

# INDUSTRIAL PROPERTY TRADEMARK LAW IN VIETNAM

## **Q** & A through an essential

Created by **PLF LAW FIRM** 

Asset

https://plf.vn/

## **Table of Content**

#### 1. Legal framework

**1.1** Which legislative and regulatory provisions govern trademarks in Vietnam?

- 1.1.1 Domestic provisions
- 1.1.2 International provisions
- **1.2** Which bodies are responsible for implementing and enforcing IP law in Vietnam?
  - 1.2.1 IP Office1.2.2 Other administrative bodies1.2.3 Courts

#### 2. Protection requirements

- 2.1 What is a trademark, and what are the substantive requirements for trademark protection?
- 2.2 Are there different types of marks in Vietnam?
- 2.3 What are the signs ineligible for trademark protection in Vietnam?
- 2.4 How are the requirements appreciated? Which body oversees appreciation in Vietnam?

#### 3. Registration

- 3.1 Is there a trademark registration system in Vietnam? Is it mandatory?
- **3.2** What are the formal, procedural, and substantive requirements for trademark registration?

**3.3** What fees does the governing body charge for registration? Do these vary depending on the type of sign?

- 3.4 Do I have to be represented to register a trademark?
- 3.5 Can trademark registration be refused? If so, on what grounds?
  - 3.5.1 Refusal on absolute grounds 3.5.2 Refusal on relative grounds
- 3.6 Is there an objection procedure? If so, how does it work?

3.7 Is there an international trademark registration implemented in Vietnam?

- 3.7.1 International Registration system
- 3.7.2 International registration process

#### 4. Scope of protection

- 4.1 What legal rights are conferred by trademark in Vietnam?
- 4.2 Is there any limit of trademark protection ?
- 4.3 What are the conditions of use for enjoying trademark rights?
- 4.4 What is a well-known trademark ? How to understand it in relation to an ordinary trademark ?

#### 5. Duration and Renewal

How long does trademark protection last in Vietnam? Can trademark protection be renewed or extended in Vietnam?



#### 6. Ownership and Tranfer

6.1 Who can qualify as the owner of a trademark in Vietnam?

- 6.2 Is the registration of a trademark by a fraudulent third party punishable?
- 6.3 Can ownership of a trademark be transferred in Vietnam? If so, how?
- 6.4 Can or must trademark transfers be officially recorded in Vietnam?

#### 7. Living Conditions

7.1 Is a trademark in Vietnam liable to expire?

7.2 Can a trademark be invalidated during protection? If so, on what grounds?

#### 8. Trademark Infringement

- 8.1 What constitutes trademark infringement in Vietnam?
- 8.2 Is criminal enforcement of trademarks possible in Vietnam?

**8.3** Are damages available for trademark infringement? What factors will the court consider in determining the value of damages?

**8.4** What measures can trademark owners take to help prevent infringement of their rights in Vietnam?

8.5 What is the statute of limitations for trademark infringement?

#### 9. Enforcement and Remedies

9.1 What remedies are available against trademark infringement in Vietnam?

- 9.2 What is the procedure for filing a lawsuit against trademark infringement?
- 9.3 What is the procedure for appealing a decision in trademark litigation?

#### **10. International Protection**

What key concerns and considerations should be borne in mind by foreign trademark holders in seeking to protect their rights in Vietnam?

#### 11. Elements of vigilance

What are your general advice for protecting trademarks in Vietnam and what potential sticking points would you highlight?



## 1. Legal Framework

#### 1.1 Which legislative and regulatory provisions govern IP law in Vietnam?

#### 1.1.1 Domestic trademark provisions

Vietnamese domestic law on trademarks is essentially based on common intellectual property law, to which are added several provisions from the civil and criminal codes :

- Civil Code No. 91/2015/QH13 dated November 24, 2015 ;
- Law on Intellectual Property 50/2005/QH11 of November 2005 (Law on IP). This law was amended by Law 36, Law 42, and Law 07, which revised several articles of the main Law on IP;
- •The system of decrees, circulars guiding Law on IP, and their amending or supplementing documents.
- Decree No. 99/2013/ND-CP dated August 29, 2013 on sanctioning of administrative violations in industrial property and its related amendments

#### 1.1.2 International trademark provisions

**The Paris Convention for the Protection of Industrial Property (1883)** is the main convention that laid the foundations for an international agreement on trademark law. As a relative of the Berne Convention (1886) applied to literary and artistic property, the Paris Convention is parallelly intended to govern industrial property.

Built on the foundations of the Paris Convention, several other major treaties now govern harmonized international trademark law :

- The "Madrid system" [1] for the International Registration of Marks, based on an arrangement of the same name from 1989 on the harmonized international registration of trademarks, was joined by Vietnam in 2006;
- EU-Vietnam Free Trade Agreement (EVFTA) signed in 2020;
- The WTO TRIPS agreements, signed in 2007
- US-Vietnam Free Trade Agreement signed in 2001.
- Bilateral and multilateral agreements in which Vietnam is involved as a participant, signatory, or member-regulate matters within the realm of intellectual property.

**[1]** Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks





## 1.2 Which bodies are responsible for implementing and enforcing the copyright regime in Vietnam?

The main state management agency for intellectual property ("IP") is the Ministry of Science and Technology, with the specialized entity handling it being the IP Office.

Additionally, there are several other relevant state agencies responsible for managing, handling violations, and adjudicating matters related to IP, which may also include court in case of disputes, specifically :

#### 1.1.1. IP Office

The Intellectual Property Office of Vietnam, under the Ministry of Science and Technology, plays a crucial role in advising and assisting the ministry in unified state management of IP.

It directly manages state activities related to industrial property in accordance with legal regulations. The office's responsibilities include coordinating the drafting of legal documents, providing guidance, overseeing enforcement, and proposing measures to address IP violations. Additionally, it manages the establishment of industrial property rights, registers transfer agreements, and conducts activities related to patent protection.

The office also engages in international cooperation on IP matters, participates in negotiations, and provides various IP-related services as stipulated by law.

#### 1.1.2. Other administrative bodies

In addition to Civil and Criminal proceedings, intellectual property infringement disputes in Vietnam are often resolved through administrative remedies.

Administrative bodies have the power to impose sanctions for trademark infringements including warnings, fines, seizure and destruction of counterfeit goods, suspension of business licenses, re-exportation of imported infringing goods, or transit of goods out of the country.

This body of rules is set out in a general law setting out the principles of administrative violations and power of authority [1], and in a decree that applies more specifically to industrial property rights, including trademark law [2].

For example, this decree sets out the penalties applicable to certain offenses:

- Selling, offering for sale; transporting, transiting; storing: displaying for sale products or services infringing upon rights to trademarks [3];
- Placing orders to, assigning or hiring other parties to commit violations specified above [trademark infringement [4];
- Production, import, trading, transportation or storage for sale of goods bearing counterfeit trademarks [5].

[1] Law no. 15/2012/QH13

<sup>[2]</sup> Decree no. 99/2013 ND-CP

<sup>[3]</sup> Article 11.1 a) of Decree no. 99/2013 ND-CP

## 1. Legal Framework

Depending on the type of violation, different administrative authorities are empowered to impose penalties [1], such as :

- Scientific and technological inspectorates;
- Information and communications inspectorates;
- Market management offices;
- The Competition Management Department;
- Provincial- and district-level People's Committees;
- Police offices.

#### 1.1.3. Courts

The District People's Courts of Vietnam has jurisdiction to determine first-instance civil and criminal intellectual property disputes.

The Provincial People's Courts of Vietnam has jurisdiction to determine first-instance civil and criminal intellectual property disputes that involve litigants or assets outside of Vietnam or require international judicial cooperation.

Civil proceedings are more concerned with protecting and compensating rights holders for infringement of their property rights, while criminal proceedings are aimed at punishing counterfeiting by the courts (fines, destruction of goods, dissolution of the company, prison sentences for representatives etc.).

Generally speaking, right holders favour civil action, which is taken from a commercial angle and enables them to repair infringements of their rights, whereas criminal proceedings are more likely to sanction the company, with fines paid to the State.





<sup>[1]</sup> Chapter III (Articles 15 to 21) of Decree no. 99/2013 ND-CP

#### 2.1 What is a trademark, and what are the substantive requirements for trademark protection?

In Layman's terms, a trademark is any sign that distinguishes a company, its products, and its services from those of another company [1]. A trademark is therefore an economic operator's commercial identity card: It provides a link of trust and a guarantee of origin between the consumer and the chosen product or service.

