

Vietnam

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1. SOURCES OF LAW

1.1 What are the principal sources of law and regulation relating to patents and patent litigation? (Briefly describe the role of international, federal or state laws and relevance of court decisions, list and briefly describe relevant statutes and international treaties.)

The principal sources of law and regulation relating to patents include:

- Law on Intellectual Property, adopted by the National Assembly on 29 November 2005, and amended on 19 June 2009 (IP Law);
- Decree No. 103/2006/ND-CP Providing Detailed Regulations and Implementing Guidelines on a Number of Articles of the Law on Intellectual Property Regarding Industrial Property, promulgated by the Government on 22 September 2006, as amended by Decree No.122/2010/ND-CP dated 31 December 2010 (Decree 103);
- Decree No. 105/2006/ND-CP Providing Detailed Regulations and Implementing Guidelines on Intellectual Property Regarding the Protection of Intellectual Property Rights and the State Management of Intellectual Property Rights, promulgated by the Government on 22 September 2006, as amended by Decree No. 119/2010/ND-CP dated 30 December 2010 (Decree 105);
- Decree No. 97/2010/ND-CP on Administrative Penalties in the Area of Industrial Property, promulgated by the Government on 21 September 2010 (Decree 97);
- Inter-Ministerial Circular No. 02/2008/TTLT-TANDTC-VKSNDTC-BVHTT&DL-BKH&CN-BTP Providing Guidelines on the Applications of a Number of Provisions of the Law on the Resolutions of Intellectual Property Rights Disputes in The People's Court, issued by the Supreme People's Court, Supreme People's Procuracy, Ministry of Science and Technology and Ministry of Culture and Information and Ministry of Justice on 3 April 2008 (Circular 2).
- Civil Procedure Code, adopted by the National Assembly on 15 June 2004, as amended on 29 March 2011.

Relevant international treaties include:

- Agreement on Trade-Related Aspects of Intellectual Property (TRIPS Agreement) (Vietnam is a WTO member country); and
- United States – Vietnam Bilateral Trade Agreement (includes a comprehensive chapter on intellectual property rights).

1.2 What is the order of priority of the relevant sources, ie which take precedence in the event of a conflict?

Laws and Ordinances, which are adopted by the National Assembly, have the highest priority, followed by decrees (promulgated by the government) and circulars (issued by the relevant Ministry). However, in practice, because the law is implemented by ministerial-level authorities or sub-ministerial authorities that are under the authority of a particular Ministry, the implementing or enforcement authorities often give higher weight to the provisions of a circular, as they are the most detailed regulations and were drafted by persons with expertise in the field.

International treaties have priority over domestic laws if conflicts arise.

2. COURT SYSTEM

2.1 In which courts are patents enforced? Are they specialised patents courts? If not, what level of expertise can a patent holder expect from the courts?

Intellectual property cases, including patent cases, are handled in the city – or district-level People’s Courts. See Civil Procedure Code, Articles 25.4, 29.2, 33.1(a) and 34.1(a). There is no specialised intellectual property court in Vietnam.

In general, very few intellectual property cases have been heard by Vietnamese judges. In particular, there have only been a few patent cases heard by the courts. Therefore, rights owners can expect a very low level of expertise from courts. This is one reason that has led most rights holders to choose to take administrative action, rather than civil action.

If complicated matters arise during patent litigation, the court would most likely query competent government agencies with expertise on intellectual property for their non-binding opinion for the court to use as guidance. In this regard, it is most likely that the court will query the National Office of Intellectual Property (NOIP) or the Inspectorate of the Ministry of Science and Technology.

2.2 Does the patent office or any other government body have any jurisdiction in patent litigation?

The NOIP and other government agencies do not have any jurisdiction in civil proceedings in patent litigation. However, as stated above, the NOIP and other agencies could be called on by the court to provide their non-binding opinion on complicated legal issues.

Other government agencies, such as the Inspectorate of the Ministry of Science and Technology, Inspectorates of local-level Departments of Science and Technology, Customs and the People’s Committees at both the provincial and district level, have jurisdiction over administrative proceedings relating to patent infringement. See Decree 97, Article 15.

