

# Trade Names - Trade Secrets - Unfair Competition

On 3 October 2000, the Government issued Decree 54/2000/ND-CP on the protection of the industrial property rights related to trade secrets, geographical indications, trade names and unfair competition.

The Decree, effective on 18 October 2000, guided in detail the protection of industrial property rights of "other objects" as specified in Article 780 of the Civil Code of Vietnam; which include: trade secrets, geographical indications, trade names and protection of the right against unfair competition. This was a step towards harmonization of Vietnam's legal framework and towards bringing this legal framework into compliance with TRIPS and the trade pact Vietnam had signed with the United States. The Decree provided definitions for trade secrets, geographical indications, trade names and also provided the scope of protection of those objects. The rules for anti-unfair competition were also included in the Decree, for the purpose of protection of the rights and benefits of the manufacturers and traders.

In addition to addressing the main subject matters of IP protection such as patent, trademark, industrial design, copyrights and related rights, and layout designs of semiconductor integrated circuits, as demanded by the TRIPS Agreement, IP Law 50/2005 explicitly addresses protection for trade secrets, geographical indications, and trade names, and anti-unfair competition. IP Law 50/2005, which replaces Decree 54/CP, came into effect on 1 July 2006.

## 5.1 Trade secrets

Trade secrets are defined as information obtained from financial or intellectual investment activities, which has not been disclosed and is applicable in business, when they satisfy in full the following criteria:

- (i) The information is neither common knowledge nor easily obtained; and
- (ii) They can be applied in business and, when used, will enable the holders of such information to have more favorable advance than other people who do not have or use such information in production, business; and
- (iii) They are confidentially kept by the holders with necessary measures so that such information will neither be disclosed nor easily accessible.

Under IP Law 50/2005, the following confidential information shall not be protected as trade secrets:

- (i) Personal status secrets;
- (ii) State management secrets;
- (iii) Security and national defense secrets;
- (iv) Other confidential secret information irrelevant to business

The holders of the trade secrets are all organizations and individuals

who have legally acquired the trade secrets the trade secrets and keep it confidential. A trade secret acquired by an employee or a party carrying out the assigned duty during performance of assigned duties shall belong to the employer or the duty assignor, unless otherwise agreed by the parties. The holders of the trade secrets are entitled to use their trade secrets by applying them to manufacture products, supplying services or trade in goods or selling, advertising for sale, storing for sale and importing a product obtained by applying the trade secret. Such rights shall be protected during the time such trade secrets still satisfy the said criteria of the trade secrets.

Under the IP Law 50/2005, the following acts shall be considered as an infringement of the rights to a trade secret:

- (i) Accessing or acquiring information embodied in a trade secret by taking acts against security measures taken by the lawful controller of the trade secret;
- (ii) Disclosing or using information embodied in a trade secret without permission of the holder the trade secret;
- (iii) Breaching security contracts or deceiving, inducing, bribing, forcing, seducing or abusing the trust of persons in charge of security in order to access, acquire or disclose a trade secret;
- (iv) Accessing to or acquiring information embodied in a trade secret, that is submitted by another person under procedures for granting a license of business or marketing in respect of a product, by actions against security measures taken by competent agencies;
- (v) Using or disclosing trade secret, while knowing or being obliged to know that it has been acquired by another person engaged in one of the acts referred to in items # i, ii, iii and iv;
- (vi) Failure to perform the obligation of security.

For the first time, limitations of the rights of an owner of a trade secret has been introduced in the law, including exemption from rights for (i) disclosure or use of a trade secrets acquired without knowing or having reason to know that it has been illegally acquired by others; (ii) disclosure of the trade secrets in order to protect the public; (iii) use of secret data for non-commercial purposes; (iv) disclosure or use of a trade secrets created independently; and (v) disclosure or use of trade secrets generated by analyzing or evaluating a legally distributed products; unless otherwise agreed between the analyzers or evaluators and the owner of the trade secret or the sellers of the product.

The IP Law 50/2005 also introduce the obligations to maintain secrecy of date of tests during the course of work of the competent authorities to maintain secrecy of the date submitted thereto by the applicant.

## **5.2 Trade name**

Trade names mean the name of the organizations, individuals which is used in business activities to distinguish the business entity bearing such a name from other business entities engaging in the same field and locality of business and which satisfy the following criteria:

- (i) It is consists of a proper name, except where it has been widely

known as a result of use; and

(ii) It is not identical with or confusingly similar to another person's trade name prior used in the same field and locality of business; and .

