

## VIETNAM

**Bad faith trade mark filings**

Tilleke &amp; Gibbins

Hanoi



Nguyen Thi Mai Linh and Nguyen Hoai Anh

**B**ad faith trade mark filings are not uncommon in Vietnam. In fact, bad faith is often included under the label of “dishonesty basis” as a ground for opposition or cancellation of a trade mark application/registration. Generally speaking, bad faith is deemed to occur when an applicant intentionally registers a trade mark to benefit from the goodwill and reputation associated with the trade mark of another owner.

**Criteria for determining bad faith**

The criteria for determining bad faith are not specified in any relevant statutory provisions. However, the notion of bad faith trade mark filings is shown in court rulings as well as in decisions of competent authorities such as the National Office of Intellectual Property (NOIP) and the Ministry of Science and Technology (MOST). Typical examples of bad faith trade mark filings in Vietnam include:

- i) An applicant files for registration of a trade mark that is identical or confusingly similar to a well-known trade mark with the intention of preventing the owner of such well-known trade mark from entering the Vietnam market.
- ii) An applicant files for registration of a well-known trade mark with no intention of using it, but for the sole purpose of benefiting from the sale, licensing or transfer of the registration to the rightful owner of the well-known trade mark.
- iii) An applicant simply wishes to profit from the reputation of a well-known trade mark.

Many of the criteria for determining bad faith that are recognised as best practices in the INTA Resolution on Bad Faith are not yet recognised in Vietnam. For example, the warehousing of trade marks and

related domain names, or the copying of very striking or unique logos or trade dress, is often not considered bad faith.

**Strategies to address bad faith applications**

In Vietnam, proving the applicant’s knowledge of the pre-existence of a trade mark is crucial in showing bad faith. However, in practice, proof of such prior knowledge can be very difficult to obtain if the applicant keeps denying any knowledge of the prior trade mark, or the trade mark applied for in bad faith is confusingly similar but not identical to the prior trade mark. Therefore, the best strategy is to obtain incontestable proof showing prior knowledge, which is a document evidencing that there was once a business relationship or cooperation experience between the applicant and the rights holder, such as a contract signed between the two parties or payment vouchers.

In addition to citing evidence of prior knowledge, rights holders can also focus on the lack of intent to use the mark to strengthen bad faith arguments. In other words, rights holders can prove that the applicant is requesting trade mark protection for certain goods or services but, in practice, as well as in terms of long-term business strategy, the applicant does not manufacture or trade in such goods or services. This helps show that the applicant might be registering the mark just to disrupt the rights holder’s business activities, to prevent the rights holder from acquiring its trade mark rights, or to sell, license or otherwise transfer the mark to the rights holder.

Specifically, evidence showing the applicant’s lack of intent to use the mark might include:

- i) the applicant’s lack of documentary or other objective evidence that it can or will use the mark;
- ii) the applicant’s lack of capacity or experience needed to manufacture or trade in the goods or services bearing the mark;
- iii) no licensing of the mark;
- iv) failure to take any concrete actions or to develop any concrete plans for use;
- v) the applicant’s pattern of filing for marks which were then not put into use.

Where appropriate, rights holders may also consider mentioning multiple filings by the applicant if the applicant has a history of filing for marks that are similar to other well-known trade marks.

**Tips for rights holders**

Trade mark owners can take steps to discourage the practice of bad faith trade mark filings:

*Filing for trade mark registration:* Vietnam adopts the first-to-file principle, which grants exclusive trade mark rights to the first party that applies for registration of the mark. Therefore, filing for trade mark registration in Vietnam as soon as possible will help rights holders prevent bad faith trade mark applications from maturing to registrations. Further, the cost of registering a trade mark is much lower than the cost to pursue an opposition or cancellation against a confusingly similar or identical mark applied for in bad faith.

*Keeping a close watch on the IP Gazette:* After passing the formality examination, a trade mark application is published in the monthly IP Gazette issued by the NOIP. Keeping a close watch on the IP Gazette will help rights holders detect any mark that might be applied for in bad faith. Rights holders could then file an opposition against such a mark before it matures into registration. Once the mark has been registered, rights holders have no choice but to file for cancellation of the mark applied for in bad faith. In practice, pursuing a cancellation case is much more expensive and time-consuming than an opposition case, and the chance of success is very low.