

# Patent Litigation in Vietnam: Overview

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A Q&A guide to patent litigation in Vietnam.

This Q&A gives a high-level overview of patent disputes, including sources of law, court systems, substantive law, parties to litigation, enforcement options, competition and anti-trust issues, procedure in civil courts, preliminary relief, final remedies, appeal procedure, litigation costs, and standard essential patents (SEPs), fair, reasonable and non-discriminatory (FRAND) licensing, and anti-suit injunctions.

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## Sources of Law

1. What are the principal sources of law and regulation relating to patents and patent litigation?

The principal sources of law and regulation relating to patents and patent litigation in Vietnam are the following:

- Civil Code 2015, in particular Chapter 13.
- Code of Civil Procedure 2015.
- Law on Intellectual Property 2005 (as amended in 2009 and 2019) (IP Law).
- Decree No. 103/2006/ND-CP dated 22 September 2006 (as amended by Decree No. 122/2010/ND-CP dated 31 December 2010), providing detailed regulations and guidelines on a number of Articles of the Law on Intellectual Property 2005.
- Decree No. 105/2006/ND-CP dated 22 September 2006 (as amended by Decree No. 119/2010/ND-CP dated 30 December 2010), providing detailed regulations and guidelines regarding the protection of IP rights and state management of IP rights.
- Decree No. 99/2013/ND-CP dated 29 August 2013 on administrative penalties in the area of industrial property.

- Circular No. 11/2015/TT-BKHCN dated 26 June 2015, which provides guidance on the implementation of Decree No. 99/2013/ND-CP.

Vietnam is a party to the following international treaties:

- Paris Convention for the Protection of Industrial Property 1883.
- Patent Cooperation Treaty 1970.
- WTO Agreement on Trade-Related Aspects of Intellectual Property Rights 1994 (Vietnam is a member country of the WTO).
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).
- EU-Vietnam Free Trade Agreement (EVFTA).

In the event of a conflict, in theory, the order of priority between sources is as follows:

- International treaties.
- Laws and codes, which are adopted by the National Assembly.
- Decrees, which are adopted by the government.
- Circulars and joint circulars, which are issued by ministers of the relevant ministries.

However, in practice, the implementing and enforcement authorities usually give more weight to circulars and joint circulars, as they often contain detailed guidelines and regulations for applying the laws in practice.

Pharmaceutical and software patents are governed by the above legal instruments. There is no specific law governing these types of patents.

## Court System

2. In which courts/government bodies are patents enforced?

The following authorities have the power to enforce patent rights:

- Administrative bodies, such as:

- **Inspectorates:** these include the Inspectorate of the Ministry of Science and Technology and the inspectorates of the Departments of Science and Technology at the provincial level, which deal with patent infringement administrative actions;
  - **Customs:** Customs can seize goods that infringe patents at the Vietnam borders (to some extent, customs seizures can be regarded as administrative actions); and
  - **Chairpersons of People's Committees:** Chairpersons at the provincial and district levels do not directly handle patent infringement; however, they impose administrative sanctions on infringers in accordance with the petitions from Customs or the Inspectorate of the Ministry of Science and Technology.
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- **Judicial bodies,** such as the People's Court system, have jurisdiction over patent infringement. There is no special chamber that deals with patent infringement. IP dispute cases are treated in the same way as other disputes.

Jurisdiction is generally determined by the location of the defendant. Normally, the district-level People's Court where the defendant has an established presence (a commercial or industrial establishment) has jurisdiction. However, the provincial-level People's Court has jurisdiction in the following circumstances:

- **The dispute involves an international or cross-border element.** If either the claimant or defendant has no commercial or industrial establishment in Vietnam, the case will be handled by the court of the province where the Vietnamese party is located.
- **The dispute involves "profit purposes."** When both parties to the dispute have profit purposes (most patent infringement cases are considered to be for profit purposes), the case is heard by the court of the province where the defendant (or the claimant, if the defendant has no established presence in Vietnam) is located.

The Inspectorate of the Ministry of Science and Technology is the authority that has the most IP expertise and experience, although its knowledge may be considered modest by international standards.

The Intellectual Property Office of Vietnam (IP Office) does not have jurisdiction to enforce patents. However, it can issue expert opinions on patent infringement on request from the competent enforcement authorities.