2.3 Do the courts deal with infringement and invalidity simultaneously? Or must invalidity actions be brought in separate

proceedings? If so, before which court or government body (eg the patent office)?

In general, the courts will not handle the issue of patent invalidity. Patent invalidity proceedings take place in Vietnam under a 'patent cancellation' procedure at the NOIP, which is the agency that granted the patent.

Nevertheless, a court might become involved in the patent cancellation via an appeal procedure. A party to a patent cancellation procedure may appeal the NOIP's decision on the cancellation to the NOIP itself (the first appeal). If the appeal is not acted on or the party is not satisfied with the NOIP's decision on the appeal, the party may lodge an appeal to the Minister of Science and Technology (the second appeal) or bring the case to the court. If the second appeal is not acted on or the party is not satisfied with the decision by the Minister of Science and Technology on the second appeal, the party can bring the case to the court. The case will be heard by an administrative court pursuant to administrative procedure. See Decree 103, Article 14.

When the defendant applies to have a patent cancelled, courts and administrative agencies will be very reluctant to proceed with adjudicating the infringement action. In most cases, the court or administrative enforcement authorities will stay infringement proceedings until the patent cancellation proceeding is completed. See Decree 97, Articles 29.1 and 30.2. Patent cancellation proceedings may take six to 24 months to complete.

2.4 Who can represent parties before the courts handling patent litigation and/or the government body dealing with patent validity issues?

Although the regulations are not totally clear, in general, all licensed local Vietnamese lawyers may handle patent litigation in the courts. For administrative actions, the action is typically handled through a licensed Vietnamese intellectual property agent.

2.5 What is the language of the proceedings? Is there a choice of language?

All proceedings are only in Vietnamese. All documents in foreign languages must be translated into Vietnamese for submission to the court, as the court does not review foreign language documents, as a general practice. Foreign witnesses may give testimony at trial through an interpreter.

2.6 To what extent are courts willing to consider, or are bound by, the opinions of other national or foreign courts that have handed down decisions in similar cases?

Vietnamese courts are not bound by opinions of any foreign jurisdictions. However, Vietnamese enforcement officials have in the past been willing to consider foreign opinions for guidance, particularly in areas of the law that are not well developed in Vietnam, such as unfair competition. It is possible that judges may also be willing to consider opinions from foreign jurisdictions in such circumstances.

3. SUBSTANTIVE LAW

3.1 How is patent infringement assessed? To what extent does the doctrine of equivalents apply in an infringement action?

Vietnam has a civil law system, wherein only statutory provisions of the law apply. The courts do not apply case law as binding law and do not even refer to prior cases for guidance.

Therefore, Vietnamese judges only apply a few basic provisions of the law in determining whether infringement is found, and there are no detailed legal tests for determining infringement as are found in other jurisdictions.

With regard to assessing infringement, the IP Law states that the use of an invention ‘not different significantly from the invention’ during the pendency of a patent without permission of the patent holder is an infringement of the patent. See IP Law, Article 126. Slightly more detailed provisions for determining infringement are set out in Decree 105, Article 8.1, which provides that infringement is found in the following circumstance: where the product or a product part is identical or similar to a product or product part within the invention scope.

A similar definition of infringement is found in Decree 105 in regard to processes. Specifically, a process used by an alleged infringer is an infringing process if it is ‘identical or similar to the process [of the invention]’. As such, Vietnamese judges will do a claim analysis to determine whether literal infringement occurred.

Vietnam has no specific provisions regarding the doctrine of equivalents. However, to the extent that the basic test for infringement described above covers ‘similar’ products or processes, one can conclude that equivalents may fall under the ambit of the definition of an infringing product or process in Vietnamese patent law.

3.2 What defences are available to an alleged infringer?

Vietnamese patent law does not contain any clear defences. For example, there is no exception for *de minimis* infringement. As discussed above, an infringer could file a petition with the NOIP to attempt to cancel the patent (this is tantamount to an invalidation proceeding), which would most likely result in a stay of proceedings.

3.3 To what extent can enforcement of a patent expose the patent holder to liability for an antitrust violation?

There is no precedent in Vietnam for a patent holder being subject to liability for an antitrust violation, and there are also no apparent provisions of Vietnam’s Law on Competition or its implementing regulations that might be construed as bringing forth a significant risk of exposure for antitrust liability.

