

VIETNAM IP UPDATE

How will upcoming changes to Vietnam's IP regulations impact patent examination?

One of the most important legal documents in the Vietnamese IP system is Circular No. 01/2007/TT-BKHCN dated February 14, 2007, guiding the implementation of the Law on Intellectual Property ("Circular 01"). Circular 01 sets forth regulations on the examination of patent, design, and trademark applications. The Ministry of Science and Technology intends to update this Circular and has posted its proposed amendments to Circular 01 ("Draft Circular") for public comments.

Tilleke & Gibbins' Vietnam patent team would like to report on some proposed changes in the Draft Circular and how they may affect our clients.



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Recordal of change in ownership of application

The Draft Circular clarifies some issues in the recordal of a change of ownership of a pending application that we have found to be vague or confusing in practice. First, it expressly provides that a change of ownership can be requested not only by assignment but also by bequest or inheritance, or under a decision of a competent agency. In the past, the practice was only implied. Second, the requirement that "an applicant must lodge details proving that the assignee satisfies the requirements on right to register" has been omitted, which would remove an inconvenience for applicants. Third, a timeframe of two months for issuing the examination results of a request for change has been added, which will hopefully reduce delays in the process.



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Determination of priority date

The Draft Circular's handling of priority rights reflects a welcome new flexibility in examining patent applications. In particular, when an applicant claims a priority right but that priority claim is rejected by the patent office (for any reason), the application will still be accepted as a valid application, but without priority right, provided that no further deficiencies relating to the validity of the application are found. Under the current practice, such applications have not been accepted.

Another intended change that should accelerate the handling of applications is that if there is a deficiency relating to claiming priority, such as a lack of a priority document, the patent office will inform the applicant about this deficiency in the Notice of Formality Examination Results, and the time limit for submission of this document will be three months from the filing date.



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Divisional applications

A new regulation in the Draft Circular is that when a divisional application is filed, the parent case will be re-published. We believe this is an unnecessary procedure, as the filing of the divisional application does not change the nature of the parent application, so there is no need for it to be re-published.

One needed change that is conspicuously absent in the current Draft Circular is the answer to a frequently arising question in Vietnam as to whether it is possible to file a divisional application based on a prior divisional application when the parent application is already patented. Neither the current Circular 01 nor the Draft Circular provides guidance on this situation, although we have been told by some Vietnamese examiners that the status of the parent application (e.g., the grant or refusal of the parent application) has no influence on the second divisional application.

Although such divisional applications have not yet been refused in practice, without written guidance in regulations, the legal efficacy of current practices is unclear. Therefore, there is a possible risk that such divisional application will be refused if it is filed after the parent application is granted.



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Requirements on specifications

The Draft Circular introduces new requirements on specifications. Accordingly, the description must point out the targeted aim of the invention or the task (technical problem) to be solved by the invention (e.g., to overcome the defects and/or disadvantages of the prior art as cited in the section “Background of the Invention”). The aim or task of the invention must be presented objectively and specifically, and must not be for advertising or promotional purposes.

The Draft Circular also strictly requires the main sections to be placed in the correct order, such as the sections “Technical Field of the Invention,” “Background of the Invention,” “Aim of the Invention,” etc. These requirements may result in many applications having to be amended when they are filed in Vietnam, making the process more difficult for international applicants.



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Requirements on specification of design application

A specification of the design is required for a design application. One section in the specification is a description/indication of the most similar industrial design. Under the current regulations, this section indicates industrial designs which are most similar to the claimed design in the application.

We have found that different divisions in the patent office hold opposing opinions on this section. The Industrial Design Division, which is responsible for examining industrial design applications, is of the opinion that this section is unnecessary because most applicants do not indicate the most similar industrial design in the specification, but instead simply state “there is no similar industrial design.” The Legislation and Policy Division, however, maintains that this section should be retained to comply with the Law on Intellectual Property, which states that the specification must “fully disclose all features expressing the nature of the industrial design and clearly identify features which are new and/or different from the most similar industrial design, and be consistent with the set of photos or drawings,” implying that the most similar industrial design must be indicated.

Under the Draft Circular, an intended change to the regulation on this section is that it will be expressly provided that an applicant can legally indicate in this section that “there is no similar industrial design.” This change would make the regulations more in line with the actual practice.