Under Vietnamese law, to be eligible for protection, a sign registered as a trademark must meet two conditions:

(i) An expressed form: It is a visible sign in the form of letters, words, drawings or images, holograms, or a combination thereof, represented in one or more colours or audio signal represented in the graphic forms [2];

The trademark is expressed as a sign and can take any form of material support, even auditory, a new feature introduced by the recent Law on IP (2022).

(ii) A distinctive sign: Being capable of distinguishing goods or services of the mark owner from those of other subjects [3].

As regard distinctiveness, the Law on IP provide a precise definition [4] :

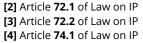
A mark shall be considered distinctive if it consists of one or several easily noticeable and memorable elements, or of many elements forming an easily noticeable and memorable combination and does not fall into the cases deemed indistinctive specified in Clause 2 of Article 74 of the Law on IP [signs ineligible for trademark protection].

Distinctiveness is therefore subject to two conditions :

- (1) A positive condition: the sign presents elements that are perceived as unique and that the target audience will remember as being associated with the company;
- (2) A negative condition: the sign does not fall within the list of signs described as nondistinctive by nature (see 2.3 below).

Finally, the affixing of a trademark to a product or service sold, or its use in promotional communications, must make it possible to associate this sign with the quality, characteristics, needs, and cultural and economic references associated with the company.

<sup>[1]</sup> Article 4.16 of Law on IP: "A mark means any sign used to distinguish goods and/or services of different organizations or individuals".





#### 2.2 Are there different types of marks in Vietnam?

The world of trademarks is extremely broad, and Vietnam allows economic players to register trademarks in a variety of forms:

- Word mark;
- Figurative marks;
- Three-dimensional mark (representing a fixed 3D shape);
- Specific colour combination ;
- Distinctive trade dress;
- Or, more recently, a sound.

A trademark can also combine these different elements: Any perceptible sign likely to distinguish a company on the market can represent a trademark.

In addition to the various forms that a brand can take, there are also different categories of brand, which are more focused on their utility, such as:

- **The collective trademark:** is a type of trademark used to distinguish products and services marketed by members of an organization from those marketed by non-members. The organization, within which several companies operate, is the owner of the trademark.
- The certification trademark: is a type of trademark which guarantees that the goods and services marketed under this sign certify the origin, raw materials, manufacturing process, quality and safety guarantees expected of the goods and services covered conform to those expected by the owner of the trademark, who grants the right to use it to third parties.
- **The integrated mark:** designates a set of similar trademarks held by the same owner to cover its products or services, also known as a brand family.

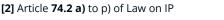
#### 2.3 What are the signs ineligible for trademark protection in Vietnam?

Ineligibility for protection is based on two categories of sign: signs that are non-distinctive by nature (i) and signs that cannot be protected as a trademark (ii).

**Firstly**, among the signs ineligible for protection under trademark law are several signs listed as non-distinctive by nature [1].

The reason for their exclusion lies in the fact that these signs or their characteristics are not suitable for guaranteeing distinctiveness in the eyes of consumers, because they are too simple, descriptive, or associated with common ideas, names and concepts.

These exclusions include particularly [2]:



[1] Article 74.2 of Law on IP



## **2. Protection Requirements**

- Signs resulting in simple shapes and geometric figures, numerals, letters or scripts of uncommon languages, except where such signs have been widely used and recognized as a mark;
- Signs resulting in conventional signs or symbols, pictures or common names in any language of goods or services that have been widely and regularly used and known to many people;
- Signs indicating time, place and method of production, category, quantity, quality, properties, ingredients, intended utility, value or other characteristics, which is descriptive of goods or services, except where such signs have acquired distinctiveness through use before the filing of mark registration applications;
- Signs describing the legal status and business field of business entities;
- Signs indicating the geographical origin of goods or services, except where such signs have been widely used and recognized as a mark or registered as collective marks or certification marks [...];
- and others.

**Secondly**, the law on intellectual property also sets out a series of signs that cannot, in all cases, be protected as trademarks, particularly because they reproduce public or official elements, or deliberately mislead the consumer as to the quality or origin of the products or services [1], such as :

- Signs identical with or confusingly similar to national flags or national emblems;
- Signs identical with or confusingly similar to emblems, flags, armorial bearings, abbreviated names or full names of Vietnamese state agencies, political organizations, and other official organizations;
- Signs identical with or confusingly similar to real names, alias, pseudonyms or images of leaders, national heroes or famous personalities of Vietnam or foreign countries;
- Signs identical with or confusingly similar to certification seals, check seals or warranty seals of international organizations which require that their signs must not be used, unless such seals are registered as certification marks by those organizations;
- Signs that cause misleading or confusion or deceive consumers as to the origin, properties, intended utilities, quality, value or other characteristics of goods or services.

These (i) and (ii) exclusions are assessed and applied during the examination of the sign as part of the registration procedure and may serve as grounds for refusal of registration (<u>see 3.2</u> <u>below</u>).



<sup>[1]</sup> Article 73 of Law on IP

#### 2.4 How are the requirements appreciated? Which body oversees appreciation in Vietnam?

The authority responsible for examining trademark applications is the Intellectual Property Office of Vietnam (**IPVN**).

This public office will assess the distinctiveness of the trademark not only on objective grounds (i.e. the exclusions or inherent non-distinctiveness of the signs defined above), but also on relative grounds (i.e. the proximity of the registered sign to earlier rights held by third parties).

Distinctiveness will therefore be recognized based on these two checks.

A more detailed explanation of the examination of the IPVN will be given (<u>see 3.5 below</u>) on the grounds for refusal of registrations and the opposition procedure.



#### **Appreciation Guidelines**

Here are some guidelines on how the IPVN assesses trademark registration, and in particular the characteristics of signs that do not qualify for trademark protection:

- Characters of languages that are imperceptible and unmemorable to the common knowledge of Vietnamese consumers (unreadable, incomprehensible and unmemorable), such as characters not of Latin origin: Arabic, Slavonic, Sanskrit, Chinese;
- Combination of too many letters or words that is imperceptible and unmemorable, such as a sequence of too many characters not arranged according to a given order or rule, or a text or a paragraph;
- Word or phrase that is used in Vietnam as the common name of the very related goods or service;
- A common figure or geometric figure, such as round, ellipse, triangle, quadrangle, etc., or a simple drawing; a picture or image used merely as a background or ornamental pattern of a product or a product package;
- A picture or image that is too tangled or complicated for consumers to easily perceive and memorize its details, i.e. a sign that consists of too many combined or overlapped images or lines;
- A widely used picture, image, emblem or symbol.

On the other hand, certain characteristics valued by the NOIP make a registered sign distinctive and eligible for trademark protection :

- The character sign and the figure sign are all distinctive and combined into a distinctive whole;
- The strong component of the mark (the element that has a strong effect on the senses of consumers, attracts their attention to and gives an impression of the mark) is a distinctive character sign or figure sign, while other components are indistinctive or insignificantly distinctive.
- If the combined sign consists of indistinctive or insignificantly distinctive character signs and figure signs, but a unique combination of those signs gives a particular impression, that combined whole is still considered distinctive.



#### 3.1 Is there a trademark registration system in Vietnam? Is it mandatory?

Vietnam has a trademark registration system and a public information portal related to trademark registration. Except for certain cases involving well-known trademarks, a trademark is only protected in Vietnam if the protection registration process has been completed at IPVN.

The registration system is therefore **mandatory** to obtain protection for trademarks in Vietnam.

In this line, the registration of the trademark, after being examined by the NOIP on the conditions of eligibility of the trademark, goes through a publication of the sign applied for as a trademark. The purpose of this publication is to make the registration public and enforceable, as well as to enable third parties to file any objection to the registration (**see 3.6 below**).

## 3.2 What are the formal, procedural, and substantive requirements for trademark registration?

There are few stages in registering a trademark, all of which are essential to understand. Here is a brief outline of the main stages in the registration procedure.

#### 3.2.1. Preparation and submission of the application file

The application file contains all the information relating to the owner or his legal representative, as well as samples of the registered trademark, which must comply with certain formal criteria depending on the material medium used (color, graphic, verbal, auditory, etc.).