3.4 On what grounds can a patent be invalidated?

As stated above, invalidation is carried out through an administrative cancellation proceeding before the NOIP. The grounds to invalidate a patent are set out in Article 96.2 of the IP Law, including: (i) the applicant did not

have the right to file an application for the patent; or (ii) the invention did not meet patentability criteria applicable at the time the patent was issued.

3.5 Can a court only partially invalidate a patent? Can it transform the patent into a utility model?

As stated above, a court itself will not invalidate a patent in Vietnam. Invalidation is carried out through an administrative cancellation proceeding before the NOIP. A patent can be partially invalidated if part of the invention fails to meet patentability criteria. Therefore, in theory, the NOIP could cancel certain claims of a patent, while deeming other claims to be enforceable. See IP Law, Article 96.2.

3.6 Is it possible to amend the patent claims during a lawsuit?

Vietnam's IP Law does not contain provisions that would allow the amendment of patent claims during a lawsuit.

3.7 Are there any grounds on which an otherwise valid patent can be deemed unenforceable, owing to misconduct by the patent holder, or for some other reason (eg expiry of time limit)?

The only grounds for not enforcing a patent in Vietnam would be in circumstances where the patent is found to be invalid during a cancellation proceeding, or in cases where enforcement of the patent is contrary to national security or social interests in Vietnam.

Nevertheless, there are time limits beyond which a patent may not be fully enforced.

Specifically, the time limit for an administrative authority to impose penalties on an infringement is two years from the time of the infringement. Beyond such time limit, however, measures mitigating consequences of the infringement are still available. Examples of such measures would include removing infringing elements from products and advertisement publications, destroying infringing elements or products, etc. See Ordinance for handling administrative violations, Article 10 and Decree 97, Article 3.3.

The statute of limitations to initiate a civil case is two years from the time the right holder was aware of the infringement. See Civil Procedure Code, Article 159.3(b), as amended by Law 65/2011/QH12 dated 29 March 2011, effective as of 1 January 2012.

3.8 Can a patent holder bring a lawsuit claiming both patent infringement and unfair competition for the same set of facts?

There is no prohibition against bringing cases for multiple causes of action under the same set of facts. Accordingly, based on one set of facts, a lawsuit claiming both patent infringement and unfair competition could be brought in Vietnam.

4. PARTIES TO LITIGATION

4.1 Who can sue for patent infringement (patent holder, exclusive licensee, non-exclusive licensee, distributor)? Does a licensee need to

be registered to be eligible to sue?

Under Vietnamese law, a patent holder and a licensee have standing to sue for patent infringement. It is recommended that licence agreements be registered with the NOIP to maximise the chances of having proper standing.

4.2 Under what conditions, if any, can an alleged infringer bring a lawsuit to obtain a declaratory judgment on non-infringement?

Vietnamese law does not contain provisions for seeking a declaratory judgment on non-infringement.

4.3 Who can be sued for patent infringement? Can the company directors be sued personally? Under what conditions, if any, can someone be sued for inducing or contributing to patent infringement by someone else?

Vietnamese law does not contain specific provisions concerning aiding and abetting, contributory infringement, or third party liability in the context of intellectual property infringements. This shortcoming was identified by various rights holder associations and practitioners during the process of drafting Vietnam's intellectual property legislation. Additionally, there are no general concepts or practices that are commonly applied to impose such liability.

In relation to this issue, it should be noted that some rights holders have entered into discussions with management boards of large traditional markets to gain some cooperation in fighting against infringers in such markets. In such negotiations, the rights holders did raise the fact that liability is imposed for aiding and abetting, contributory infringement, etc as a common practice and is the law in other jurisdictions. This concept is therefore known in Vietnam, although it is not the law.

There is precedent in Vietnam for directors to be held liable for intellectual property violations. However, this mainly occurs in cases that result in human injury or death, and thus such cases usually involve the production of counterfeit drugs or food, and typically do not involve patents.

4.4 Is it possible to add or subtract parties during litigation?

Vietnam provides that parties can be added or subtracted from a case during proceedings.

