedural law towards substantive justice, and leniency before formal imperfections, some principles and rules of law are foundational. Appealing, foundationally, is not meant to be a "second opinion"; it is meant to redress a miscarriage of justice, of background or reasoning - alleging the evidence supporting the finding of a mistake of fact, and explaining why statutes were applied wrongly are two crucial steps of an appeal; there must be more to an appeal than a repetition of the application.

JUDGMENT OF THE LISBON COURT OF APPEAL IN CASE NO. 229/23.3YHLSB.L1

(available [here](#))

Summary:

Lisbon's Court of Appeal upheld the revocation of the "VERDA BLANKA" trademark considering it evoked the "vinho verde" designation of origin, due to visual, phonetic, and conceptual similarities between the signs, resulting, among others, from the partial incorporation of the latter in the former. Citing CJEU case law and Regulation (EU) no. 1308/2013, which protects designations of origin against misuse, imitation, or evocation, Lisbon's Court of Appeal emphasized that a trademark that triggers a sufficiently clear and direct association with a designation of origin in the mind of an average European consumer likely violates its protection.

Background

- In April 2022, the Appellant ("A") applied to register national trademark no. [684340](#) "VERDA BLANKA", a word mark intended to signal goods in Class 33 of the Nice Classification, namely "vinho [= wine]";
- In October 2022, the Portuguese Industrial Property Office ("INPI") granted the registration and, in April 2023, rejected the request for revision of its granting decision – that had been filed by the Respondent ("R") in December 2022 –;
- R is a regional association that aims to promote and safeguard the "[vinho verde](#)" [roughly meaning "green wine"] designation of origin ("PDO"), as well as the professionals involved in its production and trading; said PDO has been protected and held by R since May 1971 to designate common wines, in Class 33, originating from the delimited "vinho verde" wine region (which stretches across northwest Portugal);
- Disputing the registration of the trademark in question, R challenged the above-mentioned INPI decision before the Intellectual Property Court ("TPI");
- TPI found R's claim valid and overturned INPI's decision, thus rejecting "VERDA BLANKA"'s registration;
- A subsequently submitted the dispute to the Lisbon Court of Appeal ("TRL"), appealing TPI's ruling;
- Given that both Parties agreed, in essence, with the version of the facts herein described and recognized the priority of the PDO's registration and the identity of the goods covered by both signs (*i.e.*, wines), the TRL focused its assessment, as had the TPI, on clarifying whether "(...) the registration of the national trademark applied for by A – "VERDA BLANKA" to signal goods in Class 33 – should be refused on the basis of the protection due to the "vinho verde" PDO?".

Reasoning

Considering CJEU's case law (namely para. 28 of [Case C-783/19](#), *Comité Interprofessionnel du Vin de Champagne*, hereinafter "Case C-783/19") and the nature of the dispute at hand (which

concerns the protection of a PDO in the field of wine products), TRL was required to apply (solely) the relevant EU law, *i.e.*, [Regulation \(EU\) no. 1308/2013](#) of the European Parliament and of the Council of 17 December 2013, establishing a common organization of the markets in agricultural products (“Regulation 1308/2013”).

As such, TRL (as had the TPI) started by citing Article 103 of Regulation 1308/2013, according to which “[a] protected designation of origin (...), as well as the wine using that protected name in conformity with the product specifications, shall be protected against: (...) any misuse, imitation or evocation, even if the true origin of the product or service is indicated or if the protected name is **translated**, transcribed or transliterated or accompanied by an expression such as “style”, “type”, “method”, “as produced in”, “imitation”, “flavour”, “like” or similar (...)”. This protection aims at preserving, on the one hand, the authenticity, prestige, quality, provenance and common use of the PDO by producers established in the designation area and, on the other hand, the correct functioning of the market, shielding sanctioned producers from unauthorized uses of the PDO and acts of unfair competition by third parties. Any of these actions (*i.e.*, misuse, imitation or evocation of a PDO) are sufficient to bar, consequently, the registration of an infringing trademark.