These mandatory items include :

- The trademark protection registration application (according to IPVN template);
- The sample of the sign (6 copies, print in accurate color, white background, size 8cm x 8cm)
- Power of attorney (in case the request is filed through a representative);

Furthermore, the trademark registration dossier may also require some of the following documents, depending on each specific case :

- Documents certifying the permission to use special signs (if the trademark contains emblems, flags, armorial bearings, abbreviated names or full names of Vietnamese state agencies/ organizations or international organizations, etc.);
- Paper on the assignment of the right to apply (if any);
- Documents certifying the lawful right of registration (in case the applicant enjoys the right to file from another person);
- Documents evidencing the right of priority [1];

But above all, the filing dossier must contain the following key elements:

**<sup>[1]</sup>** The right of priority corresponds to the possibility when a trademark is registered in a member country of the Paris Convention, of benefiting from a priority period (as regards third parties' applications) to register this trademark elsewhere in the world.







#### • The trademark description:

The sample of the mark must be described to clarify elements of the mark and the comprehensive meaning of the mark:

- where the mark consists of words or phrases of hieroglyphic languages, such words or phrases must be transcribed;

- where the mark consists of words or phrases in foreign languages, such words or phrases must be translated into Vietnamese;

- where the mark contains numerals other than Arabic and Roman numerals, those numerals must be transliterated into Arabic numerals;

• **Products and services covered by the trademark**: The legal protection of the trademark will only cover categories of goods and services registered.

Determining the goods and services covered by a trademark is based on **the principle of specialty**: A trademark is registered to cover some specific goods or services that will be marketed under its affixing.

These classes of products or services are listed according to a worldwide classification known as the Nice Classification [1].

#### Illustration

Similar or identical trademarks can coexist, as long as they cover different products or services. In this case, the consumer will not confuse the two companies. That's why it's important to understand the principle of specialty: A trademark is never registered absolutely and is limited to a particular field of commercial activity.

#### Example



*These two trademarks coexist freely*: On the left, the Lotus brand is registered to cover the sale of automobiles and spare parts. On the right, the Lotus brand is registered to cover the sale of cookies.

Although they are similar, their fields of activity are too far apart for there to be any confusion between the two companies.

The Nice Classification (NCL), established by the Nice Agreement (1957), is an international classification of goods and services applied for the registration of marks.



<sup>[1] &</sup>lt;u>https://www.wipo.int/classifications/nice/nclpub/en/fr/</u>

#### 3.2.2. Formal examination by the IPVN

Within a theoretical period of 1 month, the registration will undergo a formal examination by the IPVN, which will ensure that the application meets the criteria for being received. Practically, based on our experience, the actual processing time for formal examination often extends from 2 to 5 months.

Following this examination, the NOIP issues a notice of acceptance or refusal: It therefore decides whether the trademark application is eligible for protection. In the event of refusal, the holder is given 2 months to rectify the form of the request.

#### 3.2.3. Publication of the trademark application

If the trademark application is accepted, it is published within 2 months of notification of acceptance by IPVN.

This publication is made on the IPVN's official website and in the Industrial Property Official Gazette.

The publication has the effect of making the trademark application visible to third parties: it therefore opens the possibility for third parties to oppose the registration by filing any objection. (**see 3.6 below**).

#### 3.2.4. Substantive examination

We then enter the real phase of examining the trademark application, notably to what concern protection criteria such as distinctiveness, as well as the grounds for absolute refusal and relative refusal (**see 3.5 below**) of the trademark registration.

According to regulations, the result of this examination must be delivered within 9 months of the filing date. However, practice shows that the actual substantive examination period for trademark registration applications often extends from 18 months to 3 years, reaching 5 years regardind some exceptional cases.

Following this examination :

- the IPVN issues a Notice of intention to grant a trademark protection title; or
- the IPVN issues a Notice of intention to Refuse the issuance of protection certificate: This refusal allows a response from the holder, who can also appeal against this decision. In this case, the applicant is given a 2 month period to respond IPVN's intention to refuse.

#### 3.2.5. Granting Trademark Registration Certificate

Once this final approval has been given, the owner must pay the fees relating to the registration and protection of his or her trademark: subject to payment of these fees within 3 months, the IPVN will then issue the trademark registration certificate.

The final stage of registration takes approximately **12 to 18 months** from formal validation. Regarding the aforementioned feedbacks about practice, we observe a 2 to 3 years period to go through the entire registration process.



## 3.3 What fees does the governing body charge for registration? Do these vary depending on the type of sign?

The costs incurred in registering a trademark comprise a lump sum, plus costs incurred in modifying the application (if any), adding classes of goods and services, or claiming priority. Main costs and expenses are detailed below [1]:

#### Fees and Charges relating to trademark

- International classification fee for goods/services: 100,000 VND (for each group of 6 products/services, from the 7th product/service onwards: 20,000 VND per product/service)
- Application publication fee: 120,000 VND
- Fee for publishing the Decision to grant the Protection Certificate: 120,000 VND
- Fee for recording the Decision to grant the Protection Certificate: 120,000 VND
- Information retrieval fee for examination purposes: 180,000 VND (for each group of 6 products/services, from the 7th product/service onwards: 30,000 VND per product/service)
- Content examination fee: 550,000 VND (for each group of 6 products/services) (from the 7th product/service onwards in each group: 120,000 VND per product/service)
- Fee for examining requests for priority rights: 600,000 VND/per application/per request: 600,000 VND
- Certificate issuance filing fee: 120,000 VND (for the first group of products/services, from the second group onwards: 100,000 VND per group)
- • Application filing fee: 150,000 VND (for each application)

#### 3.4 Do I have to be represented to register a trademark?

In Vietnam, the use of an official representative before the IPVN is not compulsory in principle. However, the Law on IP provides that for foreigners not permanently residing in Vietnam (individuals) and foreign entities not having legal establishment or activities in Vietnam (organizations), the designation of a representative to the IPVN is mandatory [2].

Beyond this obligation, the designation of an official representative before the IPVN presents various advantages, such as:

- A professional mastery of the trademark registration process;
- A monitory of IPVN's notices that may impact the issuance of the trademark application;
- A knowledge of the practices operated by the NOIP in appreciation of the trademark application;
- An adequate legal requirements management to provide for a one-shot application.

Representation may not be exercised by all law firms and is only possible for structures justifying a certain legally controlled status [3], the list of which is provided by the IPVN (<u>https://ipvietnam.gov.vn/web/english/ip-representation-services</u>).



<sup>[1]</sup> Circular No. 263/2016 TT-BTC

<sup>[2]</sup> Article 89.2 of Law on IP

<sup>[3]</sup> Chapter XI – Articles 151 and seq. of Law on IP

#### 3.5 Can trademark registration be refused? If so, on what grounds?

During its substantive examination, the IPVN may refuse to register a trademark [1]. There are two main types of grounds for refusal:

(i) **Absolute grounds**, which result from the prohibitions or exclusions provided for in intellectual property law;

(ii) **Relative grounds**, which result from prior trademark rights held by third parties in Vietnam.

#### 3.5.1 Refusal on absolute grounds : conformity of the sign with legal prohibitions and exclusions

The absolute ground describes a general rule that applies to all applications for trademark registration according to objective criteria, and specific prohibitions that may not be infringed by the registered sign.

The absolute criteria are therefore those that prevent a trademark from being recognized as valid because it does not comply with the general framework for a trademark purpose, including:

#### • Signs that are indistinctive by nature [2];

- Signs resulting in simple shapes and geometric figures, numerals, letters or scripts of uncommon languages, except where such signs have been widely used and recognized as a mark;

- Signes resulting in conventional signs or symbols, pictures or common names in any language of goods or services that have been widely and regularly used and known to many people;

- Signs indicating time, place and method of production, category, quantity, quality, properties, ingredients, intended utility, value or other characteristics, which is descriptive of goods or services, except where such signs have acquired distinctiveness through use before the filing of mark registration applications;

- Signs describing the legal status and business field of business entities;

- Signs indicating the geographical origin of goods or services, except where such signs have been widely used and recognized as a mark or registered as collective marks or certification marks as provided for in this Law.