Due to their limited knowledge and experience in IP, Vietnamese enforcement authorities, including the courts, often rely on expert opinions to handle patent disputes. Expert opinions from authorised expert witnesses such as the Vietnam Intellectual Property Research Institute (VIPRI) or the IP Office often play a decisive role in patent enforcement cases, although these opinions are not technically binding.



3. Do the courts/government bodies deal with infringement, invalidity and unenforceability simultaneously or must invalidity and/or unenforceability actions be brought in separate proceedings?

The IP Office deals with invalidity actions (Article 96.3, IP Law). In principle, a court can also rule on the validity of a patent. However, in most cases, the IP Office handles validity issues.

The court is not required to stay infringement proceedings if an invalidity action is pending before the IP Office, but sometimes does so. In practice, however, an invalidation may delay infringement proceedings.

In administrative actions against patent infringement (see [Question 2](#)), the alleged infringer must bring an invalidation action before the IP Office in separate proceedings. Administrative enforcement agencies (such as the Inspectorate of the Ministry of Science and Technology) cannot hear invalidation actions. In these circumstances, the enforcement agency can still proceed with resolving the patent infringement regardless of the invalidation action, provided that the patent holder swears under oath to the incontestable validity of its patent.

In principle, a party can bring an unenforceability action before a competent court. However, to the best of the authors' knowledge, no such action has ever been commenced in Vietnam.

4. Who can represent parties before the court and/or government body?

All locally licensed Vietnamese lawyers can represent parties before the courts. For administrative actions, patent holders are usually represented by licensed Vietnamese IP agents.

5. What is the language of the proceedings? Is there a choice of language?

All proceedings are conducted in Vietnamese only. As the courts do not review foreign documents, all foreign documents submitted to the court must be translated into Vietnamese. Foreign witnesses can give testimony in court through an interpreter.

6. To what extent are courts willing to consider, or bound by, the opinions of other national or foreign courts, or other national or international bodies, that have handed down decisions in similar cases?

Vietnamese courts are not bound by the opinions of any foreign courts.

However, Vietnamese enforcement officials have been willing to consider foreign opinions for guidance, particularly in areas of law that are not well developed in Vietnam, such as unfair competition.

## Substantive Law

7. What does the claimant have to establish in a patent infringement claim?

Vietnam recognises the doctrines of literal infringement and equivalent infringement. Therefore, patent infringement can take any of the following forms:

- A product or part (component) of a product that is identical or equivalent to a product or part (component) of a product within the scope of protection of an invention patent.
- A process that is identical or equivalent to a patented process.
- A product or part (component) of a product that is manufactured by a process that is identical or equivalent to a patented process.

Article 11.1(b) of Circular No. 11/2015/TT-BKHCHN sheds further light on the criteria to assess equivalent infringement. To qualify as equivalent infringement, the two technical features must:

- Be of a similar nature or substitutable.
- Substantially share the same purpose of use.
- Substantially share the same method to achieve the purpose of use.

In practice, most patent infringement cases in Vietnam involve literal infringement. Therefore, the courts in Vietnam have not had much practice applying the law on equivalent infringement.

Generally, the claimant bears the burden of proof. However, the defendant bears the burden of proving non-infringement in infringement cases involving a patented process. Vietnam law does

not include provisions on indirect, contributory, or secondary infringement. In other words, such infringement is not a cause of action available to the claimant.

8. What defences are available to an alleged infringer?

The following defences are available to an alleged infringer:

- Prior use.
- Fair use.
- Parallel importation.
- Compulsory licence.
- Use of the patent to maintain the operation of a foreign vehicle in transit in, or only temporarily entering, Vietnam.
- Expiration of the statute of limitations. When the statute of limitations expires, the competent authorities can decline to hear the case. In administrative actions, the statute of limitation is two years from the date of termination of the patent infringement. If the infringement is ongoing, the statute of limitations is two years from the time the infringement was detected. In civil actions, the statute of limitation is three years from the date on which the patent holder becomes aware that its legitimate rights and interests are being encroached.

Equitable defences, such as laches and estoppel, are not available in Vietnam. Patent-ineligibility resulting from abstract claims or claims to natural phenomena is not a defence in Vietnam. However, the defendant can file an invalidation action on a patent-ineligibility basis.