Building up on this, TRL clarified that the concept of evocation covers situations “(...) *where the use of a name creates a **sufficiently clear and direct link** between that name and the PDO in the mind of an average European consumer who is reasonably well informed and reasonably observant and circumspect*” (para. 2 of the ruling in Case C-783/19), whether that link arises from the fact that:

- (i) “(...) *the sign used to designate a product **incorporates part** of a protected (...) PDO so that when the consumer is confronted with the name of the product in question, the image triggered in his or her mind is that of the product whose (...) designation is protected*” (para. 55 of Case C-783/19);
- (ii) there is a **phonetic and visual similarity** between the sign at issue and the PDO, with regards to products which are similar in appearance (para. 56 of Case C-783/19);
- (iii) there is a **conceptual proximity** between the protected name and the sign at issue (para. 57 of Case C-783/19); or
- (iv) there is a sufficient **similarity between the products** covered by the PDO and the products covered by the protected name (para. 66 of Case C-783/19).

In the case at hand, TRL found, as had TPI, that the coinciding grammatical element between the signs (the word “verde/a”) consisted of a partial incorporation of the “*vinho verde*” PDO into the “VERDA BLANKA” trademark, which resulted in a visual and phonetic similarity.

Additionally, “VERDA BLANKA” was considered, on a conceptual level, to be an adaptation of the “VERDE BRANCO” expression (“verda”/“verde” = green and “blanka”/“branco” = white), in direct reference to white “*vinho verde*”, a variation of the “*vinho verde*” PDO. To potentiate this conceptual proximity, “VERDA BLANKA” is a direct translation of “VERDE BRANCO” in the Esperanto language, a non-official idiom created in 1887 with the intent of serving as the international *lingua franca*.

All this combined led TRL to conclude, as had TPI, that when faced with the “VERDA BLANKA” trademark, an average consumer would directly picture, as a benchmark, the products that benefit from PDO protection, *i.e.*, “vinho verde”.

Decision: For this reason, TRL ultimately upheld TPI’s decision, considering that the trademark at hand, through the use of a similar expression, effectively evoked the PDO, benefiting from its image and regard. As a result, it dismissed A’s appeal and confirmed that INPI’s original decision to grant trademark “VERDA BLANKA” should indeed be revoked.

Key Takeaways:

TRL’s decision to uphold the revocation of the “VERDA BLANKA” trademark demonstrates a clear commitment to enforcing and bolstering EU rules safeguarding PDOs. Killing two birds with one stone, this decision simultaneously strengthened the position:

- of consumers, protecting them against deception and providing them with certainty, by reinforcing that the use of PDOs is restricted exclusively to products with the necessary characteristics;
- of rightsholders, protecting their PDOs against undue market dilution (which jeopardizes their value and prestige), even if this doesn’t occur directly, but only through a **partial or reminiscent** use of the protected expression; the nuanced analysis of the Court as to the concept of “evocation” clarified what is considered to trigger a sufficiently close association in average consumer’s mind (*i.e.*, similarities in appearance, sound, and meaning between the sign and the PDO).

While this sharper interpretation of what is to be considered “evocation” bears the risk of potentially curtailing creativity, overall, it effectively balances the interests at play, wherefore the criteria applied by the Court constitute a useful standard to be applied in future, akin cases.

JUDGMENT OF THE SUPREME COURT OF JUSTICE IN CASE NO. 158/23.OYHLSB.L1.S1

(available [here](#))

Summary:



The Portuguese Supreme Court of Justice ruled that the trademarks “



“VALORES O COLÉGIO NOVO DE COIMBRA” and “COLÉGIO NOVO COLÉGIO NOVO”, despite sharing the word elements “colégio novo”, were not confusingly similar. The Court emphasized

that these words are generic and in common use, wherefore they cannot be exclusively used by the Respondent, owner of the latter trademark. Furthermore, the Court considered that the figurative elements of both trademarks differed sufficiently so as to cause a distinct overall impression before the average consumer, who would not be misled or confused as to the commercial origin of the services signaled by both trademarks. As such, the Supreme Court reversed previous lower Court rulings and allowed the registration of the first trademark, which had been (improperly) deemed an imitation of the second.