(iii) It is not identical with or confusingly similar to another person's trademark or a geographical indication having been protected prior to the date such trade name is used.

Name of administrative, political, social, professional agencies and organizations or of the subjects which do not relate to the business activities shall not be protected as trade name.

The holders of the trade names are the organizations, individuals that legally uses such trade names in the course of business. The holders are entitled to use the trade names for the business purposes, reflecting the trade names in the transaction papers, documents, signboards, products, goods, commodities, package and advertisement.

The trade names are protected when the holders of such names still maintain their business activities under such names.

The IP Law 50/2005 also stipulates the acts of using commercial indications identical with or similar to another person's trade name prior used for the same or similar goods/services that causes confusion as to business entities, business premises or business activities under the trade name shall be considered as infringement of the rights to the trade name. The holder of such trade name thereby shall have the right to request the infringers to stop the infringement acts, apologize, publicly rectify and pay for damage compensation and/or to request the competent state agencies to handle acts of infringement or initiate a lawsuit at a competent court or an arbitrator for protection their legitimate rights and interest.

### **5.3 Anti-Unfair competition**

Unfair competition acts related to the industrial property as defined under IP Law 50/2005 include the acts:

(i) Using commercial indications that cause confusion as to business entities, business activities or commercial origins of goods or services.

(ii) Using commercial indications that cause confusion as to the origin, production method, feature, quality, quantity or other characteristics of goods or services; or as to the conditions for the provision of goods and services;

(iii) Using a trademark protected in a country that is a member of an international treaty, to which the Socialist Republic of Vietnam is a party, which prohibits the representative or agent of the owner of the trademark from using the owner's trademark, if the user is such a representative or agent and the use is without the owner's authorization and without reasonable grounds;

(iv) Registering or possessing the right to use or using a domain name identical with or confusingly similar to another person's protected trademark or trade name, or a geographical indication that one does not have the right to use, for the purpose of possessing the domain name, taking advantage of or prejudicing the reputation and goodwill or the respective trademark, trade name or geographical indication.

Apart from IP Law 50/2005, Law on Competition of Vietnam also introduces unfair competitive acts including any of the following:

- (i) Misleading instructions;
- (ii) Infringement of trade secrets;
- (iii) Coercion in business;
- (iv) Defamation of another enterprises;
- (v) Causing disruption to the business activities of another enterprise;
- (vi) Advertisement aimed at unfair competition;
- (vii) Promotion aimed at unfair competition;
- (viii) Discrimination by an association;
- (ix) Illegal multi-level selling of goods;
- (x) Other unfair competitive acts stipulated by the Government.

Organizations, individuals which suffer damage or would be damageable due to unfair competition acts in the field of industrial property are entitled to request the competent State authorities to compel the person having unfair competition acts to stop conducting such acts, pay compensation for damage, or to impose administrative or criminal measures upon such person.

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# Copyrights

## 6.1 Authors and Copyright Owners

Copyright protection shall be given to an author who is defined as the person directly creating the whole or part of a literary, artistic, scientific work and as the person who have created derivative works from other's works, including works translated from one language into another, recreated, transformed, adapted, compiled, annotated, or selected works.

Apart from the author of a work, the legal owner of a work shall be also entitled to copyright protection. The legal owner of a work may be one of the following:

- (i) The author or co-authors of the work;
- (ii) Organizations and individuals who assign tasks to authors or who enter into contracts with authors;
- (iii) A heir of the authors;
- (iv) The assignee of rights over the works; or

(v) The State, in certain cases.

In accordance with Vietnamese IP Law 50/2005, the author and copyright holders are defined as (i) Vietnamese organizations and individuals; (ii) foreign organizations and individuals whose works to be protected were first published in Vietnam and not yet published in any other country, or whose works were published in Vietnam within thirty days from the date of the first publication in another country; and (iii) foreign organizations and individuals whose works have been protected in Vietnam in accordance with an international treaty on copyrights to which Vietnam is a member.

## **6.2 Copyrighted Works**

Copyright protection is given to literary, artistic or scientific works which fall within any of the following categories:

- (i) Literary and scientific works, textbooks, teaching materials, and other works expressed written letters or other characters;
- (ii) Lectures, addresses, and other speeches;
- (iii) Press works;
- (iv) Musical works;
- (v) Dramatic works;
- (vi) Cinematographic works and works created by similar methods;
- (vii) Fine art works and applied art works;
- (viii) Photographic works
- (ix) Architectural works;
- (x) Sketches, plans, maps, and drawings relevant to topography or scientific works;
- (xi) Folklore and folk art works;
- (xii) Computer programs and data collections.
- (xiii) Derivative works;

To qualify for protection, a work must be original. The current copyright rules expressly state that copyright

protection for a work is granted upon creation of the work in a given work, without subject to publication or registration. The protection is also given to the work irrespective of its form of embodiment and quality.

