

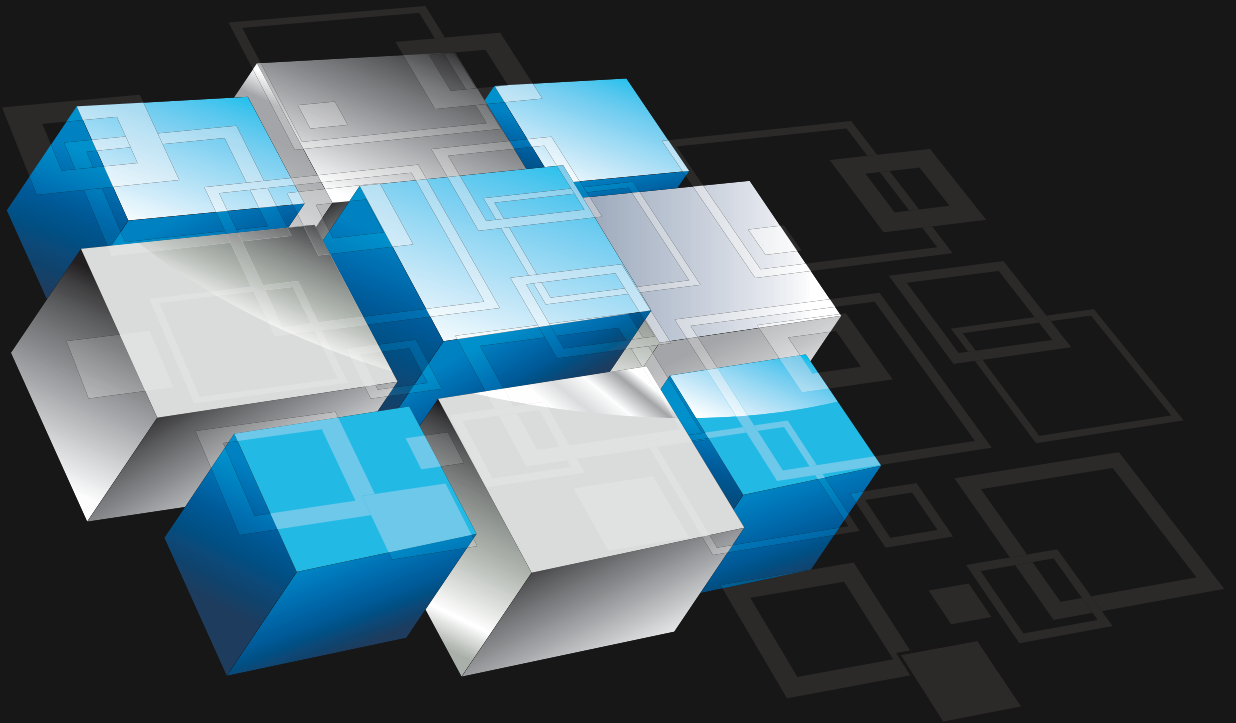
Tilleke & Gibbins

Intellectual Property in Vietnam

Registration

Protection

Commercialization



Overview

IP Rights

What is intellectual property?

Intellectual property is the collection of ideas that build your business—from brands and logos to the design of your products to your management practices.

Intellectual assets, as much as physical assets, hold the potential to generate profits for your business, as well as the risk of being stolen or unlawfully used by others. The full protection of your intellectual property (IP) rights is therefore an essential step to ensure that you can maximize the value of your IP.

This handbook is intended to provide you with a brief introduction to IP registration, protection, and commercialization in Vietnam.

What are the main types of IP that can be protected in Vietnam?

Vietnamese law provides protection for:

- ▶ Trademarks, Trade Names, and Geographical Indications
- ▶ Inventions and Industrial Designs (Patents)
- ▶ Copyrights and Related Rights
- ▶ Trade Secrets
- ▶ Layouts of Semiconductor Integrated Circuits
- ▶ Plant Varieties

We will discuss Trademarks, Patents, Copyrights, and Trade Secrets in the following pages.

Trademark

Definition

What is a trademark?

