

## APRIL 2010 Vietnam: Government to combat counterfeits

01 Apr 2010

---

In late 2009, Deputy Prime Minister Hoang Trung Hai issued a stern announcement (Announcement 323) exhorting relevant agencies to step up the fight against counterfeit and smuggled goods in Vietnam. Announcement 323 acknowledges the improvements in IP enforcement in recent years, but notes that the results do not meet requirements and that, in the future, anti-counterfeiting and anti-smuggling actions by the authorities must be strengthened to protect the health of the people and prevent a negative influence on the investment environment. In particular, Announcement 323 notes that more resources and reforms are needed to shore up weaknesses in preventing smuggling and inferior goods from entering through the border points into Vietnam.

The solutions suggested by Announcement 323 include:

- Drafting a National Plan to combat smuggling, counterfeit goods and commercial fraud until 2015, with a focus towards the year 2020. The National Plan will provide solutions to strengthen inspections and the combating of the trade and manufacture of counterfeit goods;
- Completion of a new draft Decree on Combating Counterfeit Goods;
- Organisation of resources from the central level to local levels in a uniform manner to effectively combat counterfeit goods; and
- Make changes to regulations to ensure that sanctions have a deterrent effect.

On the heels of Announcement 323, along with the entry into effect of new amendments to the Law on Intellectual Property on January 1 2010, Vietnamese authorities are beginning to impose higher administrative penalties for IP violations. The higher penalties should be of a sufficient level to have a deterrent effect. In the past, administrative fines in the range of \$750 to \$900 were generally considered to be at the high end in Vietnam. However, in early 2010, authorities have issued a decision fining a counterfeiter approximately \$43,000 in the case of two IP violations for manufacturing counterfeit sandals bearing a famous fashion label. In a separate case of the manufacture of counterfeit apparel, a fine of \$10,000 was imposed, which was more than four times the value of the infringing goods. These cases are a strong indicator that Vietnamese enforcement authorities intend to take strident actions in the Year of the Tiger.

In late 2009, the Government issued Decree 107 on Business in the LPG Sector. This decree contains a number of provisions geared toward restoring order to the sector, including several provisions aimed at combating knock-off products. In recent years, many citizens in Vietnam have been injured by exploding counterfeit LPG canisters which are commonly used in home-cooking in Vietnam.



*Thomas J Treutler and Le Thi Hong Tuyen*

### **Tilleke & Gibbins Consultants Limited**

HAREC Building, 4th Floor

4A Lang Ha Street

Ba Dinh District

Hanoi, Vietnam

Tel: +84 4 3772 6688

Fax: +84 4 3772 5568

[thuylie.v@tillekeandgibbins.com](mailto:thuylie.v@tillekeandgibbins.com)

[www.tillekeandgibbins.com](http://www.tillekeandgibbins.com)