[1] Article 117.1 of Law on IP [2] Article 74.2 of Law on IP





### • Signs for which protection is excluded [1];

- Signs identical with or confusingly similar to national flags or national emblems;

- Signs identical with or confusingly similar to emblems, flags, armorial bearings, abbreviated names or full names of Vietnamese state agencies, political organizations, and other official organizations;

- Signs identical with or confusingly similar to real names, aliases, pseudonyms or images of leaders, national heroes or famous personalities of Vietnam or foreign countries;

- Signs identical with or confusingly similar to certification seals, check seals or warranty seals of international organizations which require that their signs must not be used, unless such seals are registered as certification marks by those organizations;

# 3.5.2 Refusal on relative grounds : assessing the likelihood of confusion regarding third parties' prior rights

The IPVN may still refuse to register a sign even if it does not conflict with the absolute grounds for refusal. This is when the IPVN considers the existence of prior rights held by third parties: when the sign applied for is too confusing with existing trademarks, there is a risk.

Assessing this risk may therefore lead to refusal: the main criterion taken into account by the IPVN will therefore be to look at the classes of goods and services (see the above Nice <u>Classification</u>) covered by the conflicting signs: if these goods or services are similar or identical, the resemblance between the sign applied for and a prior sign belonging to a third party may result in refusal on a relative ground.

The search for a likelihood of confusion between the goods and services of two similar signs no longer needs to be demonstrated when the earlier sign, held by a third party, **is a well-known trademark:** a trademark that enjoys a particular fame and distinctiveness in the territory of Vietnam, and with which any sign resembling it automatically causes confusion (**see 4.4 below**).



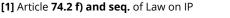
The considering of prior rights held by third parties therefore includes the refusal of registration in the following cases [1]:

- Signs identical with or confusingly similar to registered marks of identical or similar goods or services based on registration applications with earlier filing dates or priority dates;
- Signs identical with or confusingly similar to another person's mark which has been widely used and recognized for similar or identical goods or services before the filing date or the priority date, as applicable;
- Signs identical with or confusingly similar to another person's mark recognized as a wellknown mark which has been registered for goods or services which are identical with or similar to those bearing such well-known mark, or for dissimilar goods or services if the use of such mark may affect the distinctiveness of the well-known mark or the mark registration is aimed at taking advantage of the reputation of the well-known mark
- Signs identical with or similar to another person's trade name currently in use if the use of such signs may confuse consumers as to the origin of goods or services;
- Signs identical with or similar to a geographical indication being protected if the use of such signs may mislead consumers as to the geographical origin of goods;
- Signs identical with or insignificantly different from another person's industrial design which has been protected on the basis of an industrial design registration application with the filing date or priority date earlier than that of the mark registration application.
- Signs identical with or confusingly similar to names and images of characters and images in the works within the scope of copyright protection of another person that were widely known before the filing date, except with the permission of the owner of that works.

### Taking into account the existing rights of third parties,

it is important to highlight that the IPVN not only compares the trademark application with earlier trademarks held by third parties, **but also other existing and prior intellectual property rights or distinctive signs, such as industrial designs, copyrights, or geographical indications**.

The trademark applied for must therefore not infringe any prior rights, including any intellectual property rights.







Examples of refusals on relative grounds in Vietnam

#### the application trademark

**BEIGENE** 

(Class 5 registration: pharmaceutical products) the prior trademark cited by IPVN

## BEVIGENE

(Class 5 registration: pharmaceutical products)

In this example, the IPVN relied on the strong similarity between the marks and the identity of the classes of goods registered to determine that the registration applied for infringed the earlier mark. **Registration was therefore refused.** 

2.

the application trademark

## **BEE CHO ORIGIN**



(Class 3 registration: cosmetic products)

the prior trademarks cited by IPVN

СНОО

and

Dr. BEE

(Class 3 registration: cosmetic products)

In this example, the IPVN **combined the existence of two earlier signs** to determine whether the trademark applied for was confusing those signs, also because of goods or services covered by Class 3.

In response, the applicant argued that the protection of this mark **as a whole** was more visual than verbal, and that there was in that sense no notable confusion with the earlier signs.

The appeal decision therefore quashed the refusal to register.



#### 3.6 Is there an objection procedure? If so, how does it work?

If the existing rights of third parties are to be considered, **third parties must be allowed to express opinions and observations on published trademark applications**, to prompt a thorough examination by the Office :

As from the date an industrial property registration application is published in the Official Gazette of Industrial Property till prior to the date of issuance of a decision on grant of a protection title, **any third party shall have the right to express opinions to the concerned state management agency** in charge of industrial property rights on the grant or refusal to grant a protection title in respect of such application.

The written opinions of a third party are considered **as information for a reference for processing application for registration** of industrial property.

It is therefore the publication of the trademark application, consecutive to the formal acceptance of the application file, which makes the application enforceable against third parties, leaving them a certain period in which to formulate observations.

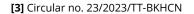
For trademarks, the objection period is 5 months from official publication of the trademark application [2].

The framework for this objection procedure [3], which is outlined below:

- After an opposition application has been filed by the Opponent to the trademark registration, the IPVN will provide a copy of the grounds of opposition to the Opposed party, who must respond within 2 months.
- The Opponent may submit a further response to the justifications provided by the Opposed party within the same 2-month period.
- Within this procedure, the role of the IPVN can evolve:

(1) where there is an identity between the goods and services covered by the contested mark and the goods and services covered by the opposing mark, or,

(2) when there is serious reason to believe that the two marks are registered for confusingly similar goods and services.





The opposition therefore has a real impact on the IPVN's final decision on whether to grant a protection title for the trademark application.

The main issue will therefore be to decide whether there is a likelihood of confusion between the conflicting trademarks, having regard to the similarity between the signs and the similarity between the classes of goods or services covered.

#### 3.7 Is there an international trademark registration implemented in Vietnam?

#### 3.7.1 The international registration system and priority rights

Vietnam is a member of the Madrid System [1], completed by the Madrid Protocol [2], which allows to apply for trademark registration in the 114 member countries of this system using a single application at a National IP Office of one member State.

As part of the international trademark registration system, the IPVN has a window allowing :

- from an application for registration of a trademark in Vietnam, to extend application for national trademarks registration in member countries of the Madrid System;
- receive applications for the registration of international trademarks designating Vietnam from Madrid System member countries.

In both cases, trademark applicants will benefit from a right of priority for registration. This right of priority was instituted by the Paris Convention (1883) and has since been extended to all member countries of the Madrid System:

Any person who has duly filed an application for a patent, or for the registration of a utility model, or of an industrial design, or of a trademark, in one of the countries of the Union, or his successor in title, shall enjoy, for the purpose of filing in the other countries, **a right of priority** during the periods hereinafter fixed.

#### [...]

The periods of priority referred to above shall be twelve months for patents and utility models, **and six** months for industrial designs and trademarks [3].

In practical terms, this means that when a national trademark application is filed in Vietnam, the applicant will benefit from a 6-month priority period to extend his trademark application to countries that are members of the Paris Convention and will be able to proceed directly with this extension via the IPVN for countries that are members of the Madrid System.

Applications extended in this way will have the same date as the first application, which gives any applicant a '*priority*' advantage in extending their rights.

Protection of Industrial Property



Agreement [1] Madrid Concerning International Registration of Marks (1891) has 114 Concerning the International Registration of Marks members in registration system, of which Vietnam has been a full member since 2006.

the [2] Protocol Relating to the Madrid Agreement [3] Article 4 of the Paris Convention for the the international trademark (1989) creates the system for cooperation between national offices for an international trademark registration system.

### 3.7.2. International registration procedure

#### International trademark registration from Vietnam to other countries

The institution that centralizes international trademark registration within the Madrid System is WIPO (World Intellectual Property Organization).

International registration therefore involves several stages:

(1) Preparing an international trademark application in the legally required format [1];

(2) Submission of this file to the trademark's office of origin (in Vietnam, the IPVN);

(3) The NOIP carries out a formal examination and checks whether the application includes all the formalities and conditions required for the validity of an international application;

(4) Once approved, the request is forwarded to WIPO.

(5) The WIPO :

• confirms the validity of the international file and publishes it in the Official International Gazette

or

• observes an irregularity and refers it back to the Office of origin to request modifications from the applicant.

(6) If the international application is confirmed, it is published and forwarded by WIPO to all the National Offices of the countries in which trademark registration is sought.