5. ENFORCEMENT OPTIONS

5.1 What options are open to a patent holder when seeking to enforce its rights in your country?

There are generally three options for enforcement of patent rights in Vietnam: (i) civil proceedings; (ii) administrative proceedings; and (iii) criminal proceedings. See IP Law, Part V.

5.2 Are criminal proceedings available? If so, what are the sanctions?

Under the Criminal Code of Vietnam, which was amended in 2009, infringement of patents on a 'commercial scale' can result in imprisonment or a criminal penalty of up to VND 500 million (approximately EUR 17,000). See Criminal Code, Articles 170a and 171. However, the term 'commercial scale' has not yet been defined. It is anticipated that this term will be defined in forthcoming guidelines.

Imprisonment only applies to cases in which there were multiple violations or the crime was 'organised' (eg, part of an organised crime activity). As such, in cases without these elements, only a fine may apply, or non-custodial reform of up to two years may be imposed.

Ex officio criminal enforcement is not affirmatively required under the Criminal Code or other laws, but it does take place in practice. This is particularly applied in respect of products that endanger human health if they are counterfeit, such as pharmaceuticals, foodstuffs, cigarettes, liquor, etc.

5.3 Are border measures available?

Border measure actions, including the seizure and holding of suspected infringing goods, may be conducted by customs pursuant to rights holder requests for monitoring of suspected goods under Articles 216 and 217 of the IP Law. In practice, customs authorities regularly detain shipments of infringing goods in Vietnam. Rights holders have three days after receiving a notice from the authorities to verify whether a suspected shipment is indeed infringing.

Seized goods can then be subject to administrative sanctions, such as destruction, and administrative fines may be imposed on the infringers.

5.4 Is it compulsory to send a cease and desist letter to an alleged infringer before commencing patent proceedings? What are the consequences, if any, for making unjustified threats of patent infringement?

It is not compulsory to send a cease and desist letter to an alleged infringer before commencing civil proceedings in a patent case. Previously, a cease and desist letter was required to be sent to an infringer prior to filing an administrative case. However, this requirement was removed under recent amendments to the IP Law.

5.5 To what extent are courts willing to grant cross-border or extra-territorial injunctions?

There is no precedent in Vietnam for cross-border or extra-territorial injunctions, and it is most likely that Vietnamese courts would be quite reticent to issue such orders.

5.6 To what extent do courts recognise the blocking effect of 'torpedo' actions abroad?

Up until this point in time, there is no recognition of this concept in Vietnam.

5.7 To what extent are alternative dispute resolution (ADR) methods (such as arbitration or mediation) available to resolve patent disputes? If arbitration is available to assess invalidity, will your patent office recognise and execute an arbitral award declaring a patent invalid? How widespread are ADR methods and in which sectors?

Arbitration is not available to assess invalidity. Generally speaking, arbitration is available for commercial disputes only. See Law No. 54/2010/QH12 dated 17 June 2010 on commercial arbitration, Article 2. ADR methods are only allowed to be chosen in the event that both parties agree to refer the matter to ADR contractually prior to the dispute arising. As such, it would be possible to choose ADR for a licence agreement in Vietnam. It should be noted, however, that Vietnam has a patchy record on the enforcement of arbitral awards from abroad.

6. PROCEDURE IN CIVIL COURTS

6.1 What is the format of patent infringement proceedings?

In Vietnam, infringement proceedings begin after a complaint is filed by the plaintiff. The court will review the complaint, and if it deems the complaint valid, will enter the case for adjudication on the court rolls. Then, the defendant will have a chance to file a written answer. However, in practice, before proceeding with a formal hearing, Vietnamese judges will summons the litigants several times and conference informally to encourage the parties to reach an amicable settlement. If a settlement cannot be reached, the court will proceed to a hearing, usually between three to six months after receiving the complaint.

6.2 Are disputed issues decided by a judge or a jury?

In Vietnamese civil proceedings, all disputed issues are decided by a judge.

6.3 To what extent are documents, affidavits, witnesses and/or (court-appointed or party appointed/private) experts used? Is it possible to cross-examine witnesses? To the extent party appointed/private experts are used in patent proceedings in your country, what is the evidential value of their opinions and/or testimony? Is it possible to confront court appointed experts and party appointed/private experts at trial (expert conferencing)?

