

Tilleke
& Gibbins

Intellectual Property in Vietnam

Registration

Protection

Commercialization



Overview

— IP Rights

What is intellectual property?

Intellectual property is the collection of ideas that builds a business—from brands and logos to product designs to management practices.

Intellectual assets, as much as physical assets, hold the potential to generate profits. Likewise, they risk being stolen or used unlawfully by others. Full protection of a business' intellectual property (IP) rights is therefore essential to ensure that it can maximize the value of its IP.

This handbook provides a brief introduction to IP registration, protection, and commercialization in Vietnam.

What are the main types of IP that can be protected in Vietnam?

Vietnam law provides protection for:

- Trademarks, trade names, and geographical indications
- Inventions and industrial designs (patents)
- Copyrights and related rights
- Trade secrets
- Layout designs of semiconductor integrated circuits
- Plant varieties

This guide provides details on trademarks, patents, copyrights, and trade secrets.

Trademark

— Definition

What is a trademark?

A trademark is a mark that is used on, or in connection with, goods or services for the purpose of indicating that they are the goods or services of the proprietor of the trademark, and are different from goods bearing the trademarks of others. Trademarks help consumers to answer questions such as “Who makes this product?” and “Who provides this service?”

A trademark can include characters, words, drawings, or images, including three-dimensional images, or any combination of these items, represented in one or more colors. It can also include sounds presented in graphical representations.

— Protection

Do trademark need to be registered?

Trademark registration is not mandatory, but to obtain the exclusive right to use a mark and prevent competitors from using it, mark owners must register their rights to the trademark with the Intellectual Property Office of Vietnam (referred to below as the IP Office).

Vietnamese law also recognizes the rights of unregistered trademarks. Owners of unregistered trademarks that are well known in Vietnam may take action against acts of passing off (misrepresenting goods to make consumers think the goods are those of the trademark owner). However, it is much easier to enforce registered trademarks.

What types of marks can be registered?

A trademark will be eligible for registration if it:

- is not identical or confusingly similar to marks that have been registered by others.
- is sufficiently distinctive for the general public or consumers to believe that the goods or services bearing the trademark are different from the goods or services of others.
- is not forbidden under the Law on Intellectual Property (IP Law). For example, a mark that is identical or similar to a well-known trademark, or a mark that consists of a national hero, a national flag, or a geographical location, may not be used.

How long does registration take?

The process normally takes around two years.

How long does a trademark registration last?

A trademark registration is valid for a period of 10 years from the filing date, renewable every 10 years.

Mark owners can apply for renewal of a trademark registration six months before the registration expires.

Can a mark be canceled if it isn't used in Vietnam?

Any third party may file a request with the IP Office to cancel a trademark registration for non-use. The requester must prove that the mark was not used by its owner (or licensee), without justifiable reasons, for a period of five consecutive years prior to the request, except if the use commences or resumes at least three months before the cancellation request is filed.

Can a trademark be licensed in Vietnam?

Mark owners can grant other businesses or individuals the right to use their registered trademark for any or all of the goods or services for which it is registered. Trademark license agreements must be made in writing, are valid as agreed upon by the involved parties, and are legally effective for third parties even without recordal.

Are well-known marks protected in Vietnam?

The IP Law prohibits registration of a mark that is confusingly similar to a well-known mark that is widely known among the public in the relevant sector, regardless of whether the well-known mark has been registered in Vietnam.

Owners of a well-known mark can file requests with the IP Office to cancel the registration of confusingly similar marks.

What are the criteria for a well-known mark in Vietnam?

Several or all the following criteria determine whether a mark is deemed well known:

- Number of consumers who have become aware of the mark through purchase or use of goods or services bearing the mark, or through advertising;
- Territorial area in which goods or services bearing the mark are circulated;
- Revenue from the sale of goods or provision of services bearing the mark, or the quantity of goods sold or services provided;
- Duration of continuous use of the mark;
- Wide reputation of goods or services bearing the mark;
- Number of countries protecting the mark;
- Number of countries recognizing the mark as a well-known mark; and
- Assignment price, licensing price, or investment capital contribution value of the mark.

— Enforcement

What remedies are available to enforce trademark rights in Vietnam?