(7) Each Office conducts a substantive examination according to the protection criteria required on their territories (which are largely harmonized in the countries of the Paris Convention and the Madrid System).

(8) Each Office will issue a trademark protection certificate, or refuse to do so, often allowing the applicant to rectify his application to comply with national requirements.

(9) Thus: international registration is completed.

### Note box : The international trademark is not a single title of protection

The international trademark registration process does not issue a single title of protection for all the countries in which the applicant has claimed protection. The title is composed of **all the national trademarks titles independently protected in the countries selected** by the applicant.

Each title is therefore **independent of the others**: the refusal of a trademark in one country would not entail the refusal in other countries applied for in the same proceedings.

Outside the Madrid system, international registrations benefit from a single filing procedure. Applicants are therefore obliged to file national applications **with each country in which protection is sought**.

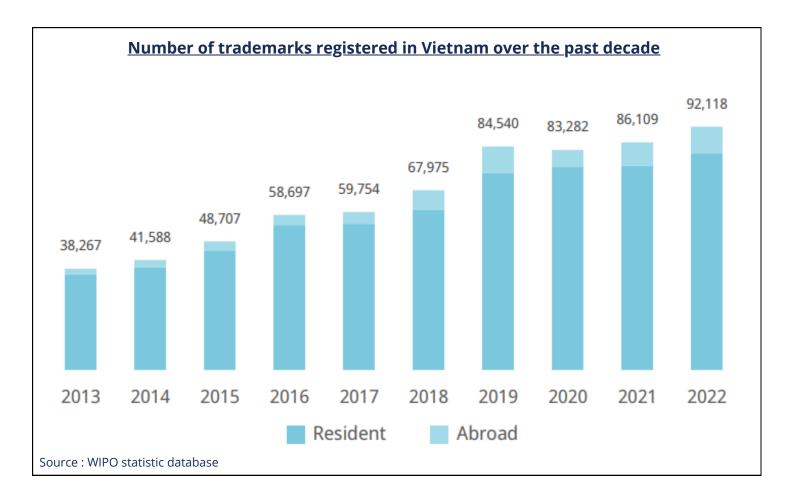


<sup>[1]</sup> Circular No. 23/2023 TT-BKHCN

#### International trademark registration from another country designating Vietnam

In this hypothesis, the IPVN of Vietnam will receive compliant application files from the WIPO and will be responsible for ruling on the substantive examination regarding the protection criteria of Vietnamese law.

It will issue a certificate of registration for the Vietnamese dimension of the trademark.





#### 4.1 What legal rights are conferred by trademark in Vietnam?

Like all intellectual property rights, trademark rights allow two types of prerogatives:

## (i) To carry out commercial operations based on the use of the trademark for owner's benefit:

In simple terms, registering a trademark allows an individual or organization to reserve a monopoly on the use of a sign to designate the goods and/or services covered by the trademark in its registration title. This right also enables it to grant third parties rights to commercially use the trademark, throughout licences or assignments [1].

Textually, the use of a trademark mainly includes [2]:

- Affixing the protected mark on goods, goods packages, means of business, means of service provision, transaction documents in business activities;
- Circulating, offering, advertising for sale or stocking for sale goods bearing the protected mark;
- Importing goods or services bearing the protected mark.

#### (ii) To take defensive action to prevent third parties from infringing the trademark:

Secondly, in the commercial relationship between the owner and third parties, the rights conferred by the trademark therefore enable him to prohibit the use of a close/similar/identical sign by a company if this use creates confusion with the earlier trademark [3].

The following acts, if being performed without the permission of mark owners, shall be regarded as infringements of the rights to marks:

- Using signs identical with protected marks for goods or services identical with goods or services on the lists registered together with such marks;
- Using signs identical with protected marks for goods or services similar or related to those goods on services on the lists registered together with such marks, if such use is likely to cause confusion as to the origin of the goods or services;
- Using signs similar to protected marks for goods or services identical with, similar to or related to goods or services on the lists registered together with such marks, if such use is likely to cause confusion as to the origin of the goods or services;

Trademarks therefore make it possible to build a protected graphic and commercial identity around the visibility of a company's products or services, guaranteeing the bond of trust established between the company and its consumers, whose economic choices are naturally influenced by the power of the brand in commercial operations.

[1] Article 124, 129 and 130 of Law on IP

[2] Article 124 of Law on IP

PLF Law Firm



#### 4.2 Is there any limit of trademark protection ?

Nor is trademark law an absolute right, and it has several limitations :

(i)The first limitation is territorial: a trademark is subject to the principle of territoriality and is only valid in the territory in which it is registered. This means that a trademark registered in Vietnam cannot be used as a basis for prohibiting the use of a similar sign in Japan or the European Union. This is why, in the context of international operations with cross-border trade, and in a strong context of globalization, owners are now invited to multiply registrations in the countries or areas in which they wish to establish any economic activity.

(ii)The second limitation obeys the principle of specialty: as discussed above, a trademark is registered to designate specific classes of goods and services derived from the Nice Classification. This means that, in principle, protection of the sign is valid only to protect the use of the sign in the registered classes, or classes considered similar (on a case-by-case basis). Confusion for the consumer will be difficult to recognize if two signs, although similar, are used to market different products or services.

In Vietnam, this principle of specialty is sometimes altered in the presence of a well-known trademark. It is considered that this type of trademark has acquired such renown among consumers that even in the presence of completely different classes of goods or services, the similarity between the signs is sufficient to create confusion: the consumer will undoubtedly associate the previous well-known trademark and the new trademark, which is then considered to benefit unduly from the fame of the first.

(iii)Thirdly, when used in commerce, the trademark **must be affixed in a form that does not alter its distinctiveness in relation to the form in which it was registered.** If this is not the case, the owner may face complications, in a context of a dispute, to act legally on the basis of a sign which does not sufficiently correspond to the sign appearing in the registration certificate.





In this case, the sign used was **too different to benefit from the registered trademark** : as a result, the plaintiff was successful in claiming that the sign used infringed his trademark rights.

We clearly note that the use made of the sign leads to confusion with the plaintiff's sign. The owner of the registered trademark was unable to benefit from it because he used it in a form too different from the one filed in the protection title.

#### 4.3 What are the conditions of use for enjoying trademark rights?

The explicit counterpart of trademark protection, which allows its owner to enjoy a monopoly on the use of a distinctive sign, is to effectively use of that sign. Otherwise, the monopoly would be abusive if it were reserved for being non-used.

Trademark use is therefore compulsory and imposed by law, failing which the existence and validity of the trademark are threatened [1]:

Owners of marks are obliged to use such marks continuously. Where a mark has not been used for 5 consecutive years or more, **the ownership right to such mark shall be invalidated** [...].



<sup>[1]</sup> Article 136 of Law on IP

#### Use of the trademark

The trademark has a period of 5 years in which to be used to designate the classes of goods or services for which it is registered.

What does trademark use involve?

The Law on IP provides a clear definition [1]:

"Use of a mark means the performance of the following acts:

- Affixing the protected mark on goods, goods packages, means of business, means of service provision, transaction documents in business activities;

- Selling, offering, advertising for sale, displaying for sale, stocking for sale, transporting goods bearing the protected mark; "

- Importing goods or services bearing the protected mark."

In short, the use of a trademark consists of affixing or displaying it to designate, in a commercial context, the products and services marketed by the company.

Any trademark that has not been used within the meaning of the above text for **an uninterrupted period of 5 years** will therefore be invalidated.

This 5-year period runs from :

- the date of registration for a newly registered trademark, or;
- the date on which the mark was last used.

In accordance with the applicable rules, invalidation can remain partial for categories of goods and services that are not used in case the trademark is effectively used for other categories [2]. Applications for cancellation are filed by third parties with the IPVN as a **non-use cancellation action**.

When a trademark is in the process of being cancelled for non-use, the owner is invited to submit evidence of use of the trademark in question: if sufficient proof of use is not provided, the NOIP may declare the trademark invalid, either in whole or in part, depending on the goods and services in question.



<sup>[1]</sup> Article 124.5 of Law on IP

<sup>[2]</sup> Article 96.2 of Law on IP

## 4.4 What is a well-known trademark ? How to understand it in relation to an ordinary trademark ?

According to Law on IP [1]:

A well-known mark means a mark widely known by consumers throughout the Vietnamese territory.

