



<< Left
Loc Xuan Le
Attorney-at-Law
loc.l@tilleke.com

<< Right
Linh Duy Mai
Consultant
duylinh.m@tilleke.com

Administrative Measures to Resolve Domain Name Disputes in Vietnam

In late 2008, intellectual property owners were encouraged when Vietnam issued long-awaited regulations providing guidance on how to resolve disputes about “.vn” domain names. This optimism soon faded, however, when the reality of the new practice set in. IP owners and practitioners continued to face challenges in securing their online rights, and there appeared to be no clear options for pursuing measures through a system that was transparent, effective, cost-efficient, and time-saving.

To address this issue, Circular No. 37/2011/TT-BKHCN of the Ministry of Science and Technology, which took force as of February 10, 2012 (Circular 37), is expected to breathe new life into the current mechanism of resolving domain name disputes involving intellectual properties such as trademarks, trade names, and geographical indications by describing in more detail the administrative measures to be used as a means of resolution.

Existing Legal Framework

Under Vietnam’s 2006 Law on Information Technology, there have traditionally been three means available to resolve domain name disputes: informal negotiation, arbitration, and litigation in court. In order to provide a more comprehensive framework for domain name dispute resolution, the Ministry of Information and Communication introduced Circular 10/2008/TT-BTTTT (Circular 10) in December 2008. Circular 10 provided details on the grounds under which a complainant may take action under these three means of dispute resolution, allowing the complainant to proceed if they can demonstrate all three of the following:

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

Circular 10 also provided evidentiary requirements and set forth some very general rules on procedure.

Challenges in Administrative Measures

Despite the availability of various measures for dispute resolution ranging from negotiation to litigation, most IPR disputes in Vietnam are currently settled by administrative measures—penalties carried out by state agencies outside the court system. This is typical for Vietnam, though concerned parties based in other jurisdictions often think of

civil actions when it comes to dispute resolution. The 2005 Law on Intellectual Property (Article 130.1.d) and Decree No. 97/2010/ND-CP on administrative sanctions in the field of industrial property rights (Articles 11, 12, and 14.10.a) include administrative measures as an approach to resolve domain name disputes.

However, these administrative measures have always faced challenges in enforcement. The Vietnam Internet Network Information Center (VNNIC), a state agency managing and allocating domain names ending in “.vn,” has the power to withhold, cancel, or transfer disputed domain names. Prior to the enactment of Circular 37, VNNIC relied on legal documents, namely, the 2006 Law on Information Technology, Circular 10, and Decision No. 73/QĐ-VNNIC dated March 17, 2010, to enforce decisions or judgments regarding disputed domain names. But as stated above, these documents did not provide administrative measures; instead, they provided civil measures, negotiation, and arbitration as methods to resolve domain name disputes. As a result, the use of administrative measures for resolving domain name disputes came to a near standstill.

Improved Process

With a view to resolving this bottleneck, Circular 37 provides new clarity on how these disputes can be settled. First, Circular 37 demonstrates the consensus of the Ministry of Information and Communication—the body with direct authority over VNNIC—in dealing with domain name disputes by administrative measures. From now on, administrative decisions on resolving domain name disputes can be enforced by VNNIC as provided in Article 2.3.b(i) of the Circular.

Second, all pending disputes that arose before the effective date of the Circular can be dealt with administratively. This is definitely a positive development for disputes that have remained unresolved for a long time.

Obstacles to Implementation

In addition to these positive points, however, there may be some obstacles to implementation of the Circular in practice. The Circular does not set forth a freeze of transfer or cancellation of the disputed domain name during the application of administrative measures. This could put IPR holders at risk of having to start anew with legal actions if the cybersquatters transfer or cancel the disputed domain name during the resolution.

Another potential obstacle exists in Article 11.2.a of the Circular, which holds that the person who is entitled to request administrative resolution of a domain name dispute must be the holder of a trademark, trade name, or geographical indication that is widely used in Vietnam. Meanwhile, the following paragraph of the same Article (Article 11.2.b.i) does not consider wide use to be a factor in determining whether unfair competition is occurring. This vagueness raises a question as to whether holders of trademarks, trade names, or geographical indications that are not widely used are also given the right to fight against cyber-piracy of their domain names.

Despite its shortcomings, Circular 37 will provide IPR holders with a new approach to fight against cyber-piracy. IP owners can now hold out fresh hope that these administrative measures will contribute to stronger protection of their legitimate rights and interests in Vietnam. 🏡