There is no specific defence applicable to standard essential patents (SEPs).

A defendant can also make counterclaims, such as:

- Apply to revoke preliminary injunctions.
- Counterclaim invalidity of the patent.
- Counterclaim for recovery of damages caused by the claimant's actions.

9. On what grounds can a patent be invalidated?

A patent can be invalidated on the following grounds:

- The applicant did not have the right to file an application for the patent.
- The invention did not meet the patentability criteria applicable at the time the patent was issued.

(Article 96.1, IP Law.)

The person who seeks invalidation bears the burden of proof. The patent holder has the right to challenge the arguments and evidence submitted by the petitioner for invalidation.

The court can rule on both invalidation and infringement matters in the same proceedings. However, the court often defers to the IP Office for invalidation matters. In many cases, the defendant files an invalidation action with the IP Office in the course of an infringement action before the court.

10. Can a court only partially invalidate a patent or transform it into a utility model?

In theory, a court can partially invalidate a patent if part of the invention fails to meet the patentability criteria (Article 96.2, IP Law). In practice, the IP Office decides on partial invalidation.

The court and the IP Office are not permitted to transform a patent into a utility model.

11. Is it possible to amend patent claims during enforcement proceedings?

Patent amendment and enforcement proceedings are two separate procedures, handled by two different authorities. While it is possible to amend a patent during infringement proceedings, this can only be carried out by the IP Office, and not the court or administrative bodies (see [Question 2](#)).

The court and administrative bodies can stay proceedings pending the conclusion of the amendment proceedings.

12. Are there any grounds on which an otherwise valid patent can be deemed unenforceable?

A patent holder will not be able to enforce its valid patent rights in cases where the:

- Enforcement of the patent is considered to be contrary to national security or social interests in Vietnam.
- The statute of limitations for infringement has expired (see [Question 8](#)).

Vietnam does not apply the doctrine of acquiescence. Therefore, acquiescence does not lead to loss of the right to enforce the patent.

## Parties to Litigation

13. Who can sue for patent infringement?

### Patent Holder

A patent holder can sue for patent infringement.

### Co-Owner

Co-owners have the right to sue for patent infringement.

### Exclusive Licensee

Unless prohibited by the patent holder, an exclusive licensee can commence patent infringement proceedings before the competent authorities. The licensee must be registered with the IP Office to be eligible to sue (Article 148.2, IP Law).

### Non-Exclusive Licensee

A non-exclusive licensee can commence infringement proceedings if both:



- It is registered with the IP Office.
- The patent holder is not opposed to the proceedings.

## Distributor

In both civil litigation and administrative actions, a distributor can initiate patent infringement proceedings if it is authorised to do so by the patent holder.

## Other

In administrative actions, the patent holder can authorise external IP agents or the heads of their own representative offices, branches, or agents in Vietnam to pursue the action before the competent authorities (Article 23.1, Decree 99/2013/ND-CP).

14. Under what conditions, if any, can an alleged infringer bring proceedings to obtain a declaratory judgment on non-infringement or invalidity/unenforceability?

There are no declaratory proceedings in Vietnam.

15. Who can be sued for patent infringement?

Both individuals and juristic persons (companies) can be sued for patent infringement. If infringement is committed by a company, the law remains ambiguous as to whether the patent holder can sue the company director or any other employee of the company individually.

Generally, the court of the defendant's location has jurisdiction to adjudicate infringement claims.

The current laws do not provide for contributory infringement and/or induced infringement.

16. Is it possible to add or remove parties during litigation?

It is possible to remove a defendant from a suit if the court agrees to do so. Generally, the reason for removal is that the party to be removed has no rights and obligations related to the suit.

The parties can also request the court to add other entities to the suit as parties having related rights and obligations (Article 70, Code on Civil Procedure). The court has sole discretion to grant such request.

There are no costs consequences to the removal or addition of parties.

However, it is practically infeasible to join other defendants in ongoing suits. While the Civil Code allows parties to supplement claims if this does not exceed the prior claims in the statement of claims, the court's view is that adding a new defendant exceeds the prior claims. Therefore, the court is often reluctant to add a new defendant during civil proceedings.

