

VIETNAM

A turning point in patent invalidation?

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The possibility of invalidating a patent is clearly set out in Vietnam's intellectual property laws. Historically, however, although thousands of patents are granted each year in Vietnam, the number of requests for invalidation has been extremely small. Nearly all of these cases have occurred in the context of patent disputes where the sanctioned party (in administrative measures) or defendant (in judicial measures) has been accused of patent infringement, and has attempted to invalidate the patent in question as a defense mechanism, with the argument that if a patent is not valid, it cannot be infringed.

Patent disputes in Vietnam are handled by the courts and administrative enforcement agencies, while patent invalidation is handled by the National Office of Intellectual Property (NOIP). Although there are relatively clear provisions on invalidation in the law, the process of resolving such requests has rarely been straightforward. It can last for several years, and sometimes a final decision is never even issued. This creates a bottleneck as the courts and enforcement bodies sometimes wait for the NOIP's decision on invalidation before issuing a final conclusion on the dispute. If the process drags on indefinitely, patent owners will have difficulty enforcing their rights, while infringement continues unchecked.

Fortunately, the invalidation process may have now entered a new era with the introduction of Circular No. 16/2016/TT-BKHCN (Circular 16) which was issued on June 30, 2016, but did not become effective until January 15, 2018. Circular 16 prescribes a clearer, stricter time limit for all steps in the patent invalidation process. It also clearly states that the NOIP, during the resolution process, will re-examine the patentability of the invention stated in the patent.

To see how these regulations are enforced in practice, we can look at a case that was resolved in October 2018 involving a request for partial invalidation of a patent in the field of medical devices. The patent was granted in October 2016, and soon after, the patent owner used it to fight a number of businesses importing infringing products into Vietnam. The manufacturer of the products then filed a request for invalidation of the patent in March 2017. After reviewing the opinions of the related parties, the NOIP issued a decision on partial invalidation of the patent in October 2018. This decision marks a number of important changes compared to past practice.

With regard to processing time, the NOIP issued a formal decision 19 months after the request was filed. This could be considered 'record-fast' by Vietnam's previous standards and thus represents a great improvement, though it was notably still longer than the statutory timeline of 11 months under Circular 16.

Regarding limitation of authority, the NOIP, in its decision, in addition to weighing the invalidation of the patent based on the requesting party's specific grounds (a lack of novelty), also proactively considered other aspects of the invention, such as whether it had the necessary inventive step.

While Circular 16 states that the NOIP will reexamine the patentability of the invention in invalidation proceedings, there is still debate over how much authority the NOIP should have in such a case: Should it be limited to considering whether it agreed or disagreed with the requesting party's arguments, as in a civil lawsuit, or does it also have the right to consider other grounds not specifically raised by the parties? And if so, how should the procedures for considering these unsolicited contents be carried out? Should other stakeholders like the patent owner have the right to be informed and express their opinions in this process? This matter is a gap that remains unresolved by Circular 16, and will inevitably lead to more problems.

With regard to the independence of the patent office, although the NOIP has made great strides in recent years, it is still not truly proactive and independent in many of its activities, including the patent

examination process as well as the patent invalidation process. Specifically, in the examination of patent applications originating from foreign countries (which account for the majority of patent applications in Vietnam) the NOIP, rather than conducting an examination of the application itself, typically waits for the corresponding patents to be granted in developed countries by patent offices like the USPTO, EPO, or JPO, then relies on those results to determine whether to grant the patent in Vietnam. Similarly, in the process of considering the invalidation of a patent, the NOIP often relies on the outcomes of similar cases in developed countries.

In this case, however, it seems that the NOIP showed a high degree of independence, making its decision based on its own analysis of patentability. This analysis was quite strict, and considerably different from the assessments of foreign patent agencies.

This newfound independence may be a sign that the NOIP is ready to be truly proactive in assessing invalidation cases and ensuring a reasonable time limit for resolution, a positive development for future patent invalidation cases.