Derivative works shall only be protected if such protection is not prejudicial to the copyright in the works used to create such derivative works.

### **6.3 Exceptions**

Under the prevailing regulations of Vietnam, the following subject matter shall be excluded from copyrights protection

- (i) News of the day, as mere items of information;
- (ii) Legal legislations, administrative and other judicial documents, and official translations thereof;
- (iii) Processes, systems, method of operation, concepts, principles and data.

### **6.4 Property and Personal Rights of Copyright Owners and/or Authors**

An author and/or copyright owner shall be entitled to certain "property" rights and "personal" rights, as the case may be. Personal rights include (1) to name the work; (2) to have real names or pen names put on the work or have real names or pen names cited when the work is published or used; (3) to publish the work, or permit others to do so; (4) to protect the integrity of the work, to allow or not allow other persons to alter, garble or distort the contents of the work by any means that prejudice against author's honor and prestige. Property rights include (1) to make the derivative works; (2) to display the works to the public; (3) to reproduce the works; (4) to distribute or import the originals and copies of the works; (5) to disseminate the works to the public via radio, television, internet or by any other technical means; and (6) to lease the original or copies of a cinematographic works or computer programs. Organizations, individuals who wishes to

exploit or use one, several or all of property rights and rights of publication of work are obligated to ask for permission from the copyright owners and pay royalties, remuneration and other material benefits.

## **6.5 Fair Use**

An individual or organization may use a published copyright work for “non-commercial purposes” without the permission of the author and without paying royalties provided such use does not adversely affect the normal exploitation of the work and does not cause any detriment to the author’s enjoyment of copyright in the work. The author’s name and the origin of the work must, however, be mentioned.

“Non-commercial purposes” are defined to include the following acts:

- (i) Making one copy of the work of an author for the purposes of science research and individual teaching;
- (ii) Reasonably quoting a work in order to comment on or illustrate one’s own works, without falsifying the author’s views;
- (iii) Quoting from a work in order to write an article published in a newspaper or periodical, in a radio or television broadcast or in a documentary, without falsifying the author’s views;
- (iv) Quoting from a work in school or university for lecturing purposes without falsifying the author’s views and not for commercial purposes;
- (v) Copying a work for archival in the library and for the purposes of research;
- (vi) Performing a dramatic works or other art work in mass cultural, communication or mobilization activities without collecting fees in any form;
- (vii) Audio-visual recording or a performance in order to report current events or for teaching purposes;
- (viii) Photographing or televising a work of fine-art, architecture, photograph, or a work of applied fine-art

displayed at a public place in order to present images of such work;

(ix) Transforming a work into Braille or into characters of other languages for the blind;

(x) Importing 1 copy of others' works for personal use.

However, the above-mentioned uses shall not apply to the architectural works, fine-art works and computer software.

## **6.6 Term of Protection**

In general, copyright is protected for the lifetime of the author plus fifty years after his/her death. Some personal rights (such as the rights to name the work, to have the author's name attached to the work, and to protect the integrity of the work) last indefinitely.

With respect to cinematographic works, photographic works, dramatic works, applied art works, anonymous works; the copyright shall last for 50 years from the date of first publication.

## **6.7 Copyright Registration**

In Vietnam, copyright arises as from the date on which a work is created and expressed in a certain material form regardless of its content, quality, form, mean, language, whether or not it has been published or registered. Accordingly, though registration of a work is not required for the work to be protected, registration provides proof of authorship or ownership. In order to register a work, an author or copyright owner must file an application for registration with the National Office for Copyright Office (NOC), which is based in Hanoi. The application must follow the form specified by the Ministry of Culture and Information and contain papers proving the authorship/ownership of the work, and pay a registration fee. In case the NOC approves the application for registration, the individual who or organization, which holds



the registration certificate for the work, will be assumed to be the legal owner of the work in case any dispute regarding the ownership of the work arises.

## **6.8 Assignment and Licensing of Copyright**

An author or copyright holder of a work can transfer all or any of the property rights and the right to publish the work, or given written permission to others to do so in respect of that work to another person or to license another person to use such copyrights or related rights. A licensee to the licensed copyrights or related rights over the work may sub-license such rights in respect of that work upon the consent of the author (or of the copyright holder).