## Enforcement Options

17. What options are open to a patent holder when seeking to enforce its rights in your jurisdiction?

## Civil Proceedings

The following civil remedies are available to a patent holder when seeking to enforce its rights in Vietnam:

- Compulsory termination of the patent infringement.
- Compulsory public rectification and apology.
- Compulsory performance of civil obligations.
- Compulsory compensation for damages.
- Compulsory destruction, distribution or putting to use for non-commercial purposes of goods, materials, and implements that are predominantly used for the production or trading of goods that infringe patent rights.

(Article 202, IP Law.)

## Criminal Proceedings

Criminal proceedings are not available for patent infringement. Criminal proceedings are only available for counterfeiting of trade marks and/or geographical indications.

## Border Measures

Border measures are available for patent enforcement. To benefit from border measures, the patent holder must register its patent with Vietnam Customs. Customs officials will then be on the lookout for any infringing products. However, patent infringement (unlike trade mark infringement) is difficult to detect from the appearance of the products, especially due to the short time from the declaration of importation to the customs clearance. Therefore, providing customs with detailed information about specific infringing products is vital to the effectiveness of this process.

## Other

Other enforcement options include:

- Informal actions such as sending cease and desist letters (see [Question 18](#)).
- Administrative actions (see [Question 2](#)).
- Arbitration.
- Mediation.

A patent holder can use administrative actions to enforce its rights. In practice, most patent holders prefer administrative actions to civil litigation because:

- It is cost-effective.
- The action can put an end to ongoing infringement in a short time, typically between three and five months.
- The competent authorities entrusted with the action generally have deeper IP knowledge and expertise than the courts.

In principle, arbitration and mediation are viable options provided that both the patent holder and the infringer agree to the actions. However, in practice, it is extremely difficult for the two parties to reach a consensus on arbitration and/or mediation.

18. Is it compulsory to provide notice to an alleged infringer before commencing patent proceedings?

Providing notice to an alleged infringer is not mandatory under Vietnamese law. However, a warning letter can work well in certain cases to the effect that the infringer will voluntarily cease the infringement. However, in some cases, a warning letter can alert the infringer to the possibility of

further enforcement actions initiated by the patent holder, and the infringer could make a separate claim to invalidate the patent.

Under the current law, there are no consequences for making unjustified threats of patent infringement. However, the alleged infringer could request authority to take action against the patent holder for slander (although slander is quite difficult to prove in Vietnam). To avoid the risk of a counter-action, it is best practice for the warning letter to use wording such as "could infringe" rather than asserting infringement.

19. To what extent do courts have jurisdiction or power to grant cross-border or extra-territorial injunctions (preliminary or permanent)?

There is no precedent in Vietnam for cross-border or extra-territorial injunctions, and the Vietnamese courts are quite reluctant to issue these orders.

20. To what extent do courts recognise the blocking effect of "torpedo" actions abroad (proceedings between the same parties concerning the same subject matter that are pending in another jurisdiction)?

The Vietnamese courts do not recognise the blocking effect of "torpedo" actions (that is, an action filed in another jurisdiction to delay domestic proceedings).

21. To what extent are arbitration and alternative dispute resolution (ADR) methods (such as mediation) available to resolve patent disputes?

## Arbitration

Generally, all commercial disputes over which the court has jurisdiction (such as patent infringement) are arbitrable. Arbitration is not available to assess patent invalidity.

Vietnam does not have a successful record on the enforcement of foreign arbitral awards.

## ADR

ADR methods are available, but only if both parties contractually agreed to refer the matter to ADR. Therefore, it is possible to choose ADR for disputes arising under a licence agreement in Vietnam.

Mediation is primarily governed by Decree No. 22/2017/ND-CP on Commercial Mediation. A new Law on Mediation and Dialogue in Court was adopted on 1 January 2021. If two parties reach a settlement agreement during mediation, the mediator can request the court to recognise the settlement.

## Competition and Anti-Trust

22. Can a patent holder bring proceedings claiming both patent infringement and unfair competition for the same set of facts?

Vietnam law does not prohibit a patent holder from bringing proceedings claiming both patent infringement and unfair competition for the same set of facts.

