

## VIETNAM

**A year of changes in IP enforcement**

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IP enforcement in Vietnam saw continued development in the past year. As we have reported previously, 2014 saw several breakthrough cases in patent infringement, domain name dispute resolution and other areas. In 2015, the law continued to evolve as more and more complex questions arose.

**Patent jurisprudence**

Key developments in patent litigation in 2015 arose in a case in which a European agrochemical company filed a civil action against a Vietnamese agrochemical producer in Ho Chi Minh City, charging that the Vietnamese company had infringed the European company's pesticide patent. In response, the local company filed an invalidation action in relation to the patent. Notably, the HCMC Court did not stay the patent litigation case pending the outcome of the invalidation proceeding, but rather proceeded to issue its judgment declaring patent infringement and imposing orders for the infringer to pay damages and attorney's fees. This was an important development in jurisprudence that should be noted by practitioners.

Another positive development in jurisprudence was that in the same case, the HCMC Court took a rare stance in crafting its judgment to effectively act as a permanent injunction prohibiting the infringer from committing further infringement of the patent in question. Typically, in Vietnam, judgments do not contain such language, and therefore often leave winning rights holders dissatisfied.

A related development in patent litigation jurisprudence was the increasing role of opinions from the National Office of Intellectual Property (NOIP) in the handling of cases. Previously, enforce-

ment authorities such as the Inspectorate of the Ministry of Science and Technology (MOST) would adjudicate a case based solely on an opinion from VIPRI, a quasi-governmental agency which can issue expert opinions. However, due to the increasing complexity of patent cases in Vietnam, as well as the high-profile nature of the cases, now that more of them involve local generic producers, there has been a trend for the enforcement authorities to also ask the NOIP for an expert opinion to be considered along with the VIPRI opinion. In a sense, MOST or other agencies feel more comfortable in handling a case when there are two expert opinions affirming the infringement. Although having two positive opinions puts the rights holder in a very strong position, this new step may prolong the time needed for settling a case.

**Parallel imports**

The past year also saw new developments in relation to the handling of parallel imports under the law. Parallel imports are generally allowed under Vietnamese law. However, in a case involving a major European research-based pharmaceutical manufacturer, the manufacturer was able to employ a strategy to effectively prevent parallel imports into Vietnam based on regulatory issues.

In this case, the rights holder learned that a Vietnamese company was importing diabetes drugs into Vietnam that the company had manufactured for the Turkish market. While these drugs were "genuine" products of the manufacturer, and drugs under the same brand name had been authorised for circulation in Vietnam, Turkey requires different standards for storage than Vietnam, and the company believed the quality of the drugs would deteriorate more rapidly in Vietnam's tropical climate, negatively impacting consumer health as well as the manufacturer's reputation.

At the company's request, the Hanoi Market Control Department in cooperation with the Inspectorate of the Department of Health conducted a sweep action against two major distributors of the products. After the raid, the authorities seized hundreds of parallel import products, and decided to sanction the distribution of the parallel imports by re-

lying on regulatory aspects, especially labelling regulations, imposing a monetary fine on the infringers.

The authorities then sent a letter to the Drug Administration of Vietnam (DAV), bringing the DAV's attention to the regulatory violations in particular and the parallel import situation in general. It is hoped this will lead the DAV to take further precautions in granting licences for parallel importation.

**Domain name disputes**

In 2015, MOST continued to rule that various domain name registrations constituted IP infringements if the domain name included the trade mark of a rights holder. However, the way in which such decisions were implemented has shifted. In 2014, a few cases were implemented by the Ministry of Information in Communications, which ordered the Vietnam domain name registry to revoke the names and allow the rights holders to register them. However, in 2015, as the domain name regulations are in flux, and the authorities are still debating how to handle such cases, there was a trend toward the authorities merely revoking infringing domain name registrations but not allowing the true rights holders to register them. Thus, the domain names are effectively suspended, and no one is allowed to register them.

**What's ahead in 2016?**

In 2016, we expect some of the following to be key developments:

- Vietnam may adopt long-awaited legislation to help solve problems in combatting infringing company names, as well as infringing domain names, in the form of a joint circular between relevant competent authorities.
- There will be increased action in the area of licensing of copyrighted works such as films and music due to more effective enforcement programmes by rights holders.
- Generic pharma companies will seek to fight back more strongly on the patent side.
- Vietnam may enact implementing regulations relating to TPP provisions (such as relating to patent term extension).