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Amendment of application

As a new regulation, the Draft Circular stipulates that if a specification is voluntarily amended, then the amended specification will be re-published. Meanwhile, it is silent regarding cases where the specification is required to be amended, such as in response to an office action. We believe this practice could result in confusion to the public regarding the contents of the specifications of pending applications.

This intended regulation also seems to be inconsistent with international practice, where specifications are published only twice; namely, when the application is published and when the patent is published.



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Time for responding to office action in substantive examination stage and review of decision on refusal

Under the Draft Circular, the time limit for the applicant to respond to an office action in the substantive examination stage is extended to three months, instead of the current two months. The intended change will benefit applicants by giving them more time to prepare arguments and supporting documents to respond to an office action.

The Draft Circular also introduces a new measure whereby a decision on refusal can be revoked if the applicant is able to provide new information and/or evidence which helps to justify the revocation. At present, such a decision may only be revoked under an appeal proceeding.



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Requirements of evidence for late filing of request for examination and grace period for novelty

Currently, the late filing (up to six months) of a request for examination is permitted if the applicant has a “valid reason.” The Draft Circular introduces a new requirement for the applicant to provide evidence supporting the reason.

A grace period is provided in Article 60.3 of the Law on Intellectual Property. Accordingly, an invention shall not be considered as lacking novelty if it was published in the following circumstances, provided that the patent application is filed within six months from the date of publication:

1. Published by another person without permission from the person having the right to register;
2. Published in the form of a scientific presentation by the person having the right to register; or
3. Displayed at a national exhibition of Vietnam or at an official or officially recognized international exhibition by the person having the right to register.

The Draft Circular introduces a new requirement for the applicant to provide evidence supporting said circumstances. Specifically, if the applicant does not submit the evidence together with the application, the NOIP will issue a notice requiring the applicant to submit it within two months of the date of the notice.

In both of these cases, we believe the new requirements are unnecessarily strict, and that evidence should only be required in cases where there is doubt. It remains to be seen if these requirements will survive in the final version of the circular.

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While working as a patent attorney in Silicon Valley and Los Angeles, Tom drafted numerous patents that were granted in the United States in areas relating to semiconductors, networking, encryption and database technology for clients including Intel, Cisco and Oracle. Recognized as a leading lawyer in intellectual property by *Chambers Asia Pacific*, *The Legal 500 Asia Pacific*, and *Managing IP*, Tom has extensive experience in IP enforcement and has secured a number of landmark victories for foreign investors operating in the life sciences and technology sectors. Tom chairs the East Asia and Pacific Subcommittee of the INTA Famous & Well-Known Marks Committee, and is the Deputy Chairman of AmCham Vietnam's IP/IT Committee. Tom is fluent in Vietnamese and has worked in Vietnam since 1993.

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Linh Thi Mai Nguyen, Head of Trademark – Vietnam
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Linh has a comprehensive understanding of IP law from both a lawyer's perspective and from the viewpoint of Vietnam's legislators and judiciary, the product of over a decade of experience as an IP lawyer and five years as a legal program officer with the USAID-funded STAR project, where she coordinated with government agencies to ensure that Vietnam's legal regime complied with international commitments. Linh has crafted persuasive arguments to win appeals and oppositions for foreign trademark holders and has represented major foreign franchisees to resolve disputes with franchisees in Vietnam, and secure the protection of their IP assets. Linh earned her LL.M. in the U.S. on a Fulbright Scholarship. She serves on INTA's Trademark Office Practices Committee.

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With over a decade of experience in IP enforcement, Loc has organized and overseen raids for leading clients in the automotive, high-tech and luxury goods industries. He has secured groundbreaking wins in patent infringement cases for major international pharmaceutical and agrochemical companies and in 2014 he obtained the highest award of attorney's fees in the history of Vietnam on behalf of a U.S. based ink cartridge printer company, a case that was named Case of the Year for Southeast Asia by *Managing IP* magazine. In 2015, Loc was nominated for the Disputes Star of the Year award for Vietnam at the Asialaw Asia-Pacific Dispute Resolution Awards.

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Trung Nguyen heads the firm's IP enforcement team in Ho Chi Minh City. A veteran practitioner, Trung has been working in the intellectual property space for nearly 20 years, including 8 years as the head of the patent team and dispute resolution team for the Vietnam offices of a leading international law firm. Over his career, Trung has gained experience in all aspects of IP in Vietnam, including patents, industrial designs, trademarks, copyright, investigation, and enforcement. He has drafted patents in a variety of technical fields.

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