23. To what extent can enforcement of a patent expose the patent holder to liability for an anti-trust violation?

There are only a limited number of provisions in Vietnam national legislation that regulate this matter. Under Article 11.7 of the Law on Competition 2018, an "agreement to restrain technical or technological development and investment" is a type of anti-competitive agreement, which could conceivably include bad-faith use (or non-use) of patents.

Vietnam has not yet adopted a subordinate legal instrument (typically a government decree) that elaborates on this provision. However, this provision is similar to one in the Law on Competition of 2004 (which ceased to apply from 1 July 2019). Therefore, it is possible to refer to the explanation provided in Article 17 of Decree No. 116/2005/ND-CP, which states that anti-competitive agreements include:

- Agreements to purchase patents for destruction or non-use.
- Agreements not to increase capital for production expansion, improvement of the quality of a product or a service, or other expansion or development.

There are no special competition issues relating to SEPs.

To the best of the authors' knowledge, there is no case law on this matter.

## Procedure in Civil Courts

24. What are the main stages of patent infringement proceedings?

An infringement action can take the form of regular proceedings or summary proceedings. In theory, summary proceedings last about one month. However, as summary proceedings have not been tested in practice, it is difficult to estimate the exact timeline for these proceedings (the rules on summary proceedings have been codified since 1 July 2016 in the Code of Civil Procedure 2015).

There are no specific rules applicable to patent infringement proceedings. Therefore, proceedings are conducted in accordance with the general procedural rules outlined below.

In regular proceedings, an infringement action involves the following main steps after the court agrees to deal with the action:

- **Sessions of settlement and meetings on evidence disclosure.** The court will convene mandatory sessions for the parties to reach a settlement. If the parties reach an amicable agreement, the court will recognise their agreement and issue its decision accordingly. The decision is final and binding on all relevant parties. In practice, during the sessions of settlement, the court also convenes a session on evidence disclosure. During this session, the parties can have access to all the evidence available in the action. In summary proceedings, the court will not convene any meetings on settlement and evidence disclosure. Instead, the court will proceed to trial after about one month from the date on which it accepts the case.
- **Trial.** In the absence of settlement, the court brings the case to trial and enters a first instance judgment.

A first instance judgment can be appealed once to the competent appellate court (the provincial court or Superior Court, as the case may be). Appellate proceedings can last about 12 months. The appellate court's judgment is final and binding. If there is no appeal, the first instance judgment will take effect.

25. What are the rules and practice concerning evidence in patent infringement proceedings?

## Documents

The courts accept the following types of evidence:

- Readable, audible, and visible materials.
- Exhibits.
- Parties' testimonies.
- Witnesses' testimonies.
- Expert conclusions, such as expert conclusions of the VIPRI.
- On-site appraisal results.
- Common practices.
- Property valuation and price appraisal results.
- Other sources prescribed by law.

(Article 82, Code on Civil Procedure 2015.)

## Witness Evidence

The court can accept witness evidence and can also determine which witnesses must be summoned to court. The parties can cross-examine witnesses.

Generally, the courts prefer witness evidence to be submitted in written form (such as witness statements).

## Expert Evidence

Due to their lack of knowledge and experience in IP, the Vietnamese courts often rely on expert opinions to handle IP cases. Therefore, the decisive (but not binding) factor in a civil action is usually an expert opinion from an authorised expert witness.

The VIPRI is currently the only agency in Vietnam licensed to be an expert witness in the IP field and with the authority to draw a conclusion on infringement. The IP Office can also issue an opinion, which is given the same weight as a VIPRI expert conclusion. In some cases, the court can seek expert opinions from independent individual experts who are licensed by the IP Office to issue recognised expert opinions on patent infringement. There are currently two independent experts licensed to provide expert assessment on patent infringement. In addition, the IP Office has issued a list of experts who can conduct IP assessment during civil proceedings.

Typically, the court can summon the expert for cross-examination at trial.

The parties cannot appoint their own private experts. A party that seeks an expert opinion can file a request with the court, which will decide on whether to appoint an expert.

26. Is evidence obtained in criminal proceedings admissible in civil proceedings and vice versa?

Criminal proceedings are not available in patent infringement cases.

27. Is evidence obtained in civil proceedings admissible in other civil proceedings?

Evidence gathered legally in civil proceedings is admissible in other civil proceedings.

