

VIETNAM

Recent verdicts reveal gaps in derivative work protection

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During the early months of 2019, the Vietnam IP field enjoyed a rare burst of public attention. First there was the wide reaction to the IP changes ushered in by the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which took effect on January 14 2019. Then the spotlight moved to two high-profile copyright lawsuits related to derivative works, when the People's Court of Ho Chi Minh City's (HCMC) District 1 returned a verdict in a 12-year-old case on February 18 2019, and the People's Court of Hanoi issued its decision on a similar case on March 20 2019. The cases were heard by courts at opposite ends of the country, and the results might also be called opposite.

The disputes

The HCMC case involved an artist named Le Phong Linh who worked for a company named Phan Thi. In 2001, at the request of the company, Mr Linh created the comic book series *Than Dong Dat Viet* (*Prodigy of Vietnam*). In 2002, the images of the four main characters of the series were registered for copyright, recording Phan Thi as the owner of the work, and the company's director and the artist as co-creators. Mr Linh continued working on subsequent issues of the comic until the 78th issue, after which he quit. The dispute arose in 2007 when the artist discovered that, after he left, Phan Thi continued to publish new issues of the comic, while also creating variants of the original characters he created.

The Hanoi case involved an entertainment company that commissioned a famous director to develop a script and staging for a folk-inspired outdoor performance spectacle. The performance script was registered for copyright. How-

ever, the company eventually terminated the contract and commissioned another director to develop a new performance called *Tinh Hoa Bac Bo* (*Quintessence of Tonkin*), which became a big success. The dispute arose when the famous director claimed that *Tinh Hoa Bac Bo* was a derivative work from his first script, and asked the court to recognise this fact.

Different courts, different judgments

In the *Than Dong Dat Viet* case, the court ruled that the images of the four characters were a work of applied art, a type of copyrighted work of which the artist was the sole creator. As a result, the company director was not acknowledged as a co-creator, even though she supported and provided ideas for Mr Linh. The court also identified the variants of the four characters as derivative works. More importantly, the court argued that the creation of derivative works without the artist's permission (as only the artist held moral rights) was a violation of his right "to protect the integrity of the work, to not allow others to modify, mutilate or distort the work in any way that is detrimental to the author's honour and reputation" (Article 19.4 of the IP Law). The consequence of this finding was that the court ruled that the publisher's release of subsequent issues of the comic series after the artist's departure was illegal.

Meanwhile, in Hanoi, the court ruled that the later play was a derivative work, but it did not recognise the right to authorise the creation of the derivative work as a moral right, viewing it instead under the scope of economic rights. Therefore, the court judged that the entertainment company which commissioned the work was the owner of the original work (by controlling the economic rights), and naturally had the right to control the creation of derivative works made from it. The author still owned the moral rights, but the creation of derivative works, in the Hanoi court's view, did not violate his moral rights. This finding was completely contrary to the court's judgment in the *Than Dong Dat Viet* case.

Challenges to overcome

The difference in verdicts despite the

similar nature of the cases probably stems from internal conflicts in Vietnamese copyright law, which falls somewhere between the authors' rights system found in places like France, and the copyright system typified by American law. This led to the defensible yet ultimately illogical view that the right to permit the creation of derivative works fell under economic rights (Article 20.1a of the IP Law), which belong to the copyright owner, but was also related to the moral right "to protect the integrity of the work," which belongs to the creator – a paradox if the copyright owner and the creator of the work are different people.

In addition, Article 4.8 of Vietnam's IP Law provides a closed list of types of protectable derivative works, including works which are "translated, adapted, modified, transformed, compiled, annotated, or selected from (original) works." No clearer definition is given in the guiding legislation. This weakness was revealed in both judgments when the courts acknowledged that the works, while seemingly derivative, did not obviously fall into any of the "closed" legal categories under the law.

Such matters of principle need to be quickly addressed by the courts at the higher levels to help stabilise the legal system so all parties feel safer in their operations.