

# VIETNAM INTELLECTUAL PROPERTY SUMMARY

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## INTRODUCTION

Since the issuance of the first statute and primary regulations on industrial property protection in 1981, Vietnam has made considerable progress in creating a legal framework for protection of intellectual property rights (IPR) in the country. Intellectual property matters in Vietnam are now governed primarily by the 1995 Civil Code, which took effect on July 1, 1996. Under the Code, intellectual property laws are divided into two branches: copyright and industrial property. As a member of WIPO and to fulfill its commitment under the Vietnam-US Bilateral Trade Agreement as well as to prepare for accession to the WTO which is expected in 2005, Vietnam is in the process of modifying its intellectual property system to be in compliance with the TRIPS and other international conventions relating to IPR protection. The Government recently introduced protection for new plant varieties and layout designs of integrated circuits.

## COPYRIGHTS

Vietnam became a party to the Berne Convention for Protection of Literary and Artistic Works on October 26, 2004 but is not yet a party to the Universal Copyright Convention. Regulations to implement the Berne Convention have not yet been promulgated. Vietnam shall soon join the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations.

Vietnam signed a Bilateral Copyright Agreement with the US in 1997 under which works of US citizens or residents or works first published in the US may be protected in Vietnam according to Vietnamese copyright laws.

Vietnam also signed a Bilateral Intellectual Property Agreement with the Confederation of Switzerland under which works of Swiss nationals may be protected in Vietnam according to Vietnamese copyright laws.

### *Subject Matter, Formalities and Duration*

The copyright laws distinguish creations of Vietnamese nationals from those of foreigners. The former are copyright protected whether or not published in Vietnam, while the latter are protected only if first publicized or disseminated in Vietnam or if created and take definite form in Vietnam.

The Civil Code extends protection to original literary, artistic, scientific, and technical works, including the following: writings, oral works, theater and performance, cinema, audio-visual works, photography, music, computer software, architecture and other technical works, scientific works, translations, adaptations, compilations, modifications and transformations and other specified works. Works copyrighted by law (which were not previously protected under the superseded 1994 Copyright Ordinance) include current news published, folkloric works and official texts of State bodies, political, economic or social institutions and any translation. Any work which goes against the Vietnamese people

or destroys solidarity, which propagandizes violence or aggressive wars, which causes hatred among nations, depravity and debauchery, criminal behavior, social evils, superstitions, or which sabotages good morals and customs cannot be copyrighted. Furthermore, any work which discloses secrets of the State, the Communist Party of Vietnam, the national economy, personal life of citizens and any other secrets protected by law or any work distorting history, rejecting revolutionary achievements, offending national heroes, slandering or hurting the prestige, honor and dignity of any organization or citizen cannot be entitled to copyright protection.

Copyright arises on creation of copyrightable work, but registration creates presumption of ownership. The Vietnam Copyright Office under the Ministry of Culture and Information administers copyright matters.

The Civil Code gives different types of parties claiming copyright over a work different types of moral rights, including:

- Claim of authorship in any part of the work they created.
- Having their name or pseudonym indicated on their portion of the work.
- Having the publishing right of the work.
- Having their name cited when others use the work.
- Protecting the integrity of their work and authorizing modification of the work by others.
- Economic rights including permitting others to use, publish or disseminate the work and receiving royalties, remuneration and material benefits for assigning use of their work.

Moral rights are inalienable and of infinite duration, whereas economic rights can be assigned or inherited and last 50 years beyond the life of the author.

Absent an agreement otherwise, the author of a work created during the course of employment or pursuant to a contract has the right to have his or her name attached to the work, to have the integrity of the work preserved, and to receive remuneration for use of the work by others. The employer or other contracting party owns the work and has authority over its publication, dissemination, and use by others.

### *Copyright Enforcement*

The Ministry of Information and Culture recently announced that it will require Vietnamese publishers to obtain its permission before publishing foreign works. Permission will be withheld unless the local publisher possesses an agreement with the original publisher allowing such publication within Vietnam.

Redress may be sought in the People's Court if private or administrative efforts to stop the infringement are unsuccessful or impractical. The Ordinance on Copyright provides both administrative and criminal punishment, depending on the severity of the violation.

## **INDUSTRIAL PROPERTY**

Vietnam is a member of the World Intellectual Property Organization and a signatory to the Paris Convention for the Protection of Industrial Property, the Madrid Agreement concerning the International Registration of Marks, and the Patent Cooperation Treaty. Vietnam has adopted the International Classification of Goods and Services system which divides goods and services into 45 classes. Vietnam shall soon join the Brussels Convention relating to the distribution of programs carrying signals transmitted by Satellite.