28. To what extent is pre-trial disclosure permitted and what other mechanisms are available for obtaining evidence from an adverse party or third parties?

## **Pre-Trial Discovery**

Pre-trial discovery does not exist in Vietnam. However, litigants have the right to review the evidence submitted by the other party to the court. In principle, both parties are responsible for disclosing their court submissions to each other.

Claimants and defendants can request the court to compel the other party and third parties to produce evidence.

## **Other Mechanisms**

A patent holder can start an administrative action to stop ongoing patent infringement and gather convincing evidence of infringement for a subsequent civil action.



29. What level of proof is required for establishing infringement or invalidity/unenforceability?

Vietnam does not have detailed regulations on standards of proof, but the claimant must prove infringement. Therefore, it is best practice for practitioners to obtain an opinion from an IP expert to persuade the court.

30. How long do patent infringement proceedings typically last?

By law, the court must schedule a hearing within two to six months from the start of proceedings. However, in practice, it usually takes between 18 and 24 months for a court to hear a case.

In the authors' experience, virtually all patent infringement cases go to trial. In principle, settlement can take place at any time during the main proceedings (from the settlement meetings until before the court enters judgment).

### **Fast-Track Procedures**

Summary proceedings or fast-track procedures are available under the Code of Civil Procedure 2015.

### **Timetable**

The parties cannot set a schedule for proceedings. The judge has complete discretion in this regard.

### **Delay**

Delays occur frequently during the litigation process and generally cannot be avoided. Claimants should keep an open line of communication with the court to ensure that the case is handled as quickly as possible.

Delaying tactics are common in Vietnam, especially as Vietnamese courts tend to give defendants several opportunities to appear at court if they miss a trial conference or hearing. Ongoing invalidation proceedings before the IP Office can also cause substantial delay to the action. In some cases, the courts have stayed infringement proceedings pending the outcome of invalidation proceedings at the IP Office. There are few default judgments in Vietnam.

No sanctions are imposed for delaying tactics or frivolous invalidation actions.

## Preliminary Relief

31. Is preliminary relief available, and if so what measures are available and under what conditions?

### Search and Preservation/Search and Seize Orders

Preliminary relief is available under Vietnamese law. The measures that can be applied to infringing goods include the following:

- Seizure.
- Distrain.
- Sealing.
- Prohibiting a change in state.
- Prohibiting removal.
- Prohibiting the transfer of ownership rights.
- Other applicable measures prescribed under the Code of Civil Procedure.

(Article 207, IP Law.)

### Injunctions

To obtain a preliminary injunction, the patent holder must prove to the court that its request is reasonable. A request is deemed reasonable in the following circumstances:

- There is a demonstrable risk of irreparable damage caused to the patent holder.
- There is a demonstrable risk of removal or destruction of potentially infringing goods or evidence of infringement, if not protected in a timely fashion.

Without notice injunctions are possible as there is no statutory requirement for the court to serve a notice on the defendant.

Preliminary injunction proceedings cannot take place without main proceedings. Vietnam is currently drafting a law on preliminary injunctions that would allow such injunctions before the filing of an action.

An application for injunctive relief can be lodged with the court at any time during a civil action, including at the time of filing the complaint. If the application is filed before the hearing is held, the judge in charge of the case will consider and decide on the preliminary injunction. If the application is filed during the hearing, the judge panel will have this responsibility.

Under current practices, the court is unlikely to grant a cross-border or extra-territorial preliminary injunction. Generally, the court will not grant a preliminary injunction in support of proceedings in another country.

## **Other**

The claimant can petition for a freezing injunction.

As an alternative to preliminary injunction proceedings, the patent holder can pursue an administrative action to seize the infringing goods and preserve the evidence prior to civil litigation.

32. Can a defendant file a protective writ?

There are no specific regulations on protective writs. However, the concerned parties are generally entitled to submit any relevant evidence to present their position.

33. What is the format/procedure of preliminary injunction proceedings?

## **General**

The claimant must make a request for a preliminary injunction and, depending on the particulars of the case, the judge will schedule either a without notice hearing or a hearing with both parties present.