Where a work, performance, audio and visual fixation, or broadcast is under joint ownership, the licensing of copyright or related rights therein must be agreed upon by all co-owners. If a work, performance, audio and visual fixation or broadcast is composed of separate parts that have been separately created by different authors or owned by different copyright/related right holders, such authors or copyright/related right holders may license their copyrights or related rights with respect to their separate parts to other organizations or individuals.

## **6.8 Contract for Assignment and Use of Copyrighted Works**

A contract for the assignment of copyright or related rights must be made in writing and include provisions which specify the following matters: the names and addresses of the assignor/licensor and the assignee/licensee; the grounds for the assignment/license; the scope of the license (for the licensing of copyright or related right); the price and method of payment; the rights and obligations of the parties; and the liability for contractual breach. Such contracts are not subject to registration to be legally effective. Of note, personal rights are not subject to transfer/licensing, except

the right of publication of the work.

## **6.9 Infringement and Enforcement**

An author or owner of a copyrighted work has the right to claim for protection if any of the following acts is conducted in respect of that work without his/her consent:

- (i) Seizing copyrights of a literary, artistic, scientific work;
- (ii) Assuming the author's name of a work;
- (iii) Publishing, disseminating a work without permission of author;
- (iv) Publishing, disseminating a co-author work without permission of other co-author(s);
- (v) Modifying, mutilating or distorting a work in any forms which is prejudicial to the author's honor and prestige;
- (vi) Copying a work without permission of the author or the copyright owner;
- (vii) Making derivative works without permission of the author or the copyright owner of the work used to make such derivative work;
- (viii) Exploiting a work without permission of copyright owner, without paying royalties and remuneration and other material benefits under the law;
- (ix) Renting a work without any payment of royalties, remuneration and other material benefits to its author and copyright owner;
- (x) Photocopying, producing, disseminating, publishing, displaying or communicating a work to the public by broadcasting network or digital devices without permission of the copyright owner;
- (xi) Publishing a work without permission of the copyright owner;
- (xii) Intentionally canceling or invalidating technical methods applied by the copyright owner to protect copyrights of his/her work;
- (xiii) Intentionally erasing or amending electronic information

on copyrights management of a work;

(xiv) Producing, assembling, altering, distributing, importing, exporting, selling or leasing an item of equipment when knowing or having basis to know that such equipment is used for invalidating the technical measures taken by the copyright owner to protect the copyright to his/her work;

(xv) Making and selling a work of which the author's signature is being forged;

(xvi) Exporting, importing, disseminating copies of a work without permission of the copyright owner.

Where his/her copyrights are infringed, the author or owner of the work shall be entitled to apply the following measures for protecting their copyrights:

(i) Taking technological measures to prevent infringement of copyrights;

(ii) Requesting the infringer to cease the infringement, apologize publicly, issue a public rectification, and/or compensate for damage suffered;

(iii) Requesting the competent authorities to handle the infringement;

(iv) Initiating a lawsuit at a competent court or an arbitrator to protect their legitimate rights and interests.

## **6.10 Copyright Protection of Foreign Works**

### **6.10.1 International Conventions and Treaties**

Up to date, Vietnam is the member of the following international convention on copyright protection:

(i) Berne Convention for the Protection of Literary and Artistic Works;

(ii) Brussels Convention relating to the distribution of program-carrying signals transmitted by satellite;

(iii) Geneva Convention for the protection of producers of phonograms against unauthorized duplication of their phonograms;

(iv) Rome Convention for the protection of performers, producers of phonograms and broadcasting organizations.

(v) Agreement on trade-related aspects of intellectual property rights (TRIPS Agreement)

Accordingly, works belonging to foreign individuals and juridical persons shall be protected in Vietnam if they fall within any of the following:

(i) Works were first published in Vietnam and not yet published in any other country, or works were published in Vietnam within thirty days from the date of the first publication in another country;

(ii) Works were created and expressed in a given material form in Vietnam;

(iii) Works have been protected in Vietnam in accordance with an international treaty on copyrights to which Vietnam is a member.

#### **6.10.2 Vietnam-United States Copyright Agreement**

On 27 June 1997, the United States and Vietnam entered into a bilateral copyright protection agreement (Agreement). The Agreement took effect on 23 December 1998 with an exchange of diplomatic notes between the two parties. The entering into force of the Agreement enables US copyright owners and authors to have a legal basis to take legal action against piracy of their works in Vietnam. The Vietnamese copyright owners and authors have the same rights in the US.