Well-known trademarks enjoy protection under Vietnamese law, as specified in Article 75 of the Law on IP and in alignment with Article 6bis of the Paris Convention. The rights to these well-known trademarks are safeguarded and inherently belong to the trademark owner, without the necessity of undergoing registration procedures.

To appreciate this widespread popularity with the Vietnamese public, several criteria need to be considered on a case-by-case basis [3], such as:

-Extent, Scale, and Continuity of Usage: Explanation of the origin, history, and continuous period of trademark use.

-International Presence: Number of countries where the trademark is registered or recognized as a famous trademark.

-Goods and Services: Comprehensive list of goods and services carrying the trademark.

-Market Presence: Territory where the trademark is circulated; Sales figures for products or service provision;

-Production and Consumption: Quantity of goods or services bearing the trademark produced and consumed.

-Monetary Value: Value of the trademark; Transfer or licensing fees; Investment value of the trademark.

-Investments and Costs: Investments and costs related to advertising, marketing; Participation in national and international exhibitions.

-Legal Aspects: Details on infringement cases, disputes; Decisions and judgments from courts or competent authorities.

-Consumer Awareness: Survey data on consumer awareness through purchasing, using, and advertising.

-Reputation Evaluation: Rankings and reputation evaluations by national and international organizations, mass media.

-Recognition and Awards: Awards and accolades achieved by the trademark.

Intellectual Property Assessments: Results of intellectual property ownership assessments by assessment organizations.

Recognition of the well-known trademark therefore takes place in the context of proceedings, either with the IPVN or before the Courts.



<sup>[1]</sup> Article 4.20 of Law on IP[2] Article 75 of Law on IP

<sup>[3]</sup> Article 75 of Law on IP; Article 27.3 of Circular No. 23/2023 TT-BKHCN
[4] Article 74.2 i) of Law on IP

2

In the case of recognized well-known trademarks leading to a decision on infringement proceedings for that well-known trademark [1] or resulting in a decision not to protect another trademark [2], the well-known trademark will be recorded in the list of well-known trademarks maintained by the Intellectual Property Office. This record serves as reference information for the establishment and protection of intellectual property rights.

In practice, consumers are so familiar with the well-known trademark that they will inevitably associate it with a trademark that resembles it, regardless of the market and the goods and services covered.

Confusion is therefore assessed much more severely in the case of a well-known trademark than an ordinary trademark.

[1] Article 129.1 d) of Law on IP

[2] Point i, Clause 2, Article 74 of Law on IP



### 5. Duration and Renewal

## 5.1 How long does trademark protection last in Vietnam? Can trademark protection be renewed or extended in Vietnam?

A trademark is granted for 10 years from the date of registration and may be renewed indefinitely: it therefore offers its owner theoretical eternal protection for the distinctive signs of his business [1].

As seen previously (**see 3.7 above**), under the Madrid System and international registration, a trademark can be extended internationally for the date of the initial application, provided that the right of priority (6 months) is respected.

[1] Article 93.6 of Law on IP





#### 6.1 Who can qualify as the owner of a trademark in Vietnam?

In principle, the trademark owner is the individual or organization in whose name the registration procedure is carried out. The registration certificate is issued nominally and qualifies the owner. It is also possible to arrange co-ownership when two or more individuals or organizations jointly file the same application for registration.

Registrant status can also be transferred using an assignment contract [1], which must be registered separately with the IPVN register to formalize the change of ownership [2] (**see 6.3 below**).

The owner therefore holds, together with any persons he may have contractually authorized, economic rights associated with trademark use (**in 4.1 above**).

#### 6.2 Is the registration of a trademark by a fraudulent third party punishable?

Some rights holders may encounter a major difficulty: although they use a distinctive sign as a trademark, they have not yet registered it as such. However, some companies can anticipate this and register it as an "obstacle".

This situation is not marginal, and often arises from a context of heightened competition between economic players, who then seek to *"block each other's path"*.

In Vietnam, the principle of registration of trademark rights is **the first-to-file principle** [3]: the person who registers first becomes the rightful owner of the rights to the sign :

Where two or more applications are filed by many different parties for registration of [...] marks identical with or confusingly similar to each other, for identical or similar goods or services, the protection title may only be granted to the valid application with the earliest priority or filing date among applications that satisfy all the conditions for the grant of protection titles.

A principle that could, theoretically, allow a malicious person to register in bad faith more quickly. However, Law on IP set out a clear principle of cancellation in this hypothetical case [4]:

A protection title shall be entirely invalidated in the following cases:
 a) The applicant registers the mark with malicious intention

In a general sense, and in the light of international legal practice, fraud or bad faith would tend to be characterized when the registration of a trademark is carried out with the sole intention of depriving the legitimate use of the sign by a person who was already using it at the time of the alleged fraudulent application. **This may constitute malicious intention within the meaning of the aforementioned provisions**.



 <sup>[1]</sup> Article 138 of Law on IP
 [3] Article 90 of Law on IP

 [2] Article 148 of Law on IP
 [4] Article 96.1 a) of Law on IP

#### 6.3 Can ownership of a trademark be transferred in Vietnam? If so, how?

As previously seen, trademark rights can be assigned or licensed.

The difference between assignment and licensing remains important: whereas assignment entails a total change of ownership, with the seller divesting himself of all rights to the trademark to sell it to a third party, the purpose of a license is simply to give a third party the right to use the trademark to affix it to the goods or services covered.

As with all contracts relating to the transfer of intellectual property rights, these must imperatively be in written form [1]: this is a mandatory condition for the validity of the contract, but it remains crucial **to prove and clarify the accuracy of the rights transferred**. The existence of a written contract is therefore a guarantee that the transfer exists, and under what conditions. Then, assignments and licenses obey different rules.

#### 6.3.1 Assignment of trademark rights

As mentioned above, the assignment implies that the selling owner divests itself of its trademark rights to sell it to one or more third parties, who then become the owner(s). It also includes several compulsory details [2], which are also essential for defining the scope and purpose of the assignment:

An industrial property right assignment contract must have the following principal contents:

- Full names and addresses of the assignor and the assignee;
- Assignment bases;
- Assignment price;
- Rights and obligations of the assignor and the assignee.

In addition to this regime, which is a general regime that applies to all industrial property rights, certain specific restrictions [3] apply to trademark assignments. Indeed, the assignment of the rights on a trademark :

- Must not cause confusion relating to ownership, properties or origin of the goods and services covered by this mark [4];
- Must be assigned to organizations or individuals that satisfy conditions for being a trademark register [5]: The assignment of the rights on a trademark only becomes officially effective upon completion of the trademark ownership transfer agreement registration process with IPVN



<sup>[1]</sup> Article 138 of Law on IP [4] Article 139.4 of Law on IP

<sup>[2]</sup> Article 140 of Law on IP [5] Article 139.5 of Law on IP

<sup>[3]</sup> Article 139 of Law on IP [6] Article 87 of Law on IP

#### 6.3.2 License of trademark rights

Unlike an assignment, a license represents a right to use and does not divest the initial owner of the rights on trademark, as a "permission by the owner of such industrial property object for another organization or individual to use the industrial property object within the scope of his/her use right" [1].

The license also includes several obligatory and, above all, essential items [2]:

An industrial property object license contract must have the following principal contents:

- Full names and addresses of the licensor and the licensee;
- Licensing bases;
- Contract type;
- Licensing scope of, covering limitations on use right and territorial limitations;
- Contract term;
- Licensing price;
- Rights and obligations of the licensor and the licensee.

To be valid, the license agreement must not unduly restrict the rights granted to the licensee [3], particularly when these rights are in no way dependent on the rights of the seller, such as the right to produce goods or services other than those covered by the trademark, or to condition the circulation of goods and services not covered by the trademark.

Once the contract has been concluded, the licensee is then authorized to produce the goods and services covered by the trademark by affixing it to them: the franchising system, for example, functions like a network of licensees.

32



<sup>[1]</sup> Article 141 of Law on IP

<sup>[2]</sup> Article 144.1 of Law on IP [3] Article 144.2 of Law on IP

## 6. Ownership and Transfer

#### 6.4 Can or must trademark transfers be officially recorded in Vietnam?

The trademark registration certificate remains a public document, enforceable against third parties: to ensure that this ownership is enforceable against all, it is necessary to register these changes as soon as there is a change in ownership.