A trademark is a mark that is used on, or in connection with, goods or services for the purpose of indicating that they are the goods or services of the proprietor of the trademark, and are different from goods bearing the trademarks of others. Trademarks help consumers to answer questions such as “Who makes this product?” and “Who provides this service?”

A trademark can include characters, words, drawings, or images, including three-dimensional images, or any combination of these items, represented in one or more colors.

Protection

Do I need to register my trademark?

Trademark registration is not mandatory. But if you want to obtain the exclusive right to use your mark and prevent your competitors from using it, you must register your rights to the trademark with the National Office of Intellectual Property (NOIP).

Vietnamese law also recognizes the rights of unregistered trademarks. If you own an unregistered trademark, you may take action against acts of unfair competition by anyone who has passed off their goods as being yours, provided that the unregistered trademark is well known in Vietnam. However, it is much easier to enforce registered trademarks.

What types of marks can be registered?

Your trademark will be eligible for registration if it meets the following criteria:

- ▶ Your mark is not identical or confusingly similar to marks that have been registered by others.
- ▶ Your mark is sufficiently distinctive for the general public or consumers to believe that your goods or services bearing the trademark are different from the products of others.
- ▶ Your mark must not be forbidden under the Law on Intellectual Property (IP Law). For example, a mark that is identical or similar to a well-known trademark, or a mark that consists of a national hero, a national flag, or a geographical location, may not be used.

How long does registration take?

The process normally takes 12-15 months.

How long will my trademark registration last?

Your trademark registration will be valid for a period of 10 years from the filing date. You can then renew your trademark registration for another 10 years, with no limitation on how many times it can be renewed.

You can apply for renewal of the trademark registration within six months before your registration expires.

Will my mark be cancelled if I don't use it in Vietnam?

According to the IP Law, any third party may file a request to the NOIP to cancel a trademark registration. The requester must be able to prove that the mark has not been used by its owner or his or her licensee without justifiable reasons for a period of five consecutive years prior to a request for termination of validity, except where the use is commenced or resumed at least three months before the request for cancellation.

Can my trademark be licensed in Vietnam?

You may grant a license to other businesses or individuals to use your registered trademark for any or all of the goods or services for which it is registered. The trademark license agreement must be made in writing and shall be valid as agreed by the licensor and licensee. However, the license agreement will be valid against a third party only if it has been registered with the NOIP.

Are well-known marks protected in Vietnam?

The IP Law prevents the registration of a mark that is confusingly similar to a well-known mark, regardless of whether the well-known mark has been registered in Vietnam. A well-known mark is a mark widely known to the relevant sector of the public.

In addition, if you own a well-known mark, you can also file a request to the NOIP to cancel the registration of confusingly similar marks.

What are the criteria for a well-known mark in Vietnam?

The following criteria are taken into account to determine whether a mark is well known:

- ▶ The number of consumers who have become aware of the mark through purchase or use of goods or services bearing the mark, or through advertising;
- ▶ The territorial area in which goods or services bearing the mark are circulated;
- ▶ Revenue from the sale of goods or provision of services bearing the mark, or the quantity of goods sold or services provided;
- ▶ Duration of continuous use of the mark;
- ▶ Wide reputation of goods or services bearing the mark;
- ▶ Number of countries protecting the mark;
- ▶ Number of countries recognizing the mark as a well-known mark;
- ▶ Assignment price, licensing price, or investment capital contribution value of the mark.

Enforcement

What remedies are available to enforce my trademark rights in Vietnam?

As the owner of a registered trademark, you can bring criminal charges against anyone who intentionally infringes your mark on a commercial scale.

Infringers are subject to penalties including fines of up to VND 500 million (approximately USD 23,800 based on April 2013 exchange rates) or non-custodial reform of up to two years. For organized crime or repeat offenders, the penalties shall be up to VND 1 billion (USD 47,600) or imprisonment of up to three years.

If the infringement does not constitute a crime, you can seek administrative remedies. Administrative sanctions for infringers include fines of up to VND 500 million (USD 23,800) and suspension of business operations for up to three months.