The Agreement protects: (i) works have been protected by either the US or Vietnamese government; (ii) works were first published in either the US or Vietnam; and (iii) works were first published in a country which is a member of a multilateral copyright treaty to which either the US or Vietnam is a member, provided the copyrights of such works were acquired by a US or Vietnamese copyright holder within one year following the date of the work's first publication.

The Agreement also states that the works of nationals or domiciliaries of the US or Vietnam, which were first published

in either country before the Agreement comes into force, will be also given copyright protection, provided that such works have not yet become part of the public domain. However, any copyright infringement committed prior to the Agreement effective date shall not be considered as an act of copyright infringement.

For enforcement, the Agreement specifically requires the two parties, through their national laws, to provide full and effective enforcement of copyrights within their territories by:

- (i) making available in the context of civil actions preliminary injunctive relief, permanent injunctive relief, damages, and the seizure and destruction of infringing goods and materials and machinery predominately used to create them;
- (ii) enacting criminal procedures and penalties to deter infringers from engaging in copyright piracy on a commercial scale, including the imposition of fines and imprisonment sufficient to provide a deterrent, seizure and destruction of infringing goods and materials and machinery predominately used to create them; and
- (iii) making available effective enforcement at their borders, providing for the seizure and destruction of infringing goods in transit or bound for import or export.

With such enforcement measures, the Agreement provides the US copyright holders a higher level of protection than that given to Vietnamese copyright holders by the Vietnamese laws.

### **6.10.3 Vietnam-Switzerland Bilateral Agreement**

Vietnam also signed a bilateral agreement regarding intellectual property rights with Switzerland on 13 July, 1999. The Agreement came into force on 28 June 2000/ The purpose of the Agreement is to strengthen co-operation between the two countries in the field of IP protection. The Agreement provides that nationals and organizations of each country shall enjoy national treatment.

#### **6.10.4 Memorandum**

Apart from the above-mentioned international conventions and bilateral agreements on copyright protection, Vietnam also signed the following Memorandum:

- (i) Memorandum of Understanding between Department of Intellectual Property of the Kingdom of Thailand and Agencies concerned the Socialist Republic of Vietnam on the Cooperation of the Promotion and protection of intellectual property;
- (ii) Memorandum of Understanding between the Department of Intellectual Property of the Kingdom of Thailand and the Copyright Office of Vietnam on cooperation in the field of copyright and neighboring rights;
- (iii) Memorandum Cooperation in Copyrights and Relevant Rights between the Copyright Office of the Socialist Republic of Vietnam and the National Copyright Bureau of the People's Republic of China.

The signing of these Memorandums shall strengthen mutual protection of copyright and relevant rights in Vietnam and other countries.

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## **Assignment and Licensing**

### **7.1 General**

Under the current rules, the license of an IP object shall be subject to certain conditions. As a pre-requisite, to license an IP object in Vietnam, such object must be already protected in Vietnam, i.e. it has been granted patents or certificates of registration. Those IP objects not yet registered in Vietnam can not be licensed.

The scope of assignment/license can not be broader than that of protection granted under the respective patent or certificate. For example, for trademarks, the assignor can only assign the rights conferred by the certificate of registration, i.e. assignment is only possible for the trademark, exact goods and/or services claimed under the registration valid at the time of assignment.

The assignor or licensor must guarantee that he or she is the registered owner of the assigned/licensed object and that the assignment/license must not result in dispute with a third party. If dispute arises from the assignment/license of an IP object, the assignor/licensor shall be responsible for settlement.

Particularly, for geographical indication, it should be noted that the rights to geographical indication may not be assigned or licensed. In addition, the assignment/license of a trademark must not cause confusion in terms of properties or origin of goods and/or services bearing the trademark.

## **7.2 Assignment and License Agreements**

Assignment or license agreements of IP objects must be made in writing, and contain minimum statutory provisions applicable to each kind. Oral agreements, letters or telegrams shall not be accepted and have no legal effect. If the assignment or license of an IP objects is included in another agreement (such as technology transfer contract, service contract, etc.), it must be made in a part separate from the other parts. The assignment or license agreement must include the followings:

- (i) The identity of the parties (assignor and assignee, or licensor and licensee)
- (ii) The basis of the assignment/license (i.e. patent or certificate of registration granted and, in case of license, the exclusive license already granted to the licensor);
- (iii) The IP object(s) to be assigned, or in case of license, the scope of license granted including: kind of license (exclusive or non-exclusive), the IP object(s) to be licensed, license territory, license term (within the balance of protection term granted by the respective patent or certificate of registration);
- (iv) Assignment price or license royalty (it must be stated if the assignment/license is granted free of charge);
- (v) The rights and obligations of the parties as stipulated;
- (vi) Conditions for amendment, termination or invalidation of the agreement;
- (vii) Dispute settlement;
- (viii) Signatory date and place;
- (ix) The signatures of the parties.