## **Level of Proof**

Vietnamese civil procedure law does not provide any guidelines on the level of proof required. In any case, the court has discretion to decide on whether it finds the motion for a preliminary injunction reasonable.

A favourable expert opinion from the VIPRI or the IP Office can have a significant influence on the court's decision in favour of the applicant for a preliminary injunction.

## **Evidence**

Affidavits and witness evidence can be used in preliminary injunction proceedings to the extent desired by the claimant.

## **Patent Validity**

There is no provision that prohibits an argument based on patent validity in a preliminary injunction proceeding or during any part of a proceeding. However, it is unlikely to be successful if the defendant has not formally filed a petition for cancelling the patent at the IP Office.

## **Length of Proceedings**

In cases of demonstrable risk of irreparable damage, the court must decide on the preliminary injunction within three days of receipt of the application and the bond.

In cases of demonstrable risk of removal or destruction of potentially infringing goods or evidence of infringement, the court must decide within 48 hours of receipt of the application and the bond.

There is no law providing that these proceedings can be expedited.

34.If a preliminary injunction is granted and the main infringement action is finally lost, can the defendant claim damages for the unjustified preliminary injunction?

The applicant can be required to pay compensation for damages incurred by the defendant as a result of a wrongful injunction.

The applicant for a preliminary injunction must deposit a bond (not just an undertaking) equivalent to 20% of the value of the goods that are subject to the preliminary injunction. If the value of the goods cannot be determined, the bond must be at least VND20 million. As an alternative to a bond in cash, the applicant can secure the application for a preliminary injunction by a guarantee document issued by a bank or another credit organisation.

## **Final Remedies**

35. What remedies are available against a patent infringer?

The following remedies are available against a patent infringer:

- Compulsory termination of the patent infringement.
- Compulsory public rectification and apology.
- Compulsory performance of civil obligations.
- Compulsory compensation for damages (see below, *Monetary Remedies*).
- Compulsory destruction or distribution or putting to use for non-commercial purposes of goods, materials, and implements that are predominantly used for the production or trading of goods that infringe patent rights, provided that this distribution and use does not influence the patent holder's exploitation of its rights (see below, *Delivery up or Destruction of Infringing Goods*).

In principle, these remedies can only be imposed on the infringer. However, third parties must also respect the remedies.

### **Permanent Injunction**

The final judgment generally serves as a permanent injunction. If the infringer changes the infringing product into a product that still violates the patent, it will generally be necessary to file a new lawsuit, even if the new infringing product is only minimally different from the original infringing product.

The grant of the above remedies will follow a finding of patent infringement by the judging panel at the trial. In general, the final judgment can be narrowly written so it is important for the claimant to request a broadly worded judgment.

In some cases, the defeated defendants do not show adequate respect for the courts' orders/injunctions and may not voluntarily abide by the orders. In addition, the enforcement of court orders has not always been effective.

It is unprecedented for the courts to grant cross-border or extra-territorial civil remedies.

### **Monetary Remedies**

Monetary remedies are available in the form of an award of compensation for damages. Damages are determined on the basis of the actual losses suffered by the patent holder due to the act of infringement.

Punitive damages are not available. Patent marking does not affect compensation.

Recoverable damages can include the following:

- Material damages, including loss of property, decrease of income and profits, loss of business opportunities, and reasonable expenses to prevent and remedy these damages.
- Spiritual damages, including loss of honour, dignity, prestige, reputation, and other spiritual damages.

(Article 204, IP Law.)

When the claimant can prove that the infringement of its patent caused material damage, compensation can be calculated using one of the following methods:

- An amount of money equivalent to the total material damage and the profits gained by the defendant from the act of infringement, if the reduced profits of the claimant have not yet been included in the total material damage.
- The value of royalties if the defendant had been authorised by the claimant to use the patent under a licence agreement within a scope equivalent to the infringing act.
- Other methods requested by the claimant. The IP Law does not shed light on this provision. However, as this provision was introduced to comply with the CPTPP, it is possible to refer to Article 18.74, paragraph 4 of the CPTPP for guidance. In particular, this Article provides that judicial authorities have the authority to consider any legitimate measure of value the right holder submits, including lost profits, the value of the infringed goods or services measured by the market price, or the suggested retail price.

(Article 205, IP Law.)