For as long as the registration of the transfer contract (assignment or license) is not enforceable against all parties, it cannot be considered as valid [1].

The procedure for registering these contracts is largely defined in the decree relating to the registration of trademarks [2], and ultimately makes it possible to record the existence of a new owner of the rights on trademarks or licensees authorized to use the trademark under the conditions and scope defined in the contract. In brief, this procedure comprises few main stages [3]:

- Submission of a file to modify the certificate entered in the register (the original trademark certificate), including notably :

- The transfer contract;
- The consent of the owner, or of all the owners if there are several of them;
- Power of attorney of the parties;

- the IPVN assesses the validity of the contract and the conformity of the file in order to proceed with the modification of the register, and informs the parties of its acceptance or refusal;

- In the event of refusal by the IPVN, the parties have 1 month from the date of notification to make the necessary rectifications.

- If the file is valid, the IPVN registers the contract and officially publishes in the Industrial Property Official Gazette any changes in ownership or authorization granted to make them enforceable against third parties.

33



<sup>[1]</sup> Article 148 of Law on IP

<sup>[2]</sup> Article 58 of Decree No. 65/2023 ND-CP

<sup>[3]</sup> Article 59 and 61 of Decree No. 65/2023 ND-CP



From the date of registration (which corresponds to the date of filing of the registration file with the IPVN), the trademark has a term of 10 years, which can be renewed with no limit.

This means that the title must be renewed: its official expiry date is therefore the 10th anniversary of its registration date. In principle, therefore, it must be renewed earlier.

Vietnamese law offers a grace period of 6 months from the expiry date for late renewal of trademark rights: after this final period, the trademark expires.

#### 7.2 Can a trademark be invalidated during protection? If so, on what grounds?

A trademark may be invalidated during its lifetime.

The reasons for its invalidation can be linked to two main grounds :

- the trademark was legally registered even though it did not meet the absolute and relative conditions for protection; or
- the trademark no longer meets the conditions necessary for its existence.

The provisions of the Law on IP distinguish main types of trademark invalidation/cancellation:

#### (i)Cases related to the owner's administrative management of the trademark [1]:

- Its owner fails to pay the validity maintenance or prolongation fee as prescribed;
- Its owner declares to relinquish the industrial property rights;
- Its owner no longer exists or the owner of a certificate of registered mark is no longer engaged in business activities without any lawful heir;

#### (ii)Cases related to the owner's commercial management of the trademark [2]:

- The trademark has not been used by its owner or his/her licensee without justifiable reasons for 5 consecutive years prior to a request for termination of validity, except where the use is commenced or resumed at least 3 months before the request for termination (see 4.3 above);
- The use of a protected mark for goods or services by the mark owner or by a person authorized by the mark owner causes consumers to misunderstand the nature, quality or geographical origin of such goods or service;
- The protected mark becomes the common names of the goods or services registered for such mark [3].

#### (iii)Cases related to third-party right infringements and conditions for protection [4]:

- The applicant registers the mark with malicious intention;
- A protection title shall be partly or wholly invalidated if a part or the whole of which fails to satisfy the provisions of this Law on registration rights, protection conditions (as so relative grounds : infringing third parties right as a similar sign)



## 7. Trademark survival over time

Any organization or individual may request the State administrative body for industrial property rights to invalidate a protection title in the cases specified above

Requests and proceedings for cancellation/invalidation are brought by third parties before the IPVN within precise time limits and formal conditions: these invalidation proceedings give rise to an exchange of arguments between the holder and the third party's observations to enable the IPVN to rule on the grounds for annulment.



#### 8.1 What constitutes trademark infringement in Vietnam?

Any acts that may be recognized as trademark infringement are listed in the Law on IP, as follows: The following acts if being performed without the permission of mark owners, shall be regarded as infringements of the rights to marks [1]:

- Using signs identical with protected marks for goods or services identical with goods or services on the lists registered together with such marks;
- Using signs identical with protected marks for goods or services similar or related to those goods on services on the lists registered together with such marks, if such use is likely to cause confusion as to the origin of the goods or services;
- Using signs similar to protected marks for goods or services identical with, similar to or related to goods or services on the lists registered together with such marks, if such use is likely to cause confusion as to the origin of the goods or services;
- Using signs identical with, or similar to, well-known marks, or signs in the form of translations
  or transcriptions of well-known marks for any goods or services, including those unidentical
  with, dissimilar or unrelated to goods or services on the lists of those bearing well-known
  marks, if such use is likely to cause confusion as to the origin of the goods or services or
  misleading impression as to the relationship between users of such signs and well-known
  mark owners.

More briefly, **any act of reproducing a similar or identical sign to designate goods or services that is confusing with an earlier trademark is likely to fall within the scope of counterfeiting**, which punishes the unauthorized reproduction of a sign belonging to a person/company.

#### 8.2 Is criminal enforcement of trademarks possible in Vietnam?

As mentioned above, the Law on IP provides for the jurisdiction of several entities in the event of infringement, including the criminal courts [2]:

Organizations and individuals that commit acts of infringing upon intellectual property rights of other organizations and individuals shall, depending on the nature and seriousness of such infringements, be handled with civil, administrative, **or criminal remedies**.

The Criminal Code therefore has a special section dedicated to Infringement of industrial property rights that states [3]:

"A person who commits infringements upon industrial property rights which involve counterfeit products using another's brand name or geographical indication protected in Vietnam for commercial purpose or to earn an illegal profit of from VND 100,000,000 to under VND 300,000,000 or causes a loss of from VND 200,000,000 to under VND 500,000,000 to the owner of such brand name or geographical indication, or with the violating goods assessed at from VND 200,000,000 to under VND 500,000,000 to VND 500,000,000 or face a penalty of up to 03 years' community sentence."



36

<sup>[1]</sup> Article 129 of Law on IP[2] Article 226 of Criminal Code (2015) amended by[1] Article 199 of Law on IP53. of Law on Criminal Code (2017)

However, although there is a legal remedy for infringement of trademark rights, it is rarely used. Trademark owners generally prefer to take civil action, which enables them to claim financial compensation directly, whereas criminal proceedings only generate a fine paid to the State.

## 8.3 Are damages available for trademark infringement? What factors will the court consider in determining the value of damages?

A plaintiff may claim compensation for damages, provided that he or she can prove this on the specific factual grounds referred to in the Law on IP [1], such as [2]:

- **Total material damage :** the whole of the prejudice represented by the full benefit of the defendant's acts of infringement, based on material damage, including property losses, decreases in income and profit, loss of business opportunities, reasonable expenses for prevention and remedying of such damage;
- **Moral damage :** rather linked to a prejudice of image or concern for the individual who suffers the intellectual property right infringement: this claim is aimed more at authors and inventors who are natural persons capable of proving a moral impact, such as damage to honor, dignity, prestige, reputation and other spiritual losses caused to person. These damages are therefore unlikely to be claimed by a company that exploits a trademark, which in principle has no feelings and therefore no prejudice from affectation.
- Cost of Attorneys to claim his right, in reasonable proportions.

## 8.4 What measures can trademark owners take to help prevent infringement of their rights in Vietnam?

Trademark owners have several means at their disposal to help them prevent such infringements, without, however, eliminating the risk :

**First and foremost**, it is important to register the sign used as a trademark as quickly as possible. Vietnamese law is based on the first-to-file principle, so it remains important to think about securing your rights, at the risk of being dispossessed by a faster competitor.

This registration must include the forms of the trademark as it is used commercially, to avoid a significative difference between the registered trademark and the trademark in use, which would weaken an action against an infringing third party.

**Secondly**, it is advisable to secure evidence of the use of the trademark in the covered classes of products and services. This is done to avoid being left defenceless in case a third-party files a cancellation request. Such evidence can be gathered by retaining invoices related to the sale of covered products or services, promotional activities, or events carried out under the brand name.

**Finally**, it is important to conduct regular monitoring of signs and trademarks registered in the territory of Vietnam, as well as monitoring of competing products or services in your market. Identifying the appearance of counterfeiting or confusion with your business activity as soon as possible will help limit potential damages.



<sup>[1]</sup> Article **203.6** of Law on IP [2] Article **205** of Law on IP

#### 8.5 What is the statute of limitations for trademark infringement?

In civil matters, the statute of limitations for qualifying and sanctioning trademark infringement shall be 03 years from the date on which the legal rights or interests of an individual, legal entity or other subject were infringed [1].