In addition, you can also pursue civil remedies for injunctions against infringers, as well as compensation for actual damages and legal fees.

If you own an unregistered trademark, you are entitled to institute civil action to stop the illegal use and/or to recover damages for infringement, on the ground of unfair competition.

Patent

Definition

What can be protected under Vietnamese patent law?

You can seek patent protection for:

- ▶ ***Inventions and utility solutions.*** Vietnam’s IP Law defines an invention as “a technical solution in the form of a product or a process which is intended to solve a problem by application of the laws of nature.” A utility solution is similar to an invention, but does not involve an inventive step.
- ▶ ***Industrial designs.*** Vietnam’s IP Law defines an industrial design as “a specific appearance of a product embodied by three-dimensional configurations, lines, colors, or a combination of these elements.”

Protection

What are the requirements to protect my patent or design?

To be eligible for patent protection, an invention or industrial design must (1) be new, (2) involve an inventive step (for an invention) or be creative (for an industrial design), and (3) be capable of industrial application.

An invention which is new and is capable of industrial application, but which is not judged to involve an inventive step, may be eligible for protection as a utility solution.

Is patent registration mandatory?

In order to have exclusive rights over an invention or an industrial design, you need to file an application for registration with the NOIP.

What is the scope of protection for my patent?

When your invention patent has been granted, you have the exclusive right to manufacture the patented product; apply the patented process; exploit the utilities of the patented product or the product manufactured with the patented process; and circulate, advertise, offer for sale, stock, and import into Vietnam your patented product or the product made with your patented process.

If you hold a patent for an industrial design, you have the exclusive right to manufacture products with appearance embodying the patented industrial design. You also have the exclusive right to circulate, advertise, offer for sale, stock, and import into Vietnam items incorporating the patented design.

How long does registration take?

The registration process for inventions normally takes approximately three to five years from the date of filing.

For industrial designs, the registration process may take one year to one-and-a-half years from the date of filing.

Enforcement

How long does a patent registration last?

The term of patent for an invention is 20 years from the filing date. A utility solution patent lasts for 10 years from the filing date. A patent for industrial design lasts for 5 years from the filing date, but this term can be extended for two additional 5-year periods.

Can a patent be licensed in Vietnam?

You may grant a license for your patent to another person. It is necessary for you and your licensee to make the patent license agreement in writing. The license agreement shall be valid between you and the licensee as agreed, but is only valid against any third party when it is registered with the NOIP.

How can I enforce my patent rights in Vietnam?

As a patent owner, you can bring criminal charges against anyone who produces, uses, circulates, offers for sale, advertises, or imports any of your patented products or any products resulting from your patented process.

Unauthorized use of a patent or design can lead to fines of up to VND 500 million (USD 23,800) and detention of up to two years. For organized crime or repeat offenders, the penalties can be up to VND 1 billion (USD 47,600) or imprisonment of up to three years.

If the infringement does not constitute a crime, you can seek administrative remedies. Administrative sanctions for infringers include fines of up to VND 500 million (USD 23,800) and suspension of business operations for up to three months.

In addition, you can also pursue civil remedies for injunctions against infringers, as well as compensation for actual damages and legal fees.

Copyright

Definition

What is a copyright?

A copyright is a right granted to organizations or individuals to literary, artistic, or scientific works they have created or own.

Related rights mean rights of organizations and individuals to performances, phonograms, video recordings, broadcasts, and encrypted program-carrying satellite signals.

Works covered by copyright under Vietnamese law include literary and scientific works; lectures; press works; musical works; dramatic works; cinematographic works; plastic-art works and works of applied art; photographic works; architectural works; sketches, plans, maps and drawings related to topography or scientific works; folklore and folk art works of folk culture; and computer programs and compilations of data.

However, copyright protection does not extend to:

- ▶ News stories presented as mere items of press information;
- ▶ Legal documents, administrative documents, and other documents in the judicial domain and official translations of these documents;
- ▶ Processes, systems, operation methods, concepts, principles, and data.

Protection

How are copyrights protected in Vietnam?