The current licensing rules mandate that the license agreement must not contain the following provisions which are considered as unreasonably restricting the rights of the licensee:

- (i) Provisions directly or indirectly restricting the export of products manufactured under the license to other markets/territories except those where the licensor is the owner of the corresponding IP rights or holds the exclusive right over the importation of the corresponding IP object;
- (ii) Provisions compelling the licensee to purchase the whole or part of materials, components or equipment from the licensor or from sources appointed by the licensor, without aiming to ensure the quality of the licensed products;
- (iii) Provisions forbidding the licensee to improve the IP objects

(except for trademarks), or compelling the licensee to transfer free of charge to the licensor the improvements made by the licensee or the right to apply for IP protection over such improvements; and  
(iv) Provisions forbidding the licensee to appeal against the validity of the licensed IP object or the right to grant license of the licensor.

### **7.3 Registration of Assignment/License Agreements**

The registration with the NOIP is compulsory for all assignment agreements to make them legally effective and enforceable in Vietnam. The agreements take legal effect upon their registration with the NOIP.

Regarding the registration of license agreements, Vietnamese laws currently provide quite controversial provision. Accordingly, license agreements take effects as so agreed by the parties, however, to be effective against any third parties, such license agreements should be registered with the NOIP. Since there is no explanation from the authorities regarding the term "third parties" to date, the registration of license agreements is strongly recommended to ensure the smooth implementation and enforcement of license agreements.

For registration of the assignment/license agreement, the NOIP is the receiving office which in fact will consider the agreement for registration .

Regarding documents required to be to the NOIP for registration of assignment/license agreements, please see Filing Requirements in Vietnam. The NOIP will examine the application file and issue a decision on registration of the agreement or refuse registration, within 2 months from the date of receipt.

### **7.4 Royalties and Taxation**

The royalties or price for assignment of IP objects will be agreed upon between the parties.

The assignment/license of IP objects in Vietnam shall be subject to the enterprise income tax of 10 percent of the royalties paid, according to Circular No. 05/2005/TT-BTC guiding the tax regime applicable to foreign organizations without Vietnamese legal person status and foreign individuals doing business or earning incomes in Vietnam

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## **Enforcement**

Generally, in Vietnam, an IPR infringing act, depending on the level and seriousness, can be handled in accordance with any of the administrative, civil, criminal or competitive procedures.



In practice, before taking legal actions in the form of administrative or civil actions against the alleged infringer, IPR holders are required to take an initial step of sending a Cease-and-Desist Letter to the alleged infringer requesting that the infringer ceases and desists infringing their IPR. If failing to settle the infringement amicably, the IPR owner shall take such legal action(s) against the alleged infringer.

## **8.1. ADMINISTRATIVE IPR ENFORCEMENT**

### **Competent Authorities**

The State bodies involved in the administrative IPR enforcement include:

- The People's Committees at the district and the provincial level;
- The Specialized Inspectorates on Science and Technology (under the supervision of the Ministry of Science and Technology);
- The Specialized Inspectorates on Culture and Information (under the supervision of the Ministry of Culture and Information);
- The Market Control Forces (under the supervision of the Ministry of Trade);
- The Economic Polices (under the supervision of the Ministry of Police).

### **Remedies**

One of the following administrative remedies may be imposed on an IPR infringer:

- Warning order; or
- Monetary fine (under the IP Law 50/2005, the fine is set in the range from at least one to five times of the value of the discovered infringing goods).

Depending on the seriousness of the infringement, the following additional sanctions may be imposed on an IPR

infringer:

- Confiscating IP counterfeit goods, implements and materials predominantly used for production or trade of such IP counterfeit goods;
- Revoking for a limited term the relevant business activities;
- Compelling destruction, distribution or use for non-commercial purposes of the IP counterfeit goods, materials and implements predominantly used for production or trade of such counterfeit goods;
- Compelling delivery out of the territory of Vietnam of the transiting goods, which involve infringement of IPR or re-export of the IP counterfeit goods, after having removed infringing elements.