Industrial property rights of US and Swiss citizens and residents are protected in Vietnam in compliance with the 2000 Vietnam-US Bilateral Trade Agreement and the 1999 Vietnam-Switzerland Intellectual Property Protection Agreement respectively.

## **Patents**

### *Subject Matter, Procedures and Duration*

The National Office of Intellectual Property (“NOIP”) under the Ministry of Science and Technology administers patent matters.

The three types of patents recognized in Vietnam are:

- Inventions
- Industrial designs
- Utility solutions

Non-patentable subject matters include:

- Computer software
- Prevention, diagnostic and/or therapeutic methods for treatment of human and animals
- Biological production of plants or animals other than micro-organic processes
- Animal varieties and plant varieties
- Layout designs of integrated circuits

Patent rights are accorded on a first-to-file basis. Nevertheless, to stem filing abuse, a patent application must prove legitimate ownership of the patent. Joint ownership as well as joint authorship, such as in the case of matter created in the course of employment, is recognized under the law.

Priority is determined on either the date on which the NOIP receives the application or, if submitted by mail, on which the application is postmarked. Patent law allows priority on the basis of a previous registration in mother country where provided for by treaty.

Whether the application is for an invention, industrial design, or utility solution, the application procedures are substantially identical.

1. To be a patentable “invention”, the matter must be a technical solution of worldwide novelty and an inventive nature with socioeconomic applicability. It must also be a technical solution for a substance, process or products.
2. A patentable “utility solution” is a technical solution which is new to Vietnam and applicable to socioeconomic conditions and need not include an inventive step; however, it has to be a technical solution for a substance, process or products. Old technology applied in a new way, previously unused in Vietnam, can be a utility solution.
3. An “industrial design” is the specific appearance of a product embodied by lines, three-dimensional forms, colors, or a combination of these, which is new worldwide and can be used as a pattern for a product of industry or handicraft.

Applications are examined for completeness by the NOIP within 3 months of receipt. For an additional fee, an expedited examination of the application is available. If application is effective, priority date becomes effective.

A request for substantive examination may be made by the applicant or third party within 42 months for an invention and within 36 months for a utility solution, from the priority date. Substantive evaluations will be completed within 18 months for inventions and within 9 months for utility solutions

An applicant for industrial design does not need to submit a request for substantive examination. Substantive examination for industrial designs will be completed within 9 months from the date of acceptance of application.

An application for an invention can be converted into an application for a utility solution or vice versa. A request for conversion can be submitted to the NOIP before completion of the substantive examination.

Rejected applications can be appealed, but in the case of a rejected invention application, it may be more useful to convert the application into an application for a utility solution.

Patents for inventions are valid for 20 years, patents for utility solutions are valid for 10 years, and patents for industrial designs are valid for 5 years counting from the priority date. Unlike inventions and utility solutions for which patents can not be renewed, a patent for an industrial design can be extended for up to two successive 5-year periods.

#### *Patent Rights Protection and Enforcement*

Patent owner owns exclusive rights to the patent during its effectiveness, including the right to possess, use and transfer or assign. Any use by a third party without the owner's consent is considered infringement and is actionable. The owner is responsible for initiating action against infringers and determining the amount of compensation due to him, based on economic benefits gained by the infringers in use of his patent.

As with most private and commercial disputes, private notification and discussions are usually the preferred means for resolving patent disputes. Administrative and juridical avenues for relief are rarely the best first step because such avenues are still less efficient and patent laws are still relatively untested.

Civil and criminal relief may be meted by the People's Courts.

#### *Compulsory Licensing*

Vietnam retains a compulsory patent licensing scheme. The three scenarios under which a compulsory license may be granted are:

1. Upon the later of 3 years from the granting of the patent or registration certificate or 4 years from the priority date, where the industrial property owner has not used the industrial property subject or has used it but not to meet the country's socioeconomic requirements without justifiable reason.
2. When there is a person wishing to use the industrial property subject but despite his best efforts to obtain a license agreement from the owner with reasonable royalties, the owner still "unreasonably" refuses to assign or license it.

3. Where use of the industrial property subject is necessary for Vietnam's national defense or security, or for the prevention and treatment of disease or for other urgent needs of the society.

## **Trademarks**

The National Office of Intellectual Property ("NOIP") under the Ministry of Science and Technology administers trademark matters.