In criminal matters, the prosecution for trademark infringement is subject to a 5-year statute of limitations starting from the day the infringement offense is committed [2].

In administrative matters, the statute of limitations is 2 years from the commission of the offense, which can be renewed in the case of a continuing offense [3].

[1] Article 588 of Civil Code (2015)
 [3] Article 6.1 a) of Law on Handling Administrative
 [2] Article 27.2 of Criminal Code (2015) violations (2012)



## 9. Enforcement and Remedies



### 9.1 What remedies are available against trademark infringement in Vietnam?

#### See 1.2 above

### 9.2 What is the procedure for filing a lawsuit against trademark infringement?

The very first thing to consider is the importance of the distinction between the administrative infringement procedure and the civil law infringement procedure.

Administrative measures mean handling of an act against the State economic management order, while civil measures mean protection of the trademark's owner's civil rights: the purpose of taking administrative measures against the infringer is not therefore to enable the owner to claim compensation for his personal loss, as the administrative fine is paid directly to the State.

But there's no need to make a choice either: even if an administrative or criminal procedure is underway, a holder who considers himself to be a victim and can prove that he has suffered prejudice can still claim compensation throughout civil proceeding.

To initiate a trademark infringement proceeding, the claimant must first file a petition and the necessary documents [1] to the People's court of the applicable rural district, urban district, provincial capital or provincial town, within three years from the date on which they discovered that their rights were infringed.

The lawsuit petition can be filed with the court in two ways [2]:

- direct submission at courts;
- sending them to courts by post.

The court will then consider the complaint, and within five working days from the date of receiving the petition must consider them and issue one of the following decisions [3]:

- accept to handle the case; •
- transfer the lawsuit petition to other competent courts;
- or return the lawsuit petition to the litigator for legal reasons more precisely defined by law • [4].

If the court deems that the case falls within its jurisdiction and that the lawsuit petition is sufficient, the court will notify the claimant of this in writing and will officially accept the case once the claimant has submitted the court fee advance payment receipts [5].

In theory, during the period in which the court takes written submissions from the parties, it must endeavor to conciliate the parties [6], unless the dispute concerns a matter in respect of which conciliation is not permitted [7].

If the parties fail to reach an agreement, first-instance court sessions will therefore be conducted in accordance with the rules set out in articles [8].

https://plf.vn/

[7] Article 206 and 207



<sup>[1]</sup> Article 189 of Civil Procedure Code (2015) [5] Article 195 [6] Article 205

<sup>[2]</sup> Article 190

<sup>[3]</sup> Article 191

<sup>[4]</sup> Article 192 PLF Law Firm 39

<sup>[8]</sup> Article 222 and seq.





#### 9.3 What is the procedure for appealing a decision in trademark litigation?

In main proceedings, the defendant has the right to appeal the judgment of the first instance court to the immediate superior court within 15 days from the date of the announcement of the judgment [1].

The head of the procuracy is also entitled to appeal against first-instance court's judgments or decisions [2], within 15 days or 1 month considering different procuracies' level [3]. Where an appeal is lodged against a decision, operative parts of the decision which are the subject of the appeal may not be enforced, except in exceptional cases defined by Law. On the other hand, measures that are not the subject of an appeal become enforceable on the date of expiry of the time limit for appeal.

At this stage, a new set of proceedings begins, with procedural rules similar to those at first instance [4].

The appeal judgment will replace the first instance judgment for the measures appealed against.



<sup>[1]</sup> Article 270 to 273

<sup>[2]</sup> Article 278

<sup>[3]</sup> Article 280

## 10.1 What key concerns and considerations should be borne in mind by foreign trademark holders in seeking to protect their rights in Vietnam?

Expanding your market share in Vietnam when you come from abroad calls for a certain degree of vigilance, which will enable you to consolidate your previous rights acquired in your country of origin.

Here are a few important points to bear in mind:

Get in touch with local professionals who can advise you on aspects of Vietnamese law and familiarize you with legal practices: intellectual property is a major asset in a company's competitiveness. Investing in your intellectual property capital means securing it with the help of legal professionals.

**Secure your rights on trademark before starting any operations:** divulging your brand image and starting major business operations without securing a prior monopoly on the use of your sign can ruin your entry into the market, and benefit an operator with a similar sign, or a local competitor who will find it much easier to grab your market share by registering his mark first.

**Apply trademark registration procedure:** this procedure can be anticipated through international trademark registration via the Madrid Agreement, but you can also take the classic route through a national application.

**Carry out a prior trademark search in Vietnam:** under the principle of territoriality, a similar or identical prior trademark may already occupy your relevant market in Vietnam. In such cases, coexistence with your trademark entails two major risks:

**firstly**, the risk of ambiguous coexistence, leading the owner of the earlier trademark to take action against your trademark, either to invalidate its registration, or to claim infringement of its products or services;

**lastly**, the risk that a lack of distinctiveness of your trademark in relation to earlier trademarks will make it impossible to distinguish your operation on your relevant market, which may ultimately weaken your brand image.



### **11. Elements of Vigilance**



## 11.1 What are your general advice for protecting trademarks in Vietnam and what potential sticking points would you highlight?

Trademarks are one of the most important assets for identifying a company on a market, and their infinitely renewable monopoly ensures that the distinctive signs used in all commercial operations will endure over time.

However, as we have already seen, trademarks require a great deal of attention, management, and monitoring if they are to be as profitable as possible.

Here are some of our most valuable tips on how to make the most of your trademark rights :

- **Choosing the right sign:** between figurative, word and sound marks, there are a multitude of signs that can be registered. To best protect your future business, make sure that :

- the sign is available and free from any visual similarity to a prior right existing in Vietnam, which could threaten its registration.
- the registered sign corresponds and will correspond to the sign you wish to exploit commercially: remember that the registration certificate will not be valid if the sign you are exploiting is in a form too different from that shown in the certificate. The distinctiveness acquired during registration must be reflected in your actual use.
- the registered sign must correspond to goods and services that are covered or are likely to be covered by your use of the sign, otherwise your trademark will be threatened with cancellation for non-use. To achieve this, registration must take account of possible medium-to long-term developments in the market.

- **Carrying out a trademark using surveillance:** particularly in extremely dynamic markets such as ready-to-wear, e-commerce and consultancy, which are easily exported around the world, many economic players enter the market every year. It is still advisable to monitor the entry of competing players into the market to ensure that the use of your sign is not undermined by a new registration or use as a trade name.

- Provide clear and precise information on the fact that your trademark is registered: Intellectual property has a passive dimension, which consists of deterring infringing intent by publicly conveying explicit references to the fact that the sign belongs to you. This leaves a strong impression of surveillance, and of dynamism regarding potential legal action: a malicious competitor could be dissuaded from seeking to imitate a sign that the company publicly mentions as belonging to it. This policy of dissuasion involves clear clauses on intellectual property in your general terms and conditions of sale and contracts, demonstrating that your company is prepared to take legal action in the event of unauthorized infringement.



### **11. Elements of Vigilance**



- If the use of your trademark is transferred, whether exclusively or not, to potential licensees or through a franchise network, make sure that the material and economic conditions guarantee the origin of the products and/or services marketed under your brand: precise and binding specifications are a good way of controlling the quality of your products, which will benefit your brand image.

- **React swiftly to any infringement of your rights by a third party:** set your limits clearly and call in professional legal advice to track down any potential infringer on legal and objective grounds.

- Surround yourself with competent legal professionals.



### **Contact us**

#### **PLF Office**



- +84 283 821 2161
- 💌 inquiry@plf.vn
- 16th Floor, Doji Tower 81-85 Ham Nghi, District 1, Ho Chi Minh City, Vietnam

Mr. Thanh Bui (James) Managing Partner Mrs. Lan Nguyen (Megan) Senior Associate





lan.nguyen@plf.vn

+84 910 906 309



44

PLF Law Firm

This document shall not be copied, reproduced or distributed in any form and by any means without the prior written consent of PLF Law firm. This document has been prepared for general information purpose only and does not constitute legal advice. PLF Law Firm - All rights reserved © 16th Floor, Doji Tower 81-85 Ham Nghi, District 1 Ho Chi Minh City, Vietnam +8428 3821 2161 inquiry@plf.vn www.plf.vn

<u>https://plf.vn/</u>