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## TRADEMARKS AND TRADE NAMES: COLLISION OF REGISTRATION RIGHTS

João Paulo Mioludo (CMS Rui Pena & Arnaut) · Monday, May 9th, 2016

Due to the variety of economic agents operating on the Portuguese market, some judicial disputes frequently arise regarding the registration rights derived from trademarks and trade names legally constituted. When these situations occur there is a collision of registration rights.

The Lisbon Court of Appeal has recently dealt with one case in which the holder of the trade name “**CHIADO FACTORY** – Agenciamento de Modelos, Unipessoal Lda” requested the refusal of the trademark “**CHIADO FACTORY**” due to its similarity with its previously registered trade name.

The Portuguese law provides that when cited in an opposition (lodged with the National Institute for Industrial Property), the reproduction or imitation of a business or corporate name, or merely a characteristic part thereof, that does not belong to the applicant or where the applicant is not authorised to use it, if it is likely to mislead or confuse the consumer constitutes ground for refusal of a trademark. The Portuguese law also provides that in order to determine if a trademark imitates or reproduces a trade name shall be taken into account the *affinity or proximity of the commercial activities developed under the signs to be compared*. Notwithstanding, it is still not clear if a trademark must only be refused in case it signs products or services that are encompassed in the commercial activity developed under the trade name.

In the case here reported the trade name “**CHIADO FACTORY**” identified services of “*Selection and agencying of models, onlookers and actors. Holding of events, representations and audiovisual productions*”, while the trademark at issue aimed at designating products and services in class 35 of the Nice classification (essentially, sales of different types of products). In spite of the different nature of the business fields, the applicant claimed that the consumers were being misled by the coexistence of the signs, since numerous consumers have contacted the applicant in the belief that were contacting the defendant.

In this case the Court has decided – in accordance with the previous decision rendered by the Portuguese IP Court – that the trademark should be granted, despite the earlier trade name. The Court considered proved several events in which the consumers confused both signs. Nevertheless, the Court also decided that said confusion was solely justified by the geographical proximity of the parties’ establishments. The Court clearly affirmed that the resemblance between the signs was of no relevance since there was no affinity or proximity of the commercial activities developed under the signs to be compared.

The Portuguese Jurisprudence has been deciding in the same sense for some years, however it was the first time that the Lisbon Court of Appeal has affirmed, beyond doubt, that the *affinity or proximity of the commercial activities developed under the signs* is the first criteria to be considered and that, in case there is no affinity or proximity, the Court does not even have to appreciate the similarity between the signs.

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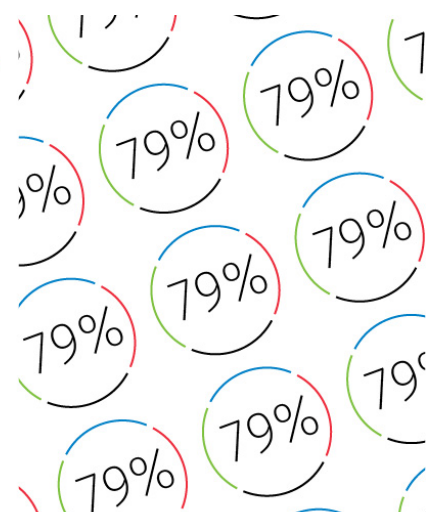
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