### **Administrative preventive measures**

In case there is a risk that infringement acts may cause serious damages to consumers or the public; or there is a risk that infringing articles may be dispersed or destroyed by infringers; or to ensure the enactment of administrative sanctions, IPR holders may request competent state enforcement authorities other than the Court to apply administrative preventive measures. These administrative preventive measures are quite similar to injunction/provisional measures applied by the Court.

### **Expert assessments**

It is noted that in Vietnam, expert assessments are normally considered to be an important basis for enforcement bodies to take appropriate measures. For the first time, the IP Law 50/2005 allows competent organizations or individuals to use their professional knowledge and expertise in particular arts to provide expert assessments and conclusions on matters related to IPR infringement.

Further, IP Law 50/2005 clearly states that not only competent

enforcement bodies, but also IPR holders and other relevant organizations/individuals may request expert assessments and conclusions on requested subject-matters.

## **8.2. CIVIL IPR ENFORCEMENT**

### **Competent Courts**

#### *First Instance*

- The People's Courts at the district level (including the Civil Courts);
- The People's Courts at the provincial level (including the Civil Courts and the Economic Courts).

#### *Appeal*

- The People's Courts at the provincial level (including the Civil Courts and the Economic Courts);
- The Supreme People's Court (including the Civil Court and the Economic Court).

### **Remedies**

- Compelling termination of the act of infringement of intellectual property rights;
- Compelling public rectification and apology;
- Compelling performance of civil obligations;
- Compelling compensation for damages;
- Compelling destruction or distribution or put to use for non-commercial purposes of goods, materials and implements predominantly used for production and trade of goods infringing IPR, provided that such distribution and use does not influence the exploitation of rights of IPR holder.

### **Injunction/provisional Measures**

The plaintiff may request the court to apply injunction/provisional measures that include:

- Seizing;

- Enumerating;
- Sealing; forbidding of changing the status quo; ban of moving;
- Forbidding of transfer of the ownership of rights.

In addition, other injunction measures stipulated by Law on Civil Procedure also may be applied by the court at request of the plaintiff when necessary and for the purpose of avoiding the dispersal of the infringing products by the defendant/infringer. In particular, one or a combination of the following forms of injunction measures may be taken:

- Blockading of accounts or assets;
- Forbidding the defendant/infringer from conducting a certain action or forcing the defendant/infringer to conduct a certain action.

To request for the application of the provisional measures, IPR holder shall be requested to (i) pay a deposit amounting 20% of the value of the articles being subject of the request or at least VND20 million (equivalent to US\$1,300) if it is impossible to determine the value of the articles being subject of the request; or (ii) provide with a bank guarantee.

### **Compensation**

The plaintiff may request compensation for actual damage caused by infringing actions that shall be calculated basing on actual material damages and moral detriment caused by the infringer.

- estimated total monetary amount of actual material damage of the plaintiff plus profit amount which the defendant gains from the infringing acts, if the plaintiff's profit loss has not been included in the plaintiff's estimated total material loss; or
- remuneration of trademark license granted by plaintiff, assuming that the plaintiff would have granted trademark license to the infringer within the period; or

- the amount of the material damages shall be decided by the court, in case the plaintiff's material damages is not able to be determined, but not exceed VND 500,000,000 (equal to US\$31,000.00); and

Apart from compensation of material damages, in case the plaintiff can prove their moral detriment caused by the intellectual property infringing actions, the amount of damage for moral detriment may be decided by the court in a range from VND5-50 millions (equal to US\$330-3,300).

In addition, the plaintiff may request the infringer to pay the reasonable lawyer fees.

### **8.3. CRIMINAL IPR ENFORCEMENT**

#### **Competent Authorities**

##### ***Police Authorities***

- The Economic Police Team at the district level (belonging to the District Police Unit);
- The Economic Police Division at the provincial level (belonging to the Provincial Police Department);
- The Economic Police Bureau (belonging to the Ministry of the Police).

##### ***Prosecutors***

- The People's Prosecuting Institutes at the district level;
- The People's Prosecuting Institutes at the provincial level;
- The Supreme People's Prosecuting Institute.

##### ***Competent Courts***

- The People's Courts at the district level (including the Criminal Courts);
- The People's Courts at the provincial level (including the Criminal Courts).

- The Supreme People's Court (including the Criminal Court).

