

VIETNAM

Busy spring for enforcement authorities

Tilleke & Gibbins

Hanoi



Thomas J. Treutler and Loc Xuan Le

In early 2015, Vietnamese authorities continued their stepped-up IP enforcement campaigns, showing a commitment to improve the IP situation against the backdrop of TPP and EU FTA negotiations. Notable cases included:

Trade name infringement precedent

In Vietnam, the law on resolving trade name disputes is quite complicated due to overlapping regulations that have changed several times. Moreover, the local departments of planning and investment (DPI), which handle business registration matters, are typically reluctant to order a business to change its corporate name, even if there has been a decision from an IP authority declaring the name to be a trade mark infringement. This is due to the rarity of such cases, so it is new territory for the local DPIs. Furthermore, it is an administrative burden for many parties, as bank records, tax records, signage, contracts, etc, all may be affected by a name change.

A creative approach was recently taken to enforce a trade name infringement decision. Specifically, a Vietnamese computer company had registered a corporate name identical to the name of a famous foreign insurance company, and had registered infringing domain names. A complaint for cybersquatting and trade mark infringement was filed by the insurance company at the Ministry of Science and Technology (MOST) Inspectorate. Because the case was based on well-known trade mark grounds (due to the companies being in different sectors), the MOST Inspectorate queried the National Office of Intellectual Property (NOIP – the Vietnam IP registry) for its opinion on the fame of the insurance trade mark. The NOIP opined that the mark was widely used and recognised by

the Vietnamese public. Accordingly, the MOST Inspectorate then issued a decision declaring the infringements.

After petitioning the Ministry of Information and Communications (MIC) based on MOST's decision, the domain names were withdrawn by VNNIC (the Vietnam domain name registry), pursuant to an MIC directive. However, despite a petition from the rights holder, the local DPI declined to force the computer company to change its corporate name. Accordingly, counsel representing the insurance company petitioned the Ministry of Justice's Division of Law Enforcement Supervision, which is charged with overseeing the consistent application of laws by all agencies, to intervene and compel the local DPI to order the infringer to change its business name, to be consistent with MOST's conclusion on the case. Based on the MOJ directive, the DPI then ordered the infringer to change its name.

This case shows the complexities of handling IP infringements in Vietnam, as many agencies may be involved in handling a case. For example, this case involved six authorities: MOST, NOIP, MIC, VNNIC, local DPI, and MOJ. The case also displays the transparency in the Vietnamese legal system, when various agencies can be petitioned and handle matters in correct accordance with their own authority, and proper procedures for intervention are found in the law and can be effectively utilised by legal counsel.

Strides in patent enforcement

Following several recent patent infringement victories last year in administrative and civil forums by foreign patent holders in the pharmaceutical and agrochemical sectors, patent litigation jurisprudence continued to develop in early 2015. Of note is the following recent case in which a major US-based patent holder had obtained an expert opinion from the Vietnam Intellectual Property Research Institute (VIPRI) opining that a Vietnamese company's diabetes medication was infringing. As a result, the MOST Inspectorate inspected the Vietnamese company and seized and ordered the re-export of the raw materials used to make the infringing product.

Also, the packaging was ordered to be destroyed.

Most importantly, as part of a settlement with the authorities, the infringer agreed to withdraw the marketing authorisations of the products at the Drug Administration of Vietnam (DAV). This was possibly the first order to re-export a raw material infringing a pharmaceutical patent.

In another case involving a major European pharmaceutical company, the DAV expressly affirmed that it will only order the withdrawal of a marketing authorisation for an infringing product upon receipt of a decision from a court or an IP enforcement authority (such as the MOST Inspectorate) – this is a key point for practitioners and rights holders to note.

Parallel imports seized

Parallel imports of all products are generally allowed in Vietnam. They are especially popular in the ultra-competitive pharmaceutical sector, and can have a deleterious effect on pharmaceutical company revenues. In a precedent-setting case, the Hanoi Market Management Department (MMD) seized several parallel imports of a diabetes drug based on counsel's successful argument that the product sub-label contained a false designation of origin, stating the wrong country of manufacture. Public policy arguments were also presented – that the storage standards for the actual zone of manufacture would not guarantee that the product would be preserved adequately in Vietnam, and that the country of export had banned the export of the product. The MMD fined the distributor and destroyed the goods, and sent a communique to the DAV requesting that order be restored in relation to parallel imports to protect the public

These cases were handled by Tilleke & Gibbins' Vietnam offices.

In other key IP news from early 2015:

- INTA and the MOST Inspectorate inked an MOU for a project on well-known trade marks to culminate in a report on recommendations for best practices, and a roundtable meeting. This is an important initiative as Viet-

- Vietnam prepares to amend its IP Law.
- Vietnam's MOJ and other authorities are redrafting the IP crime provisions of the Criminal Code. Stakeholders hope for more application of criminal liability for IP crimes.