Possible legal remedies may include:

- **Criminal remedies:** Fines, imprisonment, or both. Infringers are subject to penalties including fines of up to VND 500 million (approximately USD 21,250 based on June 2023 exchange rates) or non-custodial reform of up to two years. For organized crime or repeat offenders, the penalties may include a fine of up to VND 1 billion (USD 42,500) or imprisonment of up to three years.
- **Administrative remedies:** If the infringement does not constitute a crime, administrative remedies may also be available. Administrative sanctions for infringers include fines, seizure of counterfeit goods and associated materials, forced temporary suspension of business activities, and compulsory destruction or disposal of counterfeit goods.
- **Civil remedies:** Mark owners can also pursue civil remedies for injunctions against infringers and to compel termination of infringing acts; public apology and rectification; payment of damages for loss; and destruction, distribution, or putting to use for noncommercial purposes of goods, materials, and facilities used principally for the production or trading of infringing goods.
- Owners of an unregistered trademark may initiate civil action to stop illegal use and recover damages for infringement.

Patent

— Definition

What can be protected under Vietnamese patent law?

Patent protection can be granted for:

- **Inventions and utility solutions.** Vietnam’s IP Law defines an invention as “a technical solution in the form of a product or a process which is intended to solve a problem by application of the laws of nature.” A utility solution is similar to an invention but does not involve an inventive step.
- **Industrial designs.** Vietnam’s IP Law defines an industrial design as “the external appearance of a product or a component for assembly of a complex product represented in shapes, lines, colors, or any combination thereof, and visible during the utilization of the product or complex product.”

What are the requirements to protect a patent or design?

To be eligible for patent protection, an invention or industrial design must

- be novel;
- involve an inventive step (for an invention) or be creative (for an industrial design); and
- be capable of industrial application.

Inventions that lack an inventive step but are novel and capable of industrial application may be eligible for protection as utility solutions, provided they are not deemed to be common knowledge.

Is patent registration mandatory?

Patent registration with the IP Office is necessary to gain exclusive rights over an invention or an industrial design.

What is the scope of protection for a patent?

An invention patent or a patent for industrial design grants the exclusive right to use and allow others to use the invention or design, and to decide on the transfer, renunciation, or disposal of the patent.

In particular, an invention patent allows the holder to manufacture the patented product; apply the patented process; exploit the utility of the patented product or a product manufactured with the patented process; and circulate, advertise, offer for sale, stock, and import into Vietnam the patented product or a product made with the patented process.

A patent for an industrial design allows the holder to manufacture products with appearance embodying the patented industrial design and circulate, advertise, offer for sale, stock, and import into Vietnam items incorporating the patented design.

An invention or design patent holder can also prevent others from using the protected invention or design.

How long does registration take?

The registration process for inventions normally takes 3–4 years from the date of filing.

For industrial designs, the registration process may take up to 18 months from the date of filing.

How long does a patent registration last?

The term of patent protection for an invention is 20 years from the filing date, while a utility solution patent lasts for 10 years from the filing date. (The PCT filing date is used if the application is filed as a PCT national phase application.) A patent for industrial design lasts for 5 years from the filing date, extendable for two additional 5-year periods.

Can a patent be licensed in Vietnam?

Patent owners may license their patent to another person. The patent license agreement needs to be in writing. The license agreement is valid between the owner and the licensee as agreed, but is only valid for any third party when it is registered with the IP Office.

— Enforcement

How can owners enforce their patent rights in Vietnam?

Patent owners can bring administrative or civil charges against anyone who, without permission from the patent owner, manufactures any of their patented products; applies any of their patented processes; or utilizes, circulates, offers for sale, advertises, or imports any of their patented products or any products resulting from their patented processes.

Legal remedies against patent infringement are similar to administrative and civil remedies against trademark infringement.

Criminal charges are not available for patent infringement.

Copyright

— Definition

What is a copyright?

A copyright is a right that organizations or individuals have to literary, artistic, or scientific works they have created or own. Copyright arises automatically upon creation of a work. Related rights are those of organizations and individuals to performances, phonograms, video recordings, broadcasts, and encrypted program-carrying satellite signals.

Works covered by copyright under Vietnamese law include:

- literary and scientific works;
- lectures, textbooks, and other works expressed in writing or other characters;
- speeches;
- press works;
- musical works;
- dramatic works;
- cinematographic works and works created by similar method;
- visual and applied art works;
- photographic works;
- architectural works;
- sketches, plans, maps and drawings related to topography or scientific works;
- folklore and folk artworks of folk culture; and
- computer programs and compilations of data.