When you own a copyright, you enjoy the exclusive rights to:

- ▶ Title your work;
- ▶ Attach your name or pseudonym to your work;
- ▶ Publish your work or authorize your work to be published;
- ▶ Protect the integrity of your work by preventing others from modifying, mutilating, or distorting it in any form prejudicial to its honor and reputation.

You also enjoy the exclusive economic rights to:

- ▶ Make derivative works;
- ▶ Display your work to the public;
- ▶ Reproduce your work;
- ▶ Distribute or import original works or copies thereof;
- ▶ Communicate your work to the public by wire or wireless means, electronic information networks, or any other technical means; and
- ▶ Lease original cinematographic works and computer programs or copies thereof.

Do I need to register my copyright?

Copyright protection is automatic. You do not need to seek registration to obtain copyright protection. Since Vietnam is a member of the Berne Convention for the Protection of Literary and Artistic Works, the work of a foreign national will be automatically protected in Vietnam if he or she is a member of a country that is a member of Berne, or if his or her work has been first published in a Berne member country.

However, you can record your copyright with the Copyright Office of Vietnam (COV). Copyright owners often choose to pursue recordation because it can be useful as prima facie evidence when enforcing copyrights in Vietnam and saves time and costs in proving that (1) copyright exists and (2) you are the owner.

How long does copyright protection last?

The term for copyright protection varies depending on the nature of the protected works. For most types of works, copyright protection continues for the lifetime of the author, plus an additional 50 years after the author's death.

Are there limitations and exceptions to copyrights?

Vietnam's IP Law provides fair-use provisions, which include numerous exceptions to copyrights. These exceptions allow other people to use your copyrighted work for various purposes, including noncommercial research or study of the work; private and personal use; comment, criticism, or review of the work with proper acknowledgement; and so forth. The fair-use rules under Vietnamese law are, however, subject to the requirements that such act neither conflicts with the normal exploitation of the work nor unreasonably prejudices the lawful rights of the owner.

Enforcement

How can I enforce my copyright in Vietnam?

As a copyright owner, you can bring criminal charges against an infringer who commits copyright piracy on a commercial scale. The penalties for such infringements include fines of up to VND 500 million (USD 23,800) or non-custodial reform of up to two years. For organized crime or repeat offenders, the penalties can be up to VND 1 billion (USD 43,600) or imprisonment of up to three years.

You can also request the competent authorities to take administrative action against an infringer. The infringer may be subject to a fine of up to VND 500 million (USD 23,800).

A copyright owner may also bring a civil action against an infringer to request compensation for actual damages and legal fees.

Trade Secret

Definition

What is a trade secret?

A trade secret is information that is not generally known to the public, which confers on its holder some form of economic benefit or advantage, and the controller of such information takes reasonable efforts to maintain its secrecy.

In Vietnam, a trade secret is defined under the IP Law as “information obtained from activities of financial and/or intellectual investment, which has not yet been disclosed and can be used in business.” The commercial value or advantage of such confidential information must be derived from its secrecy. The law also requires that the controller of a trade secret has taken appropriate measures to maintain its secrecy.

Protection

What are my trade secret rights?

When you own a trade secret, you have the right to disclose, use, and permit others to use your trade secret, as well as to prevent others from doing so without your permission.

How can I protect my trade secret?

Vietnam’s IP Law provides automatic protection for trade secrets, and thus no registration is required.

How long will my trade secret protection last?

Trade secrets are protected as long as they remain secret. Therefore, your trade secret protection can last indefinitely, as long as it still meets the criteria for protection.

What acts constitute an infringement of a trade secret?

The following acts are regarded as infringements of trade secrets:

- ▶ Accessing or acquiring information pertaining to trade secrets by taking acts against secret-keeping measures applied by lawful controllers of such trade secrets;
- ▶ Disclosing or using information pertaining to trade secrets without permission from the trade-secret owner;
- ▶ Breaching secret-keeping contracts or deceiving, inducing, buying off, forcing, seducing, or abusing the trust of persons in charge of secret-keeping in order to access, acquire, or disclose trade secrets;
- ▶ Accessing or acquiring information pertaining to trade secrets of applicants for licenses for trading in or circulating products by taking acts against secret-keeping measures applied by competent agencies;
- ▶ Using or disclosing trade secrets, while knowing or having obligation to know that they have been acquired by others engaged in one of the acts specified above;
- ▶ Failing to perform the secret-keeping obligation.