### *Trademarks, Service Marks, Collective Marks, Well-Known Marks*

The Vietnamese registration scheme accepts registration of service marks and collective marks but does not yet provide for registration of trade names. By registering nominal forms of trademarks and service marks in block letters, however, trade names can be protected to a significant extent. Well-known marks are recognized but the criteria as to what constitutes a "well-known" mark have not yet been elaborated by the law.

Certain trademarks may be denied registration. These include signs that do not possess distinctive characteristics, consisting of an assembly of simple geometric shapes, figures or letters that cannot be pronounced (except where widely used and recognized over a long period of time); conventional signs and usual figures and denominations for goods that are widely used and matters of public knowledge; signs of expressing time, place, manufacturing process, type, quality, quantity, nature, composition, purpose, value, or that are descriptive in relation to the product; signs liable to mislead the public as to the origin, nature or purpose of product or signs likely to deceive consumer; signs identical or similar to official initials indicating control, quality, warranty and so forth of national and international organizations; signs representing state flags, armorial bearings; or emblems, portraits of national leaders or heroes, geographical denominations relating to Vietnam or other countries, names or emblems of international organizations, except where the use of such signs has been authorized by competent authorities; signs contrary to law, to public policy and to the socialist morality; in the case of goods of the same type, signs identical or similar to marks previously registered in Vietnam or protected by international convention to which Vietnam is a signatory party.

### *Procedures and Duration*

The NOIP is responsible for registering trademarks and recording licenses and assignments.

Trademark rights are awarded on a first-to-file basis. The owner of the trademark is entitled to exclusive use rights for the registered goods and services.

Priority is determined on either the date on which the NOIP receives the application or, if delivered by mail, on which the application is postmarked. If priority on the basis of a previous registration in a treaty country is granted, then the priority date is the filing date of the original application. For trademark-bearing matters which have been displayed in an official exhibition in Vietnam, the date of exhibition is the relevant date if the application is filed within 6 months subsequent to the exhibition.

When an application for registration has been submitted, the NOIP has 3 months to review and verify the application for completeness. If the completeness of the application is accepted by the NOIP, its priority date is recognized and effective with respect to any conflicting party. Substantive evaluation shall be 9 months. Once a mark is registered, a registration certificate is issued to the proprietor of the mark and the mark is entered into the National Register of Marks. Rejections may be appealed to the NOIP for reconsideration and, if the appeal is not successful, then to the Minister of Science and Technology or to the Administrative Court.

Trademark registrations presently have a 10-year duration. A registration may be renewed 6 months prior to the expiration date.

### *Opposition and Cancellation Actions*

Any third party has the right to oppose an application for registration and, within 5 years after the date of registration of the mark, to request cancellation of the registration.

If the objectionable mark is simply a deliberate reproduction or an imitation of another mark, it will be cancelled if it can be shown that: (1) before it was filed for registration, a third party has continuously and widely used the mark with respect to goods or services identical or confusingly similar to those associated with the disputed mark, and (2) at the time of filing, the applicant must have known of the existence and the use of the mark by a third party. Whether a trademark is “well known” will be based on fame among consumers, international name recognition, large sales of products or services associated with the mark, the period of continuous use of the mark, and registrations of the mark in other countries.

A registered mark can be cancelled if it has not been used for 5 consecutive years prior to the date on which request for cancellation is filed without adequate legal reasons. Registration may also be terminated if the manufacturing or commercial establishment that owns the mark no longer carries on its activities.

### *Trademark Licensing*

The proprietor of a protected mark may assign or license its rights to another person. Assignment of joint marks shall only be effected simultaneously for all joint marks. The licensee must undertake to make the quality of the product under license comparable to that of the original product of the licensor.

A license or assignment must be registered with the NOIP within 60 days after execution. An assignee may transfer its rights to another person if he wishes; however, a licensee, in contrast, may not transfer its rights to use the mark to a third party without prior consent of the mark owner.

### *Trademark Rights Enforcement*

Informal resolution methods, such as private discussions, are often more efficient and effective than formal judicial or administrative methods. Each case of infringement should be handled according to its particular circumstances.

Enforcement against any infringement or misappropriation falls principally to the provincial Market Management Bureaus (“MMB”) of the Ministry of Trade, to the Economic Police, to the Customs Office and to the People’s Courts. Prosecution in the People’s Courts may either be through a civil action for private relief or through a criminal proceeding.

Administrative relief rests with the Inspectorate of the Ministry of Science and Technology, MMB and Customs Office. The administrative agencies have broad powers in trademark infringement matters. They conduct their own investigations and, where necessary, they can seize and dispose of counterfeit products, packaging, and the means of production of the counterfeits. They are also empowered to issue cease-and-desist orders and revoke or otherwise sanction (including license revocation and fines) those who fail to comply.