The IP Law of 2005 introduced 'IP assessors' into the litigation process. See IP Law, Article 201. An IP assessor is a licensed organisation that is authorised to issue opinions on infringement or other intellectual property matters. As such, a plaintiff or defendant can request an IP assessor to examine the evidence and issue an opinion, wherein the opinion will state a conclusion on infringement or non-infringement. The court is not bound to accept such opinion, but, because Vietnamese courts currently lack expertise in intellectual property matters, judges will typically defer to the expert opinion of an IP assessor.

One licensed IP assessor is the Vietnam Intellectual Property Research Institute (VIPRI), which has issued opinions on several complex patent cases.

6.4 Is evidence obtained in criminal proceedings admissible in civil proceedings and vice versa?

Evidence obtained in administrative and criminal proceedings is admissible in Vietnam. Often it is a sound strategy to request an administrative raid prior to launching civil litigation for the purpose of gathering evidence. This is because court discovery is not advanced in Vietnam, and discovery during litigation is not likely to yield persuasive evidence.

6.5 To what extent is pre-trial discovery permitted? If it is permitted, how is discovery conducted? If it is not permitted, what other, if any, mechanisms are available for obtaining evidence from an adverse party or from third parties?

Vietnamese courts can order the provision of evidence once a case is accepted by the court for adjudication. However, the plaintiff will have the burden of proving the necessity for the evidence, and judges are not expected to issue sweeping discovery orders. Therefore, it is wise to seek the execution of an administrative action or raid prior to litigation.

6.6 What level of proof is required for establishing infringement or invalidity?

Vietnam does not have detailed regulations on standards of proof, but the plaintiff must prove infringement. In general, proof will need to be readily discernible by the judge. As a result, it is a best practice of practitioners to seek an opinion from an IP assessor for submitting to the judge to help the judge clearly understand the case and to persuade the court.

6.7 How long do patent infringement proceedings typically last? Is it possible to expedite this process? Is it possible to agree on a binding timetable for the proceedings, for example, in the context of a case management conference?

Patent infringement proceedings typically extend from three to six months. It is not possible to set a schedule for proceedings, as the judge has complete discretion in this regard.

6.8 What options, if any, are available to a defendant seeking to delay the proceedings? Under what conditions, if any, can proceedings be stayed? How can a plaintiff counter delaying tactics of a defendant?

Delays occur frequently during the litigation process and cannot be avoided, in general. It is best for plaintiffs to keep an open line of communication with the court and urge quick handling of the case. Common stall tactics include absence from court meetings, because Vietnamese courts tend to give defendants a few chances to appear, if they miss a few trial conferences or hearings. There are few default judgments.

7. FINAL REMEDIES

7.1 What remedies are available against a patent infringer

(permanent injunction, delivery up or destruction of infringing goods, publication of the decision, recall-order, monetary remedies, etc)?

Monetary damages

Articles 204 and 205 of the Law on Intellectual Property provide very general regulations on the calculations of damages for intellectual property violations. The law provides for, *inter alia*, compensation for lost profits, compensation for damages, and compensation for attorneys' fees.

However, the law lacks any provisions that provide for presumptions in determining damages or burdens of proof regarding damages that would be beneficial to rights holders – in fact, under Article 203(6), plaintiffs are required to prove actual damages and specify the basis for calculating damages.

As to proving actual damages (asset and spiritual), Article 16.2 of Decree 105 further provides bases for determining whether the damages are 'actual', that is, (i) the interest (ie the interest that was lost) does exist and belongs to those who suffer from the infringement; (ii) those who suffer from the infringement can acquire the interest; and (iii) there is a reduction or loss of the interest after the infringement occurs in comparison with possibility of acquiring the interest if the infringement had not occurred, and the infringement must be the direct cause of such reduction or loss.

As to calculating damages, Article 204 of IP Law, Articles 17, 18, 19, and 20 of Decree 105 and Point 1, sub-section I, section B of Circular 2 provide certain bases for calculating damages. These bases include price of assignment or licence of the infringed patent, value determined when the infringed patent is contributed as capital to create a business establishment, value of the infringed patent in total assets of a business establishment, investment costs to create the infringed patent such as cost for research and development, taxes and duties, etc.

