

## Key Changes in Amended Circular 01

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Circular No. 01/2007/TT-BKHCN, an important legal document in the intellectual property area in Vietnam, was recently amended for the fourth time,<sup>1</sup> with the changes to take effect on January 15, 2018. Some of the new amendments will have a significant impact on IP practice in Vietnam. We outline some of the key changes below for your information.

### 1. GENERAL MATTERS

#### 1.1. Deadlines for response to office action – Points 13.6.a and 15.7.a.i *(all points cited in this document refer to the amended Circular 01)*

The deadline for response to an office action regarding formality examination has been changed from one month to two months. Similarly, the deadline for response to an office action regarding substantive examination has been changed from two months to three months. These deadlines may be extended once, for a similar period. As a result, the effective deadlines, including possible extension, have increased to four months and six months from the date of office action, respectively.

These periods in the old circular were quite short, and the extended periods in the amended circular provide a more practical timeline for response.

#### 1.2. Appeals and appeal settlement – Point 22.1.c

The old circular is silent on whether appeals may be submitted with new facts/details. In practice, the National Office of Intellectual Property (NOIP) of Vietnam has often accepted such appeals; however, under the amended circular, amendments or new facts/details will not be accepted at the appeal stage. If there are new facts/details, the NOIP may reexamine the application upon the applicant/appellant's request.

The amended circular also has new regulations allowing the settlement body, depending on the complexity of the appeal case, to seek the opinions of independent advisory experts and advisory councils to the appeal department. The amended circular also specifies the functions, qualifications, sources, and operating principles of such independent advisory experts and advisory councils.

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<sup>1</sup> These amendments were promulgated under Circular No. 16/2016/TT-BKHCN, dated June 30, 2016, but published on November 19, 2017.

### **1.3. Decisions on refusal – Points 15.7.b and 9.3-5**

In Vietnam, if an office action is issued, the applicant can file a response. But if a decision on refusal is issued, in general, the applicant would have to file an appeal. Normally, decisions on refusal are issued after considering the respective responses to office actions.

Under the amended circular, there is an alternative for overcoming decisions of refusal that are issued after considering responses to office actions regarding *substantive examination*. Instead of lodging an appeal, if the applicant submits new details (which have not yet been considered in the examination) which can affect the examination results, the NOIP will consider withdrawing the decision on refusal.

In addition, the new provision mentioned below in Item 1.8 provides another alternative to lodging an appeal if the decision on refusal is issued due to a failure to meet a deadline.

### **1.4. Termination and invalidation of a granted protection title – Point 21.3.a**

As the first step in a termination/invalidation proceeding, the NOIP will send a notice of the request for termination/invalidation to the rights holder. The old circular does not indicate any time limit for this notice to be sent, which has caused some delays in processing such requests.

The amended circular specifies that such notice must be sent within one month from the date the request is received.

### **1.5. Withdrawal of application – Point 17.5.b**

A new provision has been introduced to clearly indicate that if an applicant expressly withdraws an application, it is impossible to revive that application later. The applicant will instead have to find viable alternatives such as other protection forms on a case-by-case basis. Therefore, applicants should consider letting an application lapse due to failure to meet a deadline rather than expressly withdrawing that application.

### **1.6. Font and size – Point 7.2.b(iii)**

Under the amended circular, all application documents, including patent specifications, must be in 13-point or larger Times New Roman font. The provision is quite strict and specific.

### **1.7. Nationality of inventor – Point 14.3.a**

Unlike many countries, Vietnam requires a designation of nationality of inventor when filing an application. Applicants have questioned this requirement, as its only legal basis appeared to be the forms annexed to the old circular.

Many places in the amended circular, however, mention nationality of inventor, confirming that said requirement still must be satisfied.

## 1.8. Excuses for missing deadlines – Points 9.3-5

Some new concepts have been introduced in the amended circular:

*"A force majeure event is an event which occurs in an objective and unforeseeable manner (for example, natural calamity, enemy-inflicted destruction, etc.) and cannot be surmounted despite all necessary and possible measures having been taken.*

*Objective obstacles are obstacles caused by objective circumstances (for example: sickness, going on a business trip, learning at a distant place, etc.) that make a person with rights or obligations unable to know that his/her legal rights or interests have been violated, or unable to carry out his/her legal rights or obligations."*

Thus, a late submission can be excused if the applicant submits a petition and proper evidence demonstrating said events and the NOIP approves, after consideration. Such events are not common and it remains to be seen how late submissions will be treated.

