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Vietnam goes further in process to implement CPTPP requirements

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- CPTPP came into effect in Vietnam on 14 January 2019
- In order to comply with CPTPP requirements, draft amendments to IP Law have been prepared and released for public comments
- Amendments are expected to be greatly beneficial to IP right holders

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) came into effect in Vietnam on 14 January 2019. In order to comply with the CPTPP requirements, a draft law amending certain provisions of the IP Law has been prepared and released for public comments. In brief, the amendments address the following issues related to trademarks and geographical indications:

- Clarification of some 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 the awareness among related consumers in Vietnam. A geographical indication may be refused protection because it is similar to a protected mark to the extent that it is likely to cause confusion (rather than just “causes confusion” under the current wording of the IP Law).
- Provision of an electronic application system (in addition to existing paper filing at the Intellectual Property Office) - in practice, a system for online applications has been in operation, but not fully utilised. In addition, the current IP Law does not have a provision specifically mentioning the online application alternative.
- The recordal of a licence for use of a trademark(s) is no longer required for the licence to be valid to a third party - under the current law, a trademark licence may be 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 must be registered with the IP Office. This requirement has been removed under the draft amendments. As a result, use of a trademark by a licensee under such a licence shall be considered as use of the trademark by the trademark owner (regardless of whether such a licence has been recorded with the IP Office or not).

- Introduction of a provision allowing “other lawful grounds” for determining the damages to the right holders, out of the grounds provided in the law, such as reduced profits or extent of the loss, which are difficult to prove. However, there is no specific provision for IP rights holders to seek (a) pre-established damages, or (b) additional damages (which may include exemplary or punitive damages), as required under the provision of the CPTPP.
- Supplement provision for the respondent/defendant in a dispute over IP rights to claim reasonable attorney fees - under the current IP Law, this is only available to IP rights holders as complainants/plaintiffs.
- Supplement provision for the party having suffered losses and damages caused by acts of abuse of IP rights protection procedures to seek compensation for the damages caused by such acts.
- Specification of the information that Customs must provide to IP rights holders and introduction of a time limit of 30 days from seizure for doing so - however, this time limit is a minimum under the CPTPP. It will be conflicting with (ie, longer than) the term of suspension of 10 days (extendable for 20 more days) within which the IP rights holder must decide to file a lawsuit or submit further evidence for the Customs Authority to handle the infringement in accordance with administrative procedures. This means that, if the information is provided by Customs later than the term of suspension, IP rights holders may not have enough information to provide verification and carry out the measures required within the term of suspension.

Although some of the provisions are not yet effective in practice and some requirements resulting from the CPTPP have not been sufficiently addressed (eg, the requirement for an effective regime for resolving domain name disputes), the draft law is a further step towards the implementation of the CPTPP's provisions and will be greatly beneficial to IP right holders.

The draft law is scheduled to be presented to the National Assembly for reviewing and passing in May 2019.

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TAGS

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