

**LEGAL ALERT**

**10 THINGS YOU PROBABLY DO NOT KNOW ABOUT IP IN MACAU**

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**Quick reading guideline:**

**10 THINGS YOU PROBABLY DO NOT KNOW ABOUT IP IN MACAU**

1. Trademark applications are published before examination
2. Use of a TM for less than 6 months can support a priority claim
3. Renewal of TM registrations resets non-use grace period
4. TM registrations block similar company names
5. Acquiescence will amount to forfeiture of right to act against infringements
6. Patents can be registered under 3 different methods
7. Substantive examination for patents is conducted in Mainland China by CNIPA
8. Subject matter related to gambling can be patented in Macau
9. Legalization of foreign documents is usually not required by the IP Office
10. Counterfeits seized may need to be released if IP owners delay inspection

## **1. TRADEMARK APPLICATIONS ARE PUBLISHED BEFORE EXAMINATION**

In Macau the publication of the application precedes its examination by the registry. The publication does not mean that the IP Office has approved the application. It simply opens the application for opposition by third parties.

This procedure is quite efficient in that IP Office will only proceed with substantive examination at the end of the opposition procedures, or after the term for opposition if none is filed.

Oppositions are filed within 2 months after publication, upon which the IP Office will proceed to examine the application which shall take another 5 to 6 months for completion. The decision of granting or refusing the application can still be appealed at the First instance Court within 1 month after the granting/refusal publication.

## **2. USE OF A TM FOR LESS THAN 6 MONTHS CAN SUPPORT A PRIORITY CLAIM**

Macau is a first-to-file jurisdiction, meaning that protection is afforded to the first entity to file for registration of a certain trademark. One of the few exceptions is use of the mark for no longer than 6 months before protection is sought.

In Macau, use of an unregistered trademark for a period of less than 6 months invests the user in a legal right to file for registration of a trademark claiming priority from the date of first use. However, if no steps are taken to register the mark within that period, it may be harder to protect it in case of unauthorized use or registration by a third party.

This allows for businesses to test the market and plan their trademark protection programs in a cost-efficient manner by focusing solely on registering signs to which consumers reacted positively.

### **3. RENEWAL OF TM REGISTRATIONS RESETS NON-USE GRACE PERIOD**

Until recently, it was commonly accepted that lack of use of a registered Trademark for any period of 3 consecutive years would render the corresponding registration vulnerable to cancellation. This 3-year “grace period” would be counted either from the registration date or from the date the mark was last used.

A series of decisions issued by the Courts changed the previous approach.

Under the current interpretation of the law renewal of a registration resets the 3-year period during which an unused mark is not vulnerable to being removed from the registry. This view has been slowly spreading to the IP Office and through the Courts and seems to be here to stay - despite being clearly contrary to the purpose of use requirements set in the law and international standards on this issue, which is to ensure that unused signs can be “recycled” and made available for use and registration by good-faith economic agents.

In practice, if a mark is not used, its registration will be safe from cancellation for the first 3 years, then vulnerable for 4 and, after renewal, safe again for another 3 years and so on...

### **4. TM REGISTRATIONS BLOCK SIMILAR COMPANY NAMES**

The Macau Commercial code determines that no company names can be allowed that are confusingly similar to trademarks registered for products or services related to the scope of business of the company.

The Macau Courts have further extended the letter of the law to well-known or famous trademarks, even if not registered.

### **5. ACQUIESCENCE WILL AMOUNT TO FORFEITURE OF RIGHT TO ACT AGAINST INFRINGEMENTS**

The owner of a prior trademark who, knowingly or consciously, tolerates the use by a third party of a later, confusingly similar, registered trademark for more than 3 consecutive years, forfeits its right to request cancellation (annulment) and to object to the use of the later mark for the products or services for which

the mark has been in use. If, however, the registrant of the later mark acted, in bad-faith, such statute of limitations does not apply.

Similarly, the owner of an unregistered well-known or famous TM can oppose an application for an identical mark and may also request cancellation (annulment) of a registration by a third party for the same or confusingly similar mark, but the right to apply for annulment can only be exercised, within 5 years from the date of the infringing registration.

#### **6. PATENTS CAN BE REGISTERED UNDER 3 DIFFERENT METHODS**

Macau has its own patent registration system, but patents can be registered under 3 different methods:

- i. Ab initio patent applications (first filing worldwide);
- ii. Patent applications claiming Paris priority (within one year from first filing); and
- iii. Extension of Chinese patents;

The most commonly used is the Extension of Chinese Patents, which allows Inventors to apply for extension of their Chinese patents into Macau within 3 months from the date of publication of the granting decision in China.

As the Patent Cooperation Treaty is not in force in Macau, this extension system allows for protection in Macau when the Paris Convention's 1-year term for priority filing has lapsed.

#### **7. SUBSTANTIVE EXAMINATION FOR PATENTS IS CONDUCTED IN MAINLAND CHINA BY CNIPA**

Despite having its own patent registration system, Macau does not have a local examination office. This is due to the relatively low number of patent applications that filed in Macau, making it more cost-effective to outsource such work.

A protocol in place with the former State Intellectual Property Office (now National Intellectual Property Administration) guarantees that examination of Macau patents are conducted diligently in Mainland China by experience professionals.

The request for Substantive Examination is filed by the applicant in Macau and within 7 years counted from the filing date of the application.

**8. SUBJECT MATTER RELATED TO GAMBLING CAN BE PATENTED IN MACAU**

Being a Special Administrative Region of the People's Republic of China, Macau is a relatively autonomous jurisdiction with its own set of laws. Macau is also the only jurisdiction in China where gambling is allowed.

All this coupled with the fact that an independent patent protection system is in place guarantees that patents related to gaming are protectable in Macau.

It also determines that Mainland China-based examiners are sometimes called to examine such subject matter despite not being allowed registration in China, as the examiners are deemed to be working for the Macau IP Office when performing such duties.

**9. LEGALIZATION OF FOREIGN DOCUMENTS IS USUALLY NOT REQUIRED BY THE IP OFFICE**

Unlike several government offices and public services, the Macau IP Office has mostly been dispensing with additional legalizations of foreign documents, simply requiring that the same be notarized.

Registrations, endorsements, renewals and other actions taken at the IP Office are handled in a relatively expedite matter and only in very isolated instances does the IP Office require additional formalities for acceptance of documents.

**10. COUNTERFEITS SEIZED MAY NEED TO BE RELEASED IF IP OWNERS DELAY INSPECTION**

The Macau Customs Services are extremely active, acting decisively whenever products are detected that may infringe registered IP rights, seizure such products and taking the subsequent steps towards investigation, prosecution and sentencing of infringers.

The effectiveness of the Customs Services' actions is, however, very dependent on the assistance provided by the IP Owners in inspecting and positively identifying such products as being in violation of their rights.

The timeframe for such assistance to be provided can be as short as 48 hours, upon which the Customs may not be able to hold the goods longer, allowing them to either enter the Macau distribution and sale channels or continue their journey to other destinations worldwide.

It is very important for IP owners to implement measures that will allow them to respond quickly and effectively to the requests by the Customs Services for assistance, namely by appointing examiners that can inspect the goods soon after such requests are received.

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