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Well-Known Marks in Vietnam: Legal Framework and Practical Obstacles

In 1992, the National Office of Intellectual Property of Vietnam (NOIP) refused a trademark application due to its confusing similarity to the unregistered, but well-known, McDONALD'S trademark of the U.S. fast-food chain. This refusal was based merely on the reputation of the mark, as McDonald's—at the time—had not yet used or shown any intention to use such mark in Vietnam. This was the very first case involving a “well-known mark” in Vietnam.

Legal Framework

At the time of the McDonald's case, the term “well-known mark” was not officially defined in any Vietnamese legal document. There existed only Decree 197-HDBT, dated December 14, 1982, of the Council of Ministers on Regulation of Trademarks, which provided: “signs that are identical or similar to marks that are previously registered in Vietnam or protected under international treaties to which Vietnam is a member for the same goods are not accepted as trademarks.”

Later, “well-known mark” was indirectly mentioned in Article 6.1e of Decree 63/CP, dated October 24, 1996, stating that, as one of the criteria for protection, a sign shall not be “identical or confusingly similar to others' well-known trademarks (in accordance with Article 6 *bis* Paris Convention) or to others' trademarks that are widely used and recognized.” Subsequently, Decree 06/2001/ND-CP, dated February 1, 2001, defined a well-known mark as “a mark that is used continuously for goods/services of good reputation, leading to the mark becoming widely known.”

Since the McDonald's case, the legal framework for well-known marks has evolved from a Decree (a legal normative document issued by the Government) into the Intellectual Property Law issued in 2005 and amended in 2009. Under the prevailing IP Law, a well-known mark is defined in Article 4 as “a mark widely known by consumers throughout the Vietnamese territory,” with further criteria provided in Article 75.

Practical Obstacles

Despite the evolution of the legal framework, the number of marks recognized as well-known in Vietnam has not increased significantly (based on the estimates of some IP agents through their practice, as no official statistics are kept). Several factors may have contributed to this lack of growth.

First, the NOIP seems to be becoming stricter in recognizing well-known marks. Some marks that are well-known, even famous, worldwide are not recognized as

well known by the NOIP, due to the lack of intensive and long-term use in Vietnam. In light of Item 2 of Article 75, the NOIP now requires intensive evidence showing the use of a mark within the territory of Vietnam for the purpose of recognizing a well-known mark. “Spill-over” effect, together with use of the mark in foreign and neighboring countries, is insufficient to prove the well-known status of the mark in Vietnam. The NOIP also imposes a higher requirement of formality on the evidence, such as requiring that the evidence be an original or certified copy and properly dated.

Second, as defined in Article 4, a mark is considered to be well known if it is known by consumers throughout the Vietnamese territory. By this definition, it seems that Vietnam requires that a well-known mark should be known by the public at large, not only by a pool of relevant and potential consumers.

Recently, some worldwide well-known marks have only been recognized by the NOIP as widely used, or as well known in Vietnam for certain goods and services, but not well known by the public at large. Obviously, no mark (not even the most well-known mark) will be used for all kinds of goods or services, especially marks for niche goods or professional services such as industrial machinery or financial services.

The practice that a mark may be recognized as well known for certain goods or services but not for others carries a potentially significant risk that such a mark may not be protected against the use of identical or confusingly similar marks for different goods or services. This runs contrary to the international practice, in which the scope of protection of a well-known mark often extends beyond the exact goods or services for which the well-known mark is used, and it is also inconsistent with Article 74.2(i) of Vietnam's IP Law, which prevents the registration of a sign that is identical or confusingly similar to a well-known mark even for dissimilar goods or services, as follows: “if the use of such mark may affect the distinctiveness of the well-known mark or the mark registration is aimed at taking advantage of the reputation of the well-known mark.”

Along with the overly strict review process, inefficiencies in the system could be discouraging trademark owners from even attempting to get their well-known marks recognized in Vietnam. For example, the IP Law requires that a List of Well-Known Marks should be kept and maintained by the NOIP. In practice, however, there has never been such a list. Thus, the owner of a well-known mark must prove that its mark is well known in Vietnam over and over again in every single case. As the process of recognizing a well-known mark requires intensive evidence, it takes a significant amount of time and effort for the trademark owner to collect the evidence (which must be updated from time to time) and for the NOIP to study and assess the evidence for every single case.

Seeking Consistency

While it is up to Vietnam to decide how high the standards should be for determining well-known marks, the NOIP should be consistent in its rulings and adhere to the relevant international practices. As a first step, more transparency is required. Specifically, the NOIP and other competent authorities should publish their decisions on recognizing (and not recognizing) well-known marks. This may help to increase consistency in their rulings and build public awareness of well-known marks. 🐼