Background

- In August 2022, the Appellant (“A”) applied to register national trademark no. [691295](#) “



EDUCAÇÃO COM VALORES O COLÉGIO NOVO DE COIMBRA”, a combined mark, composed of both word and figurative elements, intended to signal services in Class 41 of the Nice Classification, namely “educação; educação (ensino)” [= education; education (teaching)];

- In March 2023, the Portuguese Industrial Property Office (“INPI”) refused said registration



considering it was an imitation of trademark no. [524357](#) “COLÉGIO NOVO COLÉGIO NOVO”, registered since 2014 in favor of the Respondent (“R”) to signal services in Class 41, including “educação; (...) educação e ensino; (...)” [= education; (...) education and teaching; (...)];

- Subsequently, A challenged the above-mentioned INPI decision before the Intellectual Property Court (“TPI”) alleging the absence of effective imitation and divergence in target markets (A operates a school in the central region of Portugal, while R operates a school in the northern region);



- TPI found A’s claim invalid and maintained INPI’s decision, thus rejecting “ ”’s registration, considering it was likely to be confused (or even associated as to the commercial provenance of the services rendered) with R’s trademark by the average consumer given the common (and dominant) word elements (“colégio novo [=new school]”), which impact was exacerbated by the proximity of the services signaled;
- A subsequently submitted the dispute to the Lisbon Court of Appeal (“TRL”), appealing TPI’s ruling;
- While acknowledging that the word elements common to both trademarks lacked a strong distinctive character and that the figurative elements of both signs were dissimilar, TRL maintained TPI’s understanding that there was a high risk of association between the

commercial origins of both trademarks by an average and reasonably attentive and informed consumer, thus rejecting A's trademark registration;

- Despite the existence of two previous decisions confirming INPI's refusal to register the trademark, A brought its case before the Portuguese Supreme Court of Justice ("STJ") on the grounds of a procedural rule aimed at resolving contradictions in case law, since the TRL itself had, in a 2010 decision, ruled in an opposite manner (*i.e.*, granting the trademark registration) in a case where, like A's, the main legal issue raised was the lack of distinctiveness of generic elements in trademarks;
- Accepting this "legal review" appeal and on the basis of the facts herein outlined, the STJ set out to decide whether, on the case at hand, "(...) A's trademark may be considered an imitation of R's trademark or give rise to any confusion therewith (...)?"

Reasoning

The STJ began by clarifying that the trademarks at issue, being comprised of both word and figurative elements, should be assessed according to the impression caused by their whole, notwithstanding the prominence of certain elements (such as word elements) over the others, that should be taken into account given their long-lasting impact on the public's memory.

Firstly, it focused on the common elements between both signs, *i.e.*, the words "colégio novo". Regarding this matter, the Court found that the words at hand could not be used exclusively by R, insofar as:

- (i) they are both generic and in common use, without distinctive character, and merely descriptive, on the one hand, of the activity in question ("colégio" = school) and, on the other, of one of its characteristics ("novo" = new); and
- (ii) there was no evidence that they had acquired distinctive effect through the use made by R, which trademark was neither a well-known mark nor a mark with reputation.

When it came to the assessment of the figurative elements, the STJ concluded that they were distant enough between both trademarks, given the differences in colors and design, so as to ensure their respective distinction.

That, combined with the additional word elements of A's trademark (the slogan "educação com valores [= value-based education]" and the geographic reference "de Coimbra [= from the city of Coimbra]"), was enough for the Court to conclude that the lack of graphic, phonetic and conceptual similarity between both trademarks, as a whole, would neither mislead or confuse an average consumer, nor result in a risk of association between the trademarks.

Decision: As such, given that an average consumer would easily spot their differences, thus distinguishing and not mistaking one sign for the other, the Court ruled that both trademarks were not confusingly similar. As such, A's trademark was not deemed an imitation of R's trademark and INPI/TPI/TRL's decisions were reversed. Consequently, and since the appeal was upheld, the registration of A's trademark was accepted.

Key Takeaways

In a border case, the “decision-by-decision” tipping of the scales that ultimately inverted the importance attributed by the Courts to the common vs. diverging elements in the conflicting trademarks is particularly noteworthy. Specifically, while in the lower Courts prominence was given to the (word) elements that were shared by both signs, the STJ ended up by all but “disregarding” said elements, to the benefit of the diverging, figurative elements comprising both signs, due to a **key factor** (that should be considered in future cases): that the elements common to both trademarks were, simultaneously, generic.

Although the “risk of association” argument is not entirely devoid of merit, the STJ (rightfully) chose to afford the average consumer due deference; that is, the Court held that the average consumer would be able to make the necessary distinction between the two signs in light of their noticeable differences in design and color, hinting at the already well-established criteria for the comparison of trademarks, *i.e.*, that the assessment should be made with reference to the **overall impression** created by the sign (in detriment of its individual components).

All things considered, STJ’s decision underscored the importance of a balanced approach in assessing trademark similarity and made a compelling case against exclusive appropriation over common-use word elements.



Thinking about tomorrow? Let's talk today.

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