For loss in terms of income and profit, the losses are determined by comparing income and profit earned from directly exploiting and/or from licensing the infringed patent before and after the infringement, or by comparing output in terms of quantity of products sold before and after the infringement, or by comparing market price before and after the infringement.

For loss in terms of business opportunities, losses can be determined by the income that should have been earned from directly exploiting and/or from licensing the infringed patent if the infringement did not occur. Reasonable costs for preventing or mitigating consequences may include costs for storing infringing goods, costs for implementing the injunction, costs for assessment services, etc.

While these bases for calculation provide useful guidance, in practice, rights holders' calculations of damages based on survey results (to determine lost sales), or based on the rights holder's own accounting books, are often rejected, with the court taking the position that such calculations have not been proven and may be biased, or are speculative. Therefore, in some cases, although a rights holder may have won a case, the court will only award 'spiritual damages' (ie, a nominal amount to reflect the damage to the goodwill of the rights holder) and reject all claims for lost profits or

damages. In more advanced jurisdictions, the accounting figures of the rights holder are typically given the benefit of the doubt, and the onus is on the defendant to disprove the figures.

Article 205 of IP Law and Point 2, sub-section I, section B of Circular 2 provide two bases for determining compensation for asset damages when an infringement is found. The party suffering infringement may select either of these bases to determine the compensation for its asset damage:

- total asset damage plus profit acquired by the infringer if loss of profit of the infringed party has not been added to the total asset damage; or
- price of licensing the infringed patent assuming that the infringer was licensed by the rights holder with the scope of a licence equivalent to the infringement.

If the two bases cannot be applied for determining compensation, the court will consider and determine a compensation in the range from VND 5 million to VND 500 million (EUR 170 to EUR 17,000). Factors that the court shall take into account when determining compensation are method of infringement, territorial scope of the infringement, amount and scope of the infringement, and impact and consequence of the infringement.

Compensation for 'spiritual damage' shall be determined within the range from VND 5 million to VND 50 million (from EUR 170 to EUR 1,700) depending on the damage as to reputation, prestige, etc.

The calculation of compensation for asset and spiritual damages shall be applied to each patent being infringed.

The reasonable legal costs that can be payable by the infringer shall be actual, necessary, and might include costs for travel and accommodation.

Destruction of infringing goods

Under Point 5, sub-section IV, section B of Circular 2, the court is vested with the authority to order the destruction of infringing goods, as well as order the seizure of means for producing infringing goods. In practice, Vietnamese authorities do indeed regularly order the destruction of infringing goods, except for counterfeit products in the pharmaceutical or foodstuffs sectors.

7.2 To the extent it is possible to obtain a permanent injunction against a patent infringer, does the grant of a permanent injunction automatically follow a finding of patent infringement or does the court have judicial discretion to deny the grant of a permanent injunction notwithstanding a finding of patent infringement? Are there any specific rules for particular subject matter, for example, pharmaceutical patents, or for particular plaintiffs, for example, non-practising entities?

In general, the final judgment will serve as a permanent injunction in regard to the subject infringing product or process. However, if the infringer changes the infringing product to a product that still violates that patent, it will generally be necessary to file a new lawsuit, even if the new infringing product is only minimally different from the original infringing product.

7.3 Does the grant of a permanent injunction have to refer to the item(s) alleged to infringe the patent or may the grant of an injunction be broader in scope? Is the effect of an injunction limited to the patent infringer or is it also effective against third parties such as the infringer's suppliers or customers?

Vietnamese law is not well developed on this point, as few cases have been heard in regard to intellectual property. However, in general, the final judgement may be narrowly written, and it is important for the plaintiff to request the judge to write the injunctive language in a broad scope.

7.4 What monetary remedies are available against a patent infringer (reasonable royalty, lost profits, account of profits, or some other basis)? Are punitive damages available? If so, under what conditions? Are liability and quantum of monetary remedies assessed by the court at the same time or is the quantum assessed at a separate, later stage from liability?

Please see 7.1 above. In general, plaintiffs may receive damages including lost profits, account of profits, or damages based on a reasonable royalty.