Litigation of trademark disputes is rarely desirable. The administrative authorities tend to be more predictable and cost and time efficient than the courts.

## **PROTECTION OF NEW PLANT VARIETIES**

Protection of new plant varieties is new and not yet tested in Vietnam. This matter is now governed primarily by the Civil Code and Government Decree No. 13/2001/ND-CP dated April 20, 2001.

### *Matters, Procedures and Duration*

New Plant Varieties matters are administered by the Administration of Protection of New Plant Varieties (“APNPV”) under the Ministry of Agriculture and Rural Development (“MARD”).

To be protected, a new plant variety must belong to protected brands and species listed by the MARD, be distinctive, be uniform, be stable, be commercially new and bear appropriate appellations, and be easily distinguishable from those of other plant varieties of the same species which are widely known.

Protection of new plant varieties is awarded on a first-to-file basis. The applicant for protection of new plant varieties may request for priority right if the first application has been submitted in a country which is a member of an international convention on protection of new plant varieties and if the applicant submits its application for protection in Vietnam within 12 months from the date of submission of the first application in the other country.

When an application for registration has been submitted, APNPV has 15 days to review and verify the application for completeness. If the completeness of the application is accepted by APNPV, its legitimate filing date is recognized and effective. Substantive evaluation shall be conducted by APNPV within 90 days from the legitimate filing date. If all conditions required are met, the Minister of MARD shall issue decision to grant protection certificate. The term of protection is 20 years for a new plant variety and 25 years for woody plants from the date of protection certificate.

### *Assignment and Licensing*

A license or assignment of new plant variety must be made in accordance with the model form of APNPV and be approved by MARD.

## **PROTECTION OF LAYOUT DESIGNS (“TOPOGRAPHIES”) OF SEMI-CONDUCTOR INTEGRATED CIRCUITS**

Protection of Topographies is new and not yet tested in Vietnam. This matter is now governed primarily by the Civil Code and Government Decree No. 42/2003/ND-CP dated May 2, 2003. Implementation guidelines have not yet been enacted.

### *Matters, Procedures and Duration*

The NOIP administers topography matters.

Where identical topographies have been independently created by two or more individuals or organizations, all such individuals or organizations have the right to file applications for protection and, if

granted, their topographies are independently protected. For a topography which has been commercially exploited by the person having the right to apply for protection, the statute of limitation for filing his application for protection is 2 years from the date such commercial exploitation was committed for the first time anywhere in the world.

An application for registration must be submitted to the NOIP which shall review and verify the application for completeness and then conduct a substantive evaluation. However, since the Ministry of Science and Technology has not yet issued guidelines on this matter, the time frame is still unknown. The protection certificate shall be issued by the NOIP. The term of protection shall be the shortest of the following: (1) 10 years from date of Certificate, (2) 10 years from first commercial exploitation authorized by persons having the right to file application for protection, and (3) 15 years from the date such topography was created as from the date of the protection certificate.

During the protection term, the owner of the topography has exclusive use of the topography and may license its use to any third party. The owner also has the right to seek enforcement against any third party infringement of his rights. The creator has various personal and material rights of author of the topographies.

#### *Assignment and Licensing*

A license or assignment of topography must be registered with the NOIP, but registration procedures are not yet in place.

### **INDUSTRIAL PROPERTY PROTECTION OF TRADE NAMES, GEOGRAPHICAL INDICATIONS, TRADE SECRETS AND PROTECTION AGAINST UNFAIR COMPETITION WITH REGARD TO INDUSTRIAL PROPERTY**

Industrial property protection of trade names, geographical indications, trade secrets and protection against unfair competition with regard to industrial property is new and untested. While protection has been introduced since October 2000, guidelines and procedures for implementation and enforcement have not yet been issued by the Ministry of Science and Technology.

These matters are administered by the National Office of Intellectual Property (“NOIP”) under the Ministry of Science and Technology.

### **IP LAW DEVELOPMENTS IN 2005**

Vietnam is undertaking a massive review of the current IP law. The National Assembly has approved the revision of the current Chapter 6 – Intellectual Property of the Civil Code and the drafting of a new Intellectual Property Law, scheduled to be passed by the Assembly at the end of 2005.

Tilleke & Gibbins’ intellectual property practice extends throughout Indochina and encompasses all forms of registrations, market investigation and rights enforcement activities, transfer of technology, secured transactions, dispute resolution, and, through affiliated Vietnamese lawyers licensed as intellectual property experts, intellectual property litigation.

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