

## VIETNAM

## New guidance on infringing enterprise names

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On April 5, the Ministry of Science and Technology (MOST) and the Ministry of Planning and Investment (MPI) issued Joint Circular 05/2016/TTLT-BKHCN-BKHDT providing details and guidance on the handling of cases where enterprise names infringe IP rights. The new joint circular, which came into effect on May 20, is the first official regulation ever issued on this subject in Vietnam, and is expected to prevent circumstances in which names of companies are identical or confusingly similar to protected IP objects of unassociated IP holders, and aim to take advantage of the IP holders' reputations.

### Change and removal of infringing elements

The joint circular clarifies that enterprises which use names containing elements which infringe other holders' trade marks, geographical indications or trade names, and which use those names on goods, means of business or service, signboards or business transaction papers, will commit industrial property infringement. An infringer will be requested to terminate the use of the name, or conduct procedures to change its name or business lines. If the company does not voluntarily comply, the change can be forced. Further non-compliance can lead to the revocation of the company's business registration certificate.

Under the new provisions, whether an enterprise name infringes on IP rights is determined by competent enforcement authorities or individuals empowered to impose administrative sanctions in accordance with the Law on Intellectual Property. This takes the form of a written conclusion on infringement which can be either: (1) the conclusion of an in-

spection by a competent enforcement authority or (2) a decision on administrative sanctions by a competent individual that requests the enterprise to change its name or remove infringing elements from its name.

When a written conclusion on infringement is issued in the form of a conclusion of an inspection, the IP holder and the infringer will have 30 days from the date of the conclusion to negotiate and settle their dispute. If no settlement can be reached through negotiation, the IP holder will be entitled to petition the Business Registration Office (BRO) to demand a change in the infringer's name within two months. After that, if the infringer has not conducted the name-changing procedures, the BRO will be responsible for bringing the case before competent enforcement authorities in the field of planning and investment and competent authorities for examination and inspection in accordance with IP laws.

Although this procedure contains some specific steps, it does not completely address how to resolve incidents that have passed the two-month time limit mentioned above. After being informed by the BRO, the competent authorities will examine and inspect the infringer, and are able to issue sanctions with remedies forcing the infringer to change its enterprise name or remove infringing elements from the name. These sanctions then open the case to further possibilities.

### Revocation of business registration certificates

Competent authorities are able to issue sanctions requiring a change in an enterprise's name or the removal of infringing elements from a name with or without a notice from the BRO. Accordingly, infringers will have to change their names within 60 days from the effective date of the sanctions. If the infringers do not comply with the given remedies, the authorities will cooperate with the BRO in order to handle the cases.

The BRO will issue a notice to the infringers requesting them to report and explain the case, in accordance with the Enterprise Law. If neither report nor explanation is submitted on time, the com-

petent authorities in the field of planning and investment will be responsible for handling the administrative violations of the infringers. Notably, if the infringer does not respond within six months, the BRO will revoke its business registration certificate.

It should be noted, however, that the revocation of a business registration certificate is only permitted under the Enterprise Law if a report is not submitted upon request. It is difficult for the BRO to deal with circumstances in which infringers send back their reports on time, and unclear under the law how such cases should be handled. Faced with such situations, the joint circular still raises concerns in relation to revocation of business registration certificates on the basis of IP infringement alone.

In addition to the introduction of detailed procedures with specific timeframes, the Joint Circular sets out the responsibilities of and requires cooperation among competent authorities in the handling of disputes between enterprise names and IP rights. Although it leaves some uncertainty in the process of handling infringing names, Joint Circular 05 is a groundbreaking regulation for the time being.