8. PRELIMINARY RELIEF

8.1 Is preliminary relief available? If so, what preliminary measures are available (eg preliminary injunction) and under what conditions? Is urgency a condition for the court to grant preliminary relief? If so, how is it determined?

Articles 206-210 of the Law on Intellectual Property of Vietnam provide for injunctions in infringement cases. Injunctions are referred to in Vietnamese law as 'emergency measures,' and can be decided by judges *ex parte*.

Based on the general language of Vietnamese provisions on injunctions, an injunction may include an order to cease any particular activity. See Civil Procedure Code, Article 102. Therefore, it could contain an order to not commit or to cease any infringing activity, and an injunction may therefore be made to order a party to prevent infringing goods from entering channels of commerce.

Vietnamese law does not specifically state that an injunction may be ordered affecting any party over whom the judicial authority exercises jurisdiction. However, injunctions may be issued in respect of any individual or party. Therefore, there is discretion for a judge to issue an injunction order to affect third parties.

It should be noted that, in practice, Vietnamese judges are very reluctant to issue injunctions, and to our knowledge, no injunctions have been issued in the field of intellectual property law. Accordingly, although the injunctions concept, legal bases, and procedures are well defined, practical application is limited. Possible reasons for the lack of injunctions in Vietnam include: (i) reluctance by right holders to apply for the procedure due to a lack of belief in the effectiveness of the procedure or fear of transparency; (ii) hesitance on the part of judges to make difficult decisions (sometimes for fear of being required to compensate if wrong); and (iii) over-reliance of rights holders and practitioners on administrative measures, which are generally regarded as more efficient.

8.2 Is *ex parte* relief available, where the defendant is given no notice at all? If so, under what conditions?

Ex parte relief is available in Vietnam, provided that there is a significant risk of damage or risk that the infringer will destroy or hide evidence.

8.3 Is it possible to file a protective writ, ie a letter setting out possible defences by a potential defendant, at the court at which an *ex parte* application may be filed against that defendant? If so, is the protective brief communicated to the plaintiff and what effects does it have on the preliminary injunction proceedings?

There is no procedure in Vietnamese law for filing a protective writ.

8.4 Is the plaintiff entitled to ask for an order that the defendant's premises are searched and that a description of the infringing goods (and the accounting relating thereto) is made in order to establish proof of infringement? If not, what other mechanisms, if any, are available for seizing and preserving evidence pre-trial?

In theory, a court could order a search, and the plaintiff is entitled to make such a request. However, as a practical matter, it is more effective for the plaintiff to request competent administrative authorities (such as police) to conduct a search through a separate administrative action. See IP Law, Article 215.

8.5 Can the defendant put the validity of a patent in issue in preliminary injunction proceedings?

There is no provision that prohibits putting validity into issue in a preliminary injunction proceeding or during any part of a proceeding. However, such an argument is unlikely to be successful unless the defendant has formally filed a petition at the NOIP to have the relevant patent cancelled. Once a cancellation proceeding is pending, the court will be very hesitant to rule on infringement.

8.6 What is the format of preliminary injunction proceedings?

The judge will decide on the request for a preliminary injunction within three days or 48 hours from receipt of the request, or immediately upon receipt of the request, as the case may be. See question 8.9. The judge will schedule either an *ex parte* hearing or a hearing with both parties present, depending on the particulars of the case. The hearing may be scheduled at any time after receipt of the request for preliminary injunction and before the deadline for the judge to decide on the request.

8.7 To what extent are documents, affidavits, witnesses, and/or (court-appointed or private) experts used in preliminary injunction proceedings?

Affidavits and witnesses can be used in preliminary injunction proceedings to the extent desired by the plaintiff.

8.8 What level of proof is required for establishing infringement or invalidity in preliminary injunction proceedings?

Vietnamese civil procedure law does not provide any guidelines on standards for burden of proof. In general, Vietnamese judges tend to place an affirmative burden of proof on the plaintiff in all aspects, particularly in proving damages.

8.9 How long do preliminary injunction proceedings typically last?

If a request for an injunction is submitted during the process of case resolution, the judge will decide on the injunction within three days from receipt of the request, if no bond is required, or after the bond is placed. If the request for the injunction is submitted at a court hearing, the decision on the injunction shall be made immediately or after the bond is placed. See Civil Procedure Code, Article 117.2.