However, copyright protection does not extend to:

- news stories presented as short items of information for daily news reporting only;

- legal documents, administrative documents, and other documents in the judicial domain (and their official translations);
- processes, systems, operation methods, concepts, principles, and data.

— Protection

How are copyrights protected in Vietnam?

Authors/creators have the exclusive rights (moral rights) to:

- give titles to their works (and license this right to others);
- attach their real name or pseudonym to their works, and have their real name or pseudonym acknowledged when their works are published or used;
- publish their works or authorize them to be published;
- protect the integrity of their works by preventing others from modifying, mutilating, or distorting them in any form prejudicial to their honor and reputation.

Authors also enjoy exclusive economic rights to:

- make derivative works;
- display their works to the public;
- directly or indirectly reproduce their works in whole or in part by any means or in any form;
- distribute or import their original works or copies of them;
- broadcast or communicate their works to the public by wire or wireless means, electronic information networks, or any other technical means; and
- lease original cinematographic works and computer programs or copies thereof.

A copyright owner that is not the author/creator has the right to publish the work and has the economic rights mentioned above—and may be licensed to name the work.

Do copyrights need to be registered?

Copyright protection is automatic upon a work's creation—it is not necessary to seek registration to obtain copyright protection. Since Vietnam is a member of the Berne Convention for the Protection of Literary and Artistic Works, works by foreign nationals of Berne member countries (and any works first published in a Berne member country) are automatically protected in Vietnam.

Nevertheless, it is possible to record a copyright with the Copyright Office of Vietnam (COV), and copyright owners often do this because it can readily prove the existence and ownership of copyright, which is useful when enforcing copyrights in Vietnam.

How long does copyright protection last?

For most types of works, copyright protection lasts for the lifetime of the author, plus an additional 50 years after the author's death. Cinematographic, photographic, applied art, and anonymous works have a term of protection of 75 years from the time the work is first published.

In principle, moral rights—which are rights guarding a work's integrity and its author's reputation—are protected infinitely.

Are there limitations and exceptions to copyrights?

The fair-use provisions in Vietnam's IP Law include numerous exceptions to copyright. These exceptions allow other people to use a copyrighted work for various purposes, including noncommercial research or study of the work; private and personal use; comment, criticism, or review of the work with proper acknowledgement; and so on. To fall under these fair-use exceptions, the act in question must neither conflict with the normal exploitation of the work nor unreasonably prejudice the lawful rights of the owner.

The amended IP Law widens the scope of exceptions to copyright infringement. For instance, exceptions have been added for persons with disabilities and nonprofit organizations authorized by the government to operate in a related field. Notably, “works of art” and “the collection and anthologizing of works” are excluded from the permissible exceptions.

— Enforcement

How can owners enforce their copyright in Vietnam?

Copyright owners can bring criminal charges against an infringer who reproduces or distributes copyrighted works (1) on a commercial scale, (2) generating illegal profits of up to VND 300 million (USD 12,750), or (3) causing a loss to the copyright holder of up to VND 500 million (USD 21,250). Penalties for these infringements include fines of up to VND 500 million (USD 21,250) or noncustodial re-education for up to two years. For organized crime or repeat offenders, penalties can be up to VND 1 billion (USD 42,500) or imprisonment for up to three years.

Owners can also approach the competent authorities to request administrative action against an infringer. The infringer may be subject to a monetary fine, plus the compulsory removal of copies of the infringed works or compulsory destruction of material evidence of violation.

A copyright owner may also bring a civil action against an infringer to request a cessation of the infringement, compensation for actual damages, a public apology and rectification, and even legal fees.

Trade Secrets

— Definition

What is a trade secret?

A trade secret is defined under the IP Law as “information obtained from activities of financial and/or intellectual investment, which has not yet been disclosed and can be used in business activities.” The commercial value or advantage of such confidential information must be derived from its secrecy.

To be protected, a trade secret must be information that is not generally known to the public, which confers on its holder some form of economic benefit or advantage, and the controller of such information must take reasonable efforts to maintain its secrecy.

What are a trade secret owner’s rights?

The owner of a trade secret has the right to disclose, use, and permit others to use that trade secret, as well as prevent others from doing so without permission.

How can owners protect their trade secrets?

Vietnam’s IP Law provides automatic protection for trade secrets that are legally obtained and kept confidential, and thus no registration is required.

How long does trade secret protection last?

Trade secrets are protected as long as they remain secret. Therefore, trade secret protection can last indefinitely if the secret still meets the criteria for protection.

