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## IP Law amended to comply with CPTPP requirements

Vietnam - [IPMAX Law Firm](#)

- The National Assembly of Vietnam has passed a law amending a number of provisions of the Intellectual Property Law
- The amendments are mostly the same as the draft law released earlier
- They are a further step forward in implementing the CPTPP's provisions and will be greatly beneficial to rights holders

On 14 June 2019 the National Assembly of Vietnam passed a law amending a number of provisions of the Intellectual Property Law in order to comply with requirements set forth in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which came into effect in Vietnam on 14 January 2019. The amendments are mostly the same as the draft law released earlier. In brief, they address the following issues related to trademarks and geographical indications:

- Clarification of grounds for refusal of geographical indications – the determination of whether a geographical indication is a “generic name of goods” (which can be a ground for refusal) must be pursuant to awareness of related consumers in Vietnam. A geographical indication may be refused protection if it is similar to a protected mark, to the extent that it is likely to cause confusion (rather than just “causes confusion” under the wording of the former IP Law).
- Provision of an electronic application system (in addition to the existing paper filing system at the National Office of Intellectual Property of Vietnam (NOIM)) – in practice, a system for online applications has been in operation, but has not been fully utilised. Further, the former IP Law did not specifically mention the online alternative.
- Recordal of a licence for trademark use – under the former IP Law, a trademark licence was valid as agreed upon by the parties. However, to be valid to a third party (such as a sub-licensee in case of sub-licence), the primary licence had to be registered with the NOIM. This is no longer a requirement. As a result, a licensee's use of a trademark under this licence will be

considered as such by the trademark owner (regardless of whether this licence is recorded with the NOIM).

- Provision allowing “other lawful grounds” for damages to be determined – these are based on the grounds provided in the former IP Law, under which material loss caused by infringement was determined based on one of the following grounds:
  - material loss (including reduced profit), or material loss plus illicit profit gained by the act of infringement (if reduced profit is not included in the material loss);
  - the value of the transfer of the right to use the IP subject matter. This is under the presumption that the plaintiff had, under an agreement, transferred the right to use this subject matter to the defendant, to the extent that an equivalent to the act of infringement was committed;
  - in cases where it was impossible to determine the material loss in accordance with the above, the material loss was fixed by the court depending on its severity, up to a maximum of D500 million (approximately \$21,700); and
  - the defendant could request compensation for attorney fees and the personal harm caused by the infringement.

The new IP Law includes provisions that allow rights holders to apply other methods to determine material loss (other than the abovementioned provisions) that are justifiable under the laws. There is now a supplement provision for the respondent/defendant in an infringement lawsuit to claim reasonable attorney fees if no infringement is found. Under the former IP Law, this was only available to rights holders as complainant/plaintiff. Further, there is a supplement provision for the party suffering loss and damages caused by abuse of IP rights protection procedures to seek compensation for damages caused by this, which includes claiming reasonable attorney fees. The provisions also specify information with which Customs must provide the IP rights holder, which includes details of the consignors, consignees, exporters, importers, description of goods, quantity and country of origin within 30 days of seizure of goods. However, this provision does not limit the information that Customs must provide to rights holders when suspending the procedure of a suspected consignment of goods under the current procedure, as rights holders would not have enough information to provide verification or carry out the necessary requirements within the term of suspension.

Although the amended law will come into force on 1 November 2019, most of the provisions will be retroactively effective as of 14 January 2019 (the date on which the related requirements under the CPTPP took effect in Vietnam). In particular, this applies to:

- applications for the establishment of rights filed since 14 January 2019;
- requests for invalidation of certificates of protection for invention/utility solutions or geographical indications granted to applications filed since 14 January 2019;
- requests for invalidation of certificates of trademark registrations filed since 14 January 2019;
- infringement lawsuits officially accepted by the court since 14 January 2019;
- trademark licence agreements signed between parties since 14 January 2019. Agreements that were signed between parties before this date but were not registered under the former IP Law will have effect on third parties without any further need for registration.

Although some of the provisions are not yet effective and some requirements resulting from the CPTPP have not yet been sufficiently addressed, amendments to the IP Law are a further step forward by Vietnam in implementing the CPTPP's provisions and will be greatly beneficial to rights holders.

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