

VIETNAM

Does cancellation of a patent justify a retrial?

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In the Vietnamese judicial system, there are two avenues for reviewing a court's final judgment. Under the current procedural legislation, if such judgment can be shown to be based on a serious error of law, it can go through the process of cassation, where the judgment will be reviewed and possibly annulled due to the material error in the procedure. If, on the other hand, new evidence or facts are discovered that could have affected the outcome of the case, the case can be retried.

Recently, the Supreme People's Court applied the procedure of retrial to a 2011 patent infringement case following the cancellation of the patent in question, a decision that could set an interesting precedent for future intellectual property disputes.

In this case, which involved a Vietnamese company's utility solution patent for a shaped aluminium bar, the People's Court of Ho Chi Minh City issued a first instance judgment in favour of the plaintiff, asking the defendant to make a public apology and pay damages for its infringement of the patent. The appellate court then denied the defendant's appeal in a June 2012 decision and upheld the first instance judgment.

An appellate verdict is considered an effective final judgment and, in principle, closes the process of hearing a case. However, in this case, an unexpected situation arose when the utility solution patent was cancelled by the National Office of Intellectual Property (NOIP) seven months later, in January 2013. After the cancellation, the defendant filed a petition asking the court to review the case under the procedure of retrial.

The Supreme People's Court ruled, in a 2016 decision that was only recently made public, that the case should be re-

tried. The decision did not provide any analysis or guidance, but it appears that the Supreme People's Court automatically considered the cancellation of the patent as a new fact and thus cancelled the entire first instance judgment as well as the appellate verdict, handing the case back to the first instance court for retrial.

This decision was unexpected and raises questions about the proper interpretation of the law. The key issue is whether the subsequent cancellation of the patent in question, which had been fully effective at the time of the first instance and appellate trials, should be regarded as a new fact which the court could rely on to approve a retrial.

Pursuant to Article 304 of the 2004 Civil Procedure Code (which was still valid at the time of the first instance and appellate trials, as well as the time the retrial was ordered), the grounds for retrying a case must be a newly discovered fact which the court and the involved parties were unaware of when the court issued the judgment or ruling. The term "discover" here would seem to indicate that this fact must have inherently existed at the time of the original trial, and not have occurred subsequently. In this case, however, the parties were not aware of the new fact because the fact did not exist until after the judgment took effect. Nevertheless, the Supreme People's Court held that the patent cancellation was valid grounds for a retrial.

While the Supreme People's Court's decision in this case has not yet been widely discussed, it could end up having a major impact on the settlement of IP cases if it serves as a precedent. Vietnam does not have a system of specialised IP courts; thus, in principle, despite many judges lacking deep legal and technical knowledge in IP, any court can be given jurisdiction over an IP case, whether the case is simple or extremely complicated. It is likely that the courts will give more weight to NOIP invalidation proceedings when settling IP disputes, to avoid potential reversal of the final judgments. Some courts may even stay the infringement proceedings pending the final outcome of the nullity process before the NOIP, as happened recently in a case before the Binh Duong Provincial Court involving the infringement of a pharmaceutical patent.

The NOIP, unfortunately, is not known for its timeliness in settling patent cancellations. The process may take years, and in some cases there might never be a final decision. If the courts insist on waiting for cancellation decisions before issuing judgments in IP dispute cases, the plaintiffs may face a very long wait indeed. Further clarification is needed on this matter, and invalidation proceedings at the NOIP should be fast-tracked to ensure that IP owners' rights are protected.