## 1.9. Settlement of third-party opposition – Point 6.2

Under the old circular, the NOIP is only required to inform the opposing party of the results of an opposition, and is not obliged to send the opposing party any notice/decision on the examination results of the opposed application.

The amended circular expressly sets out the NOIP's obligation to inform the opposing party of the examination results of an opposed application, if the NOIP considers the opposition to be grounded. This will be very helpful for the opposing party in following up with the status of the application in question. However, it is unclear whether the NOIP will inform the opposing party of any later stages (appeal proceedings) of the application.

## 2. PATENTS

### 2.1. Time limit for entering the Vietnamese national phase of PCT applications – Points 27.4 and 27.5

The time limit for entering the national phase in Vietnam is 31 months under both PCT Chapter I and Chapter II.

Under the old circular, a late entry within 37 months was possible with an extra fee. This provision has been removed from the amended circular. In addition, a Vietnamese translation of the specification is required at the time of entry. Therefore, applicants need to pay more attention to sending filing instructions early, allowing time for translation of the specification into Vietnamese, to file applications by the 31-month deadline.

### 2.2. Deadline for requesting examination – Point 25.1.a(ii)

The deadline for lodging a request for examination is 42 months from the priority date (or the filing date if no priority is claimed) for patent applications for invention and 36 months from

the priority date (or the filing date if no priority is claimed) for patent applications for utility solution (utility model). The deadline can be extended by six months if the applicant submits proper reasons.

However, the amended circular has changed this provision. Accordingly, the deadline can be extended by six months if there is a “force majeure event” or “objective obstacle” as noted in Item 1.8 above. (The applicant is also required to submit evidence of this event/obstacle.)

Such events are not common and consideration of the evidence may result in a conclusion that the evidence is not sufficient. Therefore, applicants should consider the 42- or 36-month deadline to be a final deadline for safety.

### **2.3. Features of function or purpose – Point 25.5.d(i)**

The patent office has thus far refused use inventions. Many arguments have been submitted against this. One argument often cited is that Point 25.5 in the old circular specifies that features of function/utility can be the essential features of an invention. Therefore, use inventions should not be objected to, because they are always based on features of function/utility which, as specified, can be the essential features of an invention (constituting an invention); and thus a use invention is a statutory invention.

The amended circular has clarified that the function/utility of a subject-matter is not an essential feature, but may be only the purpose/result of that subject-matter.

For example, an invention of using a known substance for a new use such as a new medical indication is excluded under the clarification because the new indication is not considered to be an essential feature.

This amendment consolidates the refusal of use inventions and is a disappointing development for applicants, especially foreign pharmaceutical applicants.

### **2.4. Amendment to specification – Point 17.1.c**

Under the old circular, an amendment to a patent application was not allowed to expand the protection coverage beyond the contents disclosed in the *description*. If the applicant wished to amend a claim, for instance, the content of the claim amendment would have to be already disclosed in the description. It was not sufficient for the content to be disclosed in the original claims. This could be considered not to comply with other Vietnamese legal documents.

In the amended circular, the word “description” was amended to “specification,” covering both the description and the original claims, as in international practice.

### **2.5. Annuity payment – Point 20.3.a**

The amended circular has indicated that a power of attorney is required for the annuity payment if it is made through an agent. In addition, annuity payments will be published in the official IP Gazette.

### 3. DESIGNS

Generally, many points that are in the Vietnamese Guidelines for design examination have been added to the amended circular, including provisions on the definition of product, products of the same category, and un-patentable subject matters for industrial designs.

#### 3.1. Definition of product – Point 33.2.b

Under the Law on Intellectual Property, “industrial design” is defined as the appearance of a product expressed in shapes, lines, dimensions, colors, or any combination thereof. There has been some dispute over the concept of “product”; for example, whether a GUI (Graphic User Interface) is considered to be a product or not. The Vietnamese examiners have tended to interpret “product” as a tangible product.

The amended circular introduces a definition: *“A product is understood as an object, device, equipment, means, or part for assembling or integrating these products, manufactured by industrial or handicraft methods, having a clear structure and function, circulated independently.”* This definition intends to exclude intangible products such as GUI because they will not be able to be independently circulated, but require a carrier. The short and specific list of the products shows the narrowed scope of patentable products, a disappointment from the applicants’ side.

