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# REFINEMENTS TO IP LAW IN VIETNAM

The 2006 Intellectual Property Law (IP Law) was amended in 2010 in response to industry demands and to meet commitments made pursuant to the Berne Convention and TRIPS (Trade-Related Aspects of Intellectual Property Rights) agreement. These important amendments to the IP Law, effective January 1, 2010, have resulted in renewed registration and enforcement activities by rights holders.

## Well-known trademarks

Well-known trademarks can be protected in Vietnam without registration and, in 2009, the IP authorities in Vietnam continued to issue notices that determine the well-known status of trademarks on a case-by-case basis. One case saw the National Office of Industrial Property (NOIP) issue an official notice in favour of General Electric. The US-based company lodged an opposition against a Vietnamese trademark application for 'GE Mancy & Device', for real estate services in Class 36 under the name of Phong Thuy One-Member. The examiner concluded that GE Mancy & Device would convey an association with General Electric, causing consumers to confuse the source of the products and services. The application was refused pursuant to Article 74 of the Vietnamese IP Law.

## New examination time limits

Under recent amendments to the IP Law, industrial property registration applications will be examined over slightly longer periods (due to backlogs under the previous time limits). Applications will be examined within 18

months for inventions, nine months for trademarks and seven months for industrial designs.

## Copyright amendments

Various amendments were also made to copyright provisions of the IP Law. The amendments extend the term of protection for cinematographic, photographic, applied art and anonymous works to 75 years from the date of first publication. Articles 26 and 33 of the IP Law set forth a number of situations in which a sound or video recording may be used without permission being sought and the circumstances in which remuneration must be paid for such use. The 2009 amendments improved upon those provisions that were not consistent with TRIPS. However, the amendments do not go quite far enough and may not satisfy rights holders who find themselves unable to prevent certain uses of their works or who may be forced to receive statutory royalties.

The IP Law was also amended to correct a previous oversight in which the exclusive import right of sound and video recording producers was omitted. This oversight has been explicitly addressed and resolved in the amendments.

## Enforcement provisions

One of the amendments fixed the maximum administrative fine for an IP violation at VND500 million (\$28,500). The government is expected to



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provide more details on administrative fine levels in future subordinate legislation. Previous fines, which averaged about \$1,000, did not have a deterrent effect.

Perhaps the most important amendment regarding enforcement is the removal of the ‘cease and desist’ letter requirement for most administrative actions. In the past, prior to requesting the authorities to take administrative action against an infringer, a rights holder was required to send the infringer a cease and desist letter. This regulation was problematic because the letter alerted the infringer about the impending action, providing an opportunity to destroy evidence and hide ill-gotten profits. The amendments require the rights holder to provide evidence of deliberate infringement.

Further, in 2008, the Ho Chi Minh City People’s Court heard a groundbreaking criminal prosecution for trademark infringement under the IP Law and issued a guilty verdict for infringement of industrial property rights. The infringer was given a three-year probationary sentence for producing an energy drink that bore a device similar to the trademark of a popular energy drink. An order was issued for the confiscation and destruction of all infringing goods.

In May 2009, the Vietnamese government promulgated a decree setting out penalties for administrative violations of copyright and other rights, which came into effect on June 30, 2009. The passage of this decree, which signals that the government is now ready to devote more resources to handling

copyright violations, has spurred renewed interest in enforcement by rights holders.

The decree defines 39 acts of infringement of copyright and related rights, as well as higher penalties for most of the infringing acts than were available previously. The maximum penalty level for certain violations, such as the unauthorised reproduction and distribution of copyrighted works, is now VND500 million (\$28,500). Previously, the theoretical maximum penalty was VND70 million (\$4,000), but in practice, the highest penalty issued was typically VND15 million (\$850).

## Customs recordal

The General Customs Office issued a decision introducing detailed procedures for monitoring imports and exports. Accordingly, rights holders can request the customs authorities to monitor copyright, trademark and patent-protected goods at ports of entry. An application must be filed to request the monitoring and detection of the infringing goods, accompanied by a detailed description of the potentially infringing goods, a summary of features that distinguish the genuine from the infringing goods, certified copies of IP registration certificates, and other information such as modes of transport, packing methods, prices and suspected sources of infringing goods.

The customs authorities were proactive in enforcing IP rights in 2009. For example, the authorities identified and held potentially infringing products at the port and notified the rights holders. A trademark holder has three



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days to request suspension of clearance and lodge a bond to compensate the owner of the goods for potential losses if the goods were wrongly seized. Customs may suspend clearance for 10 days while the rights holder establishes infringement and co-operates with the authorities to commence an administrative action or civil court proceedings.

## Domain name dispute regulations

On December 24, 2008, Vietnam's Ministry of Information and Communication issued regulations on domain name dispute resolution. There are now three means to resolve domain name disputes: informal negotiation, arbitration and litigation. A complainant may take action under one of these three means of dispute resolution if all of the following conditions are met:

- The disputed domain name is identical or confusingly similar to the name of the complainant, or to a trademark or service mark in which the complainant has lawful rights or interests
- The respondent has no lawful rights or interests in the domain name
- The domain name has been used by the respondent in bad faith.

Bad faith is found in various circumstances, such as “[l]easing or transferring the domain name to the complainant; [or] leasing or transferring such to a competitor of the complainant to obtain illegitimate profits”. Complainants should also keep in mind that under the IP Law, cybersquatting may constitute an act of unfair competition.

These changes to Vietnam's IP rights regime reflect a focused effort by the government of Vietnam to improve IP rights awareness and enforcement in the country.

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