### **Penalties**

One of the following criminal penalties may be imposed on an IPR infringer

- Warning order, or;
- Monetary fine (the maximum is of 200 million VND; equivalent to US\$13,000), or;
- Non-detained re-education for up to 3 years, or;
- Imprisonment for a period of 6 months to 20 years or life imprisonment or death penalty;

Besides, the IPR holders may be subjected to the following additional sanctions:

- Confiscation of part or whole of assets;
- Prohibition from holding an official position or conducting a business within a certain period of 1 to 5 years.

## **8.4. UNFAIR COMPETITION PREVENTION**

For the first time competition law of Vietnam provides the competition procedures to handle unfair competition practice. Apart from taking options of initiating procedures with enforcement authorities, the person and organization whose legitimate rights in their business activities, may now request the Competition Administration Department to settle the unfair competition cases based on competition proceedings stipulated by the law.

### **Unfair Competition procedures**

Unfair competition cases shall go through the following main steps:

- (i) Preliminary Investigation: When a request and evidence of unfair competition are lodged by interest related party, the Director of Competition Administration Department will

issue a decision on whether to proceed with a preliminary investigation to discover signs of infringement under unfair competition law;

(ii) Official Investigation: The Director of the Competition Administration Department will issue a decision on official investigation when the preliminary investigation produces evidence that signs of unfair competition exist. The purpose of the official investigation is to determine the factual unfair competition case;

During the process of an official investigation, the alleged person/organization is given an opportunity, within a certain period of time, to present his/her view and to submit evidence in support thereof.

All the facts found from the official investigation shall be recorded by the investigator in an Official Investigation Report. The Report must be read before the alleged infringer and signed by them as an acknowledgement. The report together with the investigation documents and the investigator's recommendation of the application of law to the case are transferred to the Competition Administration Department.

(iii) Decision on unfair competition case: The Director of Competition Administration Department shall issue a decision on the settlement of unfair competition. The decision shall become effective within 30 days from the date of signing the decision;

(iv) Appeal against the decision on unfair competition: In case of disagreement with the decision of the Director of Competition Administration Department, parties may file an appeal against the decision to Minister of Ministry of Trade. Within 15 days from the appeal, the Minister will issue a decision to revoke, modify, or uphold the issued decision;

(v) Filing a suit to quash a decision: In case of disagreement with the decision of Minister of Ministry of Trade, parties may file a suit to provincial or city court.

## **Remedies**

The following remedies may be imposed on an IPR infringer:

- Warning order; or
- Monetary fine (the maximum is 70 million VND; equivalent to US\$4,400);

Depending on the seriousness of the offence, the following additional sanctions may be imposed on an IPR infringer:

- Withdrawal of business license, certificate or professional practicing certificate;
- Confiscation of the facilities used to committed the offence;
- Public rectification;

### **Administrative preventive measures**

During the investigation stage as mentioned above, the Director of the Competition Administration Department may impose the following administrative preventive measures either on his/her own initiative, on the recommendation of the investigator, or at the request of the complainant:

- Temporary detention of persons;
- Temporary detention of the goods, means and implementations used for such infringement;
- Search of the relevant individual;
- Search of the place where infringing goods, means and implements are stored;
- Other administrative preventive measures.

Of note, where a complainant requests administrative preventive measure, a security deposit is required.

## **8.5. BORDER MEASURES**

### **Competent Authorities**

- the Customs Branches;
- the Customs Bureaus;



- the General Department of Customs.

## **Border control measures**

IPR holders may request the customs authorities to apply the following border measures:

- Inspection and supervision for the imports or the exports suspected of being the IPR infringing goods;
- Suspension of customs procedures upon the request of the IPR holder within 10 working days. The duration of suspension may be extended, but shall not exceed 20 working days in total, where legitimate reasons and another security are provided by the right holder.

For requesting the competent Customs Office to apply border measures, IPR holders shall be obligated to:

- prove that they are the IPR holders;
- provide full information to determine/discover the import-export articles allegedly infringing intellectual property rights;
- submit an application for requesting application of border measures and pay official fees prescribed by law;
- compensate for damages caused by applying border measures.

In addition, IPR holder shall be requested to (i) pay a deposit amounting to 20% of the value of the articles being subject of the request, or at least VND 20 million (equivalent to US\$1,300) if the value of the articles being subject of the request is not defined; or (ii) provide receipt of bank guaranty.

## **Remedies**

- Administrative remedies are generally applicable to the counterfeiting goods detected at the borders;
- Compulsory re-exportation is applicable to the counterfeiting goods where such goods are eliminated

from the infringement.