#### 3.2. Specification in design applications – Point 17.1.c

When filing a design application, a specification is required which basically describes the appearance-forming features of the design in words. As the specification is not included in the granted patent certificate, there are some concerns as to the validity of the specifications.

In the amended circular, the provision that an amendment must not go beyond the *specification* and set of figures/photos makes the role of the specification more important and therefore design specifications should be prepared with caution.

#### 3.3. Amendment to granted patent – Point 20.1.b(iv)

In Vietnam, a design application can comprise many embodiments (similar designs). The old circular allowed a granted patent to be amended to delete one or more embodiments and/or to exclude some non-essential appearance-forming features. The latter means allowing an amendment to the figures/photos of a granted patent. The amended circular has restricted such amendments to deleting embodiments only.

#### 3.4. First-to-file principle – Point 35.9

Under the amended circular, the first-to-file principle is quite complex. For the same designs of the same product, naturally, only one patent will be granted. When considering a design of an article that is a part of an integrated product and a design of an integrated product including that same part, a patent will be granted for the application with the earlier priority date (or the filing date if no priority is claimed), but the circular is silent in the case that the priority dates

of the two applications are the same.

### **3.5. Renewal of design patents – Points 20.4.d, 33.2.a, and 33.5.dd(iv)**

Under the old circular, if a patent owner renewed a design patent and wished to mark the renewal event on the last page of the patent, the original patent had to be filed together with the request for renewal. If an owner did not wish to mark the renewal, the owner would file a request for renewal without the original patent.

The amended circular has introduced a provision allowing a request for an amendment to a design patent to mark the renewal event on the last page of patent if this was not done when renewing. Accordingly, it is advisable to proceed with the mark only when necessary. It would not be necessary to mark in advance when renewing.

## **4. TRADEMARKS**

### **4.1. Rights to object to disclaimers – Point 15.7.a(iii)**

While the old circular is silent on this matter, the amended circular expressly provides the right to object to the NOIP's disclaimer(s) of an/some element(s) of the mark. If the applicant does not agree with such disclaimers, it is entitled to file an objection within three months from the notification date.

### **4.2. Response to office action regarding international application – Point 41.6.d**

Under the old circular, if a Madrid application is provisionally refused by the NOIP, the applicant has only 90 days to appeal. However, if a national application is refused, the applicant will have two months to respond, followed by an additional 90 days to appeal the decision on refusal if the first response is not successful. Obviously, under the old circular, the applicants of Madrid applications had fewer chances to overcome a refusal than for national marks

The amended circular has fixed this unsound situation. Accordingly, if an international application is provisionally refused by the NOIP, the application holder is entitled to respond within three months of the refusal date. (It is noted that this response will be considered by the Geographical Indication Division of the NOIP, while the response for national applications will be handled by the Trademark Divisions.) If the response is not justified, the NOIP will then issue a decision on refusal and the holder can appeal such decision within 90 days according to regular procedures.

### **4.3. Recognition of well-known marks – Point 42.4**

Under the old circular, a mark could be recognized as well known according to civil procedures or under a recognition decision of the NOIP, and that well-known mark would be recorded in the list of well-known marks kept at the NOIP.

The amended circular only mentions that when a well-known mark is recognized in the course of a decision on settlement of infringement of such well-known mark, or a decision on refusal

of another mark, such well-known mark will be recorded in the list of well-known marks kept at the NOIP, for reference for registration/protection of IP rights. This provision can be understood to mean that a mark can only be recognized as well known through the settlement of enforcement or opposition/examination of a trademark(s) that is identical/confusingly similar to such well-known mark.

#### **4.4. Organizations entitled to register certification marks and collective marks – Point 37.5<sup>a</sup> and 37.5<sup>b</sup>**

The old circular did not clearly set out who can apply for registration of certification marks and collective marks. However, the amended circular has expressly clarified the type of organizations that are entitled to register collective marks; namely, organizations composed of two members or more, with each member having independent business activities, including cooperative coalitions (*liên minh hợp tác xã*), cooperatives, group companies, associations, and other organizations.

Similarly, the amended circular also specifies the organizations that can register certification marks; namely, organizations with the function of controlling and certifying the characteristics of goods/services which implement the control and certification themselves, or other organization(s) which are empowered by these certification organizations.

This summary is designed to provide general information only and is not offered as specific advice on any particular matter.

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