Are there exceptions to infringement claims?

If you own a trade secret, you cannot prevent others from performing the following acts:

- ▶ Disclosing or using trade secrets acquired without knowing or having the obligation to know that they were unlawfully acquired by others;
- ▶ Disclosing secret data in order to protect the public;
- ▶ Using secret test data not for commercial purposes in certain circumstances as provided by law;
- ▶ Disclosing or using trade secrets obtained independently;
- ▶ Disclosing or using trade secrets obtained by analyzing or evaluating lawfully distributed products, unless otherwise agreed upon by analyzers or evaluators and owners of such trade secrets or sellers of such products.

Enforcement

How can I enforce my trade secret rights in Vietnam?

As the owner of a trade secret, you are entitled to take either civil action to obtain compensation and a permanent injunction, or administrative action. When a trade secret is misappropriated by a licensee, action may be brought for breach of contract as well.

In general, there is no criminal penalty for anyone who infringes a trade secret by disclosing, taking away, or using a trade secret. However, the disclosure of a trade secret by any state agency that has the duty to maintain the trade secrets from being disclosed, deprived of, or used in unfair trading activities, or by any person who has obtained or knows a trade secret as a result of the performance of his or her duty under the IP Law, is subject to criminal penalties.

Intellectual Asset Management

IAM Program

How can I make the best use of my IP?

We recommend that you put in place an intellectual asset management program (IAM program). An IAM program is, very simply, a program that is designed to help your company establish systems and business processes that will enable you to manage your intellectual property as creatively and as efficiently as you manage your other assets. The underlying purpose of IAM programs developed by Tilleke & Gibbins is always the same:

- ▶ To maximize the value of your company's IP; and
- ▶ To enable you to derive competitive advantage from your IP, and, ultimately, to increase your company value.

What does an IAM program involve?

Often, large companies that are proceeding with their own internal IAM programs, particularly after acquisition of new portfolios

or under the terms of a licensing transaction, will call on their external IP lawyers to assist them in setting this up. Our IAM programs are made up of specific modules. Companies decide, usually in discussion with us, which particular modules will be of most relevance and benefit to them. In summary, the key drivers for IAM programs are:

- ▶ The identification and recordal of IP, both registered and unregistered, and the strengthening of legal title to these rights, both in Vietnam and elsewhere;
- ▶ The monitoring of third-party activities for actions that could negatively impact your business;
- ▶ The development of systems to ensure that IP is relevant to your business, that it is properly protected and managed, and that maximum commercial advantage is being derived from it; and
- ▶ The minimization of cost and risk associated with the acquisition, use, and misuse of IP.

How will such a program benefit my company?

Our aim is to ensure that you truly own the IP that will give you a competitive advantage and distinguish you from your competitors, that you are able to enforce those rights quickly and cost-effectively should others misappropriate them, and that at every level you are extracting maximum value from your IP.

Tilleke & Gibbins

About

Tilleke & Gibbins is a leading regional law firm with over 110 lawyers practicing in Bangkok, Hanoi, and Ho Chi Minh City. Our firm represents the top investors and the high-growth companies that drive economic expansion in Asia in the key areas of commercial transactions and M&A, dispute resolution and litigation, and intellectual property.

Our high-caliber intellectual property practice is internationally recognized in anticounterfeiting, IP litigation, strategic filing advice, and commercial IP work. Our success on our clients' behalf has led to global recognition as a leading IP practice in Thailand and Vietnam by such surveys as *Asialaw Profiles*, *Chambers Asia Pacific*, *The Legal 500 Asia Pacific*, *Managing Intellectual Property*, *Practical Law Co.*, *World Trademark Review*, *Asia IP*, *Asian Legal Business*, and others.



Tilleke & Gibbins

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