What acts infringe on a trade secret?

The following acts are regarded as infringement of a trade secret:

- Accessing or acquiring information pertaining to a trade secret by circumventing secret-keeping measures applied by lawful controllers of the trade secret;
- Disclosing or using information pertaining to a trade secret without permission from the trade secret owner;
- Breaching secret-keeping contracts or deceiving, inducing, buying off, forcing, seducing, or abusing the trust of a person in charge of secret-keeping in order to access, acquire, or disclose the trade secret;
- Accessing or acquiring information pertaining to trade secrets of applicants for licenses for trading in or circulating products by circumventing secret-keeping measures applied by competent agencies;
- Using or disclosing trade secrets while knowing or having an obligation to know that they have been acquired by others engaged in one of the acts specified above; and
- Failing to perform the secret-keeping obligation.

Are there exceptions to infringement claims?

Owners of trade secrets cannot prevent others from performing the following acts:

- Disclosing or using trade secrets acquired without knowing or having the obligation to know that they were unlawfully acquired by others;
- Disclosing secret data in order to protect the public;
- Using secret test data for noncommercial purposes in certain circumstances provided by law;
- Disclosing or using trade secrets obtained independently;
- Disclosing or using trade secrets obtained by analyzing or evaluating lawfully distributed products, unless otherwise agreed upon by analyzers or evaluators and owners of such trade secrets or sellers of such products.

— Enforcement

How can trade secret owners enforce their rights in Vietnam?

Trade secret owners are entitled to take either civil action to obtain compensation and a permanent injunction, or administrative action. When a trade secret is misappropriated by a licensee, action may be brought for breach of contract as well.

In general, there are no criminal penalties for infringers who disclose, take away, or use a trade secret.

Portfolio Management and Commercialization

For companies operating in multiple countries in Southeast Asia, a regional or global portfolio management strategy can yield benefits by centralizing the management of IP assets across multiple jurisdictions. In this way, companies can streamline the process of obtaining and enforcing IP rights, reduce costs, and ensure consistent protection of their IP assets. By considering the legal and cultural differences across different regions, companies can tailor their IP strategy to maximize protection and commercialization opportunities in each market.

Such a comprehensive program would typically include:

- Identification and recordal of IP (both registered and unregistered) and strengthening of legal title to these rights, both in Vietnam and elsewhere;
- Monitoring for third-party activities that could negatively impact your business;
- Monitoring of published trademarks for similar trademarks that could dilute the value of your IP;
- Development of systems to ensure that IP is relevant to your business, that it is properly protected and managed, and that maximum commercial advantage is being derived from it;
- Minimization of cost and risk associated with the acquisition, use, and misuse of IP; and
- Checking and managing of the validity of your IP.

Another important aspect of regional portfolio management in Southeast Asia is the ability to leverage the benefits of regional trade agreements, such as the ASEAN Free Trade Area and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CP-TPP). Under IP provisions of these agreements, companies may be able to take advantage of streamlined application procedures and enhanced IP enforcement measures.

In addition to managing IP portfolios, companies can also use regional commercialization strategies to monetize their IP assets. For example, licensing IP rights to third parties in different countries can provide a reliable source of revenue, while also allowing companies to expand their reach in new markets. Tilleke & Gibbins' practitioners across Southeast Asia have extensive experience in IP commercialization, including agreements related to franchising, licensing, distributorship, technology transfer, trade secrets, confidentiality, spinoffs, joint ventures, and business collaborations.

Many of the world's leading companies rely on Tilleke & Gibbins to help with the full range of IP matters in Cambodia, Indonesia, Laos, Myanmar, Thailand, and Vietnam—including the prosecution, enforcement, litigation, and commercialization of copyrights, industrial designs, patents, trademarks, and trade secrets. Our IP group includes lawyers and patent agents with backgrounds in chemistry, biology, computer science, food science, materials science, and physics; support personnel including investigators and government/police liaisons; and technical specialists in various scientific fields, on an as-needed basis.

Our clients' success under our guidance has led to global recognition of Tilleke & Gibbins' intellectual property department as a leading intellectual property practice by *Asian Legal Business*, *Asialaw Profiles*, *Chambers Asia-Pacific*, *IAM Patent*, *The Legal 500 Asia Pacific*, *Managing Intellectual Property*, *World Trademark Review*, and others.

— Contact

To learn more about how we can help you position, protect, and profit from your intellectual assets, please contact:

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