If the request for an injunction is accompanied by the complaint at filing, the judge shall decide on the injunction within 48 hours from receipt of the request. See Civil Procedure Code, Article 117.3.

8.10 Where a preliminary injunction is granted, is it necessary to start main proceedings to confirm the preliminary injunction?

A preliminary injunction proceeding in Vietnam must be accompanied by a general complaint, and it must correspond with main proceedings.

8.11 If a preliminary injunction is granted and the main infringement action is finally lost, can the defendant claim damages for the unjustified preliminary injunction? If so, how are the damages calculated? Must the plaintiff provide some form of bond/guarantee to compensate the defendant in the event the preliminary injunction is later held to have been wrongly imposed?

The plaintiff must place a bond of 20 per cent of the value of the goods in question during a preliminary injunction proceeding. The plaintiff can be held liable and required to compensate the defendant for any damages caused if the plaintiff loses the case. See IP Law, Article 208.2.

9. APPEAL PROCEDURE

9.1. What avenues of appeal are available for a defeated party in main proceedings or preliminary injunction proceedings? Under what conditions?

An appeal may be filed to the upper court (eg, provincial or municipal level court, or Supreme People's Court) within 15 days after the judgment in the local People's Court. See Civil Procedure Code, Article 243.

As for preliminary injunction, those who are subject to the injunction may file an appeal with the Chief Judge of the court handling the case. See Civil Procedure Code, Article 124.

9.2. If an appeal is filed, is relief usually stayed pending the outcome of the appeal?

During the pendency of an appeal to the upper court the remedies awarded in the lower court will not yet be implemented.

9.3. How long do appeal proceedings typically last?

An appeal proceeding can last from one month to four months, in general.

10. LITIGATION COSTS**10.1 What level of cost should one expect to incur to take a case through to a first instance decision, preliminary injunction proceedings and/or appeal proceedings?**

The expected cost would be EUR 8,000 to EUR 16,000, or higher if the case is appealed or unexpected issues arise.

10.2 Are attorneys' fees and costs recoverable from the losing party?

Vietnamese law provides that attorneys' fees and costs are recoverable in all intellectual property litigation cases that are handled under civil proceedings. See IP Law, Article 205.3.

11. FORTHCOMING LEGISLATION**11.1 What are the important developing and emerging trends in your country's patent law?**

Vietnam recently issued Decree 97, which provides more clarity on administrative enforcement measures, and should result in an increase in successful administrative actions. However, rights holders, while still favouring administrative proceedings due to cost savings and expediency, are looking more toward civil actions. This is particularly true now that courts can rely on competent expert opinions from IP assessors such as VIPRI. This injection of legal expertise into the civil process has resulted in an increased sense of confidence among practitioners and rights holders that the court will reach a sound legal decision.

11.2 To the extent it relates to patent enforcement, please outline any major patent legislation in the pipeline.

There is no significant patent legislation on the horizon in Vietnam. However, it is noteworthy that the United States and Vietnam continue to be engaged in trade negotiations, and it is likely that the United States will seek a number of 'TRIPS +' IP commitments on Vietnam's part. Therefore, it is possible that in the future Vietnam will be held to an even higher standard of protection for patents *vis-à-vis* rights holders from the United States.

12. USEFUL REFERENCES

Please identify any useful works of reference relating to patent law and patent litigation in your country including useful websites.

Other relevant resources on patent law and intellectual property law can be found at the following web pages:

<http://toaan.gov.vn/portal/page/portal/tandtc> – Supreme People’s Court
www.tand.hochiminhcity.gov.vn – Ho Chi Minh City People’s Court
www.noip.gov.vn – Vietnam National Office of Intellectual Property
www.most.gov.vn – Vietnam Ministry of Science and Technology
www.dost.hochiminhcity.gov.vn/web/vn – Ho Chi Minh City Department of Science and Technology
www qltt.gov.vn – Vietnam Market Management Bureau
<http://qltt-hanoi.gov.vn> – Hanoi Market Management Bureau
www.vipri.gov.vn – Vietnam Intellectual Property Research Institute
www.ustr.gov/countries-regions/southeast-asia-pacific/vietnam – USTR’s Vietnam Web Page.