

**Joint circular causes concern over cybersquatting
Vietnam - IPMAX Law Firm**

**Cybersquatting
Domain names
Infringement**

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On June 8 2016 the Ministry of Science and Technology (MoST) and the Ministry of Information and Telecommunication (MoIC) issued joint Circular 14/2016/TTLT-BTTTT-BKHCN, providing guidance on the procedures relating to changes to and revocation of domain names that infringe the IP Law (Circular 14). The joint circular has been eagerly awaited by brand owners and enforcement authorities, as it will help to facilitate the application of coercive measures against domain name infringers following the administrative procedure set forth in Government Decree 99/2013/ND-CP of August 29 2013 promulgating administrative sanctions in the field of industrial property.

Under the decree, if the administrative enforcement authority (the MoST Inspectorate) issues a decision imposing administrative sanctions against an infringement, including revocation of a '.vn' domain name, the registrant must return the domain name to the registry within 30 days of the effective date of the decision. If not, the enforcement authority will send notification to the registry – VNNIC, operating under the MoIC – requesting it to revoke the domain name and the registry must revoke the domain name accordingly.

However, in practice, VNNIC has been resistant to this coercive measure, arguing that the administrative procedure set forth in the decree is not binding on it and that it will revoke a domain name only where this is the outcome of a civil lawsuit or conciliation or arbitration proceeding in accordance with Article 76 of the Law on Information Technology. As a result, brand owners and enforcement authorities have been unable to achieve revocation of infringing domain names in accordance with the IP Law and the decree.

Circular 14 aimed to break this deadlock. The circular introduced specific provisions for the application of remedial measures against the use and registration of '.vn' domain names “infringing intellectual property laws” following the administrative procedure set forth in the decree. Accordingly, brand owners may expect that domain names that infringe IP laws will now be revoked by VNNIC following administrative decisions of the enforcement authorities.

Circular 14 provides for the following remedial measures with respect to domain names that infringe IP rights:

- removal of infringing content posted on the websites associated with the domain name;
- compulsory return of the domain name to the registry; and
- revocation of the domain name, which shall apply if the first two remedial measures are not timely carried out at the request of the enforcement authorities.

However, brand owners appear concerned that Circular 14 does not provide for the application of remedial measures against cybersquatting. According to Article 4 of the circular, the above remedies apply only where the website content infringes IP rights. This appears to preclude the application of remedial measures where the domain name has been registered “for the purpose of benefiting from, or prejudicing, the goodwill and reputation of [a protected] trademark”, which also constitutes an act of unfair competition and thus infringes the IP Law. This provision of the circular is controversial and inconsistent with MoST Circular 11/2015/TT-BKHCN of June 26 2015 on implementation of the decree. According to Article 19 of the MoST circular, registration of a domain name that incorporates a reputed trademark, trade name or geographical indication without actual use of the domain name, but with the intention to resell the domain name or to prevent the rights holder from registering the domain name, constitutes an act of unfair competition under the IP Law.

While both circulars are simultaneously effective, it is unclear whether only the domain names of websites featuring infringing content may be revoked through the administrative route under the joint circular, or whether this remedy is also available in case of cybersquatting.

Circular 14 will take effect on July 25 2016.

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