If the amount of compensation cannot be determined, the court can award damages that do not exceed VND500 million.

There are no punitive damages in Vietnam.

In principle, attorneys' fees for the court action can be recovered.

The court can order the defendant to pay interest in the case of delayed payment.

There have been very few IP dispute cases resolved by the Vietnamese courts so far. Therefore, there are not many precedents on which the courts can rely to determine the amount of damages.

The court reviews and assesses liability and monetary remedies at the same time it issues the final judgment.

In principle, patent applicants have provisional rights while their application is pending. However, the authors are not aware of any cases where patent applicants have enforced such rights. In fact,

choosing to enforce such rights may present certain challenges, as the scope of provisional rights may be different from the rights under a granted patent. Additionally, the defendant may file an opposition against the pending patent applicant to delay or prevent the grant of the patent.

In theory, the patent holder can seek a springboard injunction. However, no springboard claims have been made in practice.

## **Delivery up or Destruction of Infringing Goods**

The court can order the destruction of infringing goods and the seizure of means for producing infringing goods. In practice, Vietnamese authorities regularly order the destruction of infringing goods, including pharmaceutical goods.

## **Publication of the Decision**

In principle, the public can access court decisions on the following online database: <https://congbobanan.toaan.gov.vn>. However, this database is not usually up to date.

## **Recall Order**

The law does not expressly make provision for recall orders as a remedy in patent litigation. However, in practice, the courts have awarded these orders in some trade mark infringement cases. In administrative actions, the competent authorities can also issue recall orders.

## **Declaration of Infringement and Validity**

The court can declare and confirm the infringement and validity of the patent in the judgment.

## **Appeal Procedure**

36. What avenues of appeal are available for a defeated party and on what basis?

An appeal can be filed with the competent appellate court (provincial court or Superior People's Court, depending of the first instance court) within 15 days after the judgment of the local people's court (Article 271, Code on Civil Procedure). The first instance is stayed pending the outcome of the appeal.

Typically, appeal proceedings last between five and 12 months.

The appellate court must review whether the first instance court correctly applied the law.

## Litigation Costs

37. What level of cost should a party expect to incur to take a case through to a first instance decision, preliminary injunction proceedings and appeal proceedings?

The legal fees for a court case per level of adjudication (either first instance or appeal) are likely to range from USD15,000 to USD25,000, depending on how long the main proceedings last.

The above costs cover all the proceedings during a civil action, including preliminary injunction proceedings.

In principle, reasonable legal fees (including attorneys' fees) are recoverable from the losing party. Typically, the court relies on evidence such as contracts and invoices to calculate the legal fees, and are not concerned with the parties' conduct and offers to settle.

## **Standard Essential Patents (SEPs), Fair, Reasonable and Non-Discriminatory (FRAND) Licensing, and Anti-Suit Injunctions**

38. In addition to the answers to questions 8 and 23, are there any features of your jurisdiction's patent law or litigation procedure that make it attractive or unattractive to either SEP holders or implementers/willing licensees for the resolution of disputes over fair reasonable and non-discriminatory (FRAND) licensing and standard essential patents (SEPs)?

Vietnamese law does not specifically regulate FRAND licences and/or SEPs. The rules on the enforcement of SEPs are the same as for the enforcement of other types of patents.

39. How should SEP holders negotiate in your jurisdiction to comply with any FRAND undertaking (or RAND undertaking) that they have given in relation to SEPs?



Vietnamese law does not regulate this matter. The courts in Vietnam have not considered FRAND licences and/or SEPs

40. How do courts in your jurisdiction calculate FRAND royalty rates?

Vietnamese law does not regulate this matter and there are no judicial or administrative precedents on FRAND royalties. However, the court may accept a patent holders' request to adopt a certain approach to calculate royalties.

41. To what extent are courts in your jurisdiction willing to grant anti-suit injunctions in the context of disputes over FRAND licensing and SEPs?

Vietnamese law does not regulate this matter. In practice, the Vietnamese courts have not granted anti-suit injunctions in IP disputes.

The civil remedies listed in Article 202 of the IP Law appear to be exhaustive. Therefore, a court is unlikely to issue any injunction that departs from this list (including anti-suit/anti-anti-suit injunctions).

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