

Practice in construction of product-by-process claim in Vietnam

A product-by-process claim is understood worldwide as a patent claim in which a product claimed by defining the process by which the product is made, and this claim type is at present permitted in many jurisdictions. In Vietnam, such a product-by-process claim format is also permitted, however it is allowed under certain special circumstances only.

As stated in the Guidelines for Patent Examination issued by the National Office of Intellectual Property of Vietnam (hereinafter referred to as “the NOIP’s Guidelines”) dated 31 March 2010, in the case that a product whose structure is unknown at the time of application, such as a product having an extremely complex structure (e.g., polymer) or a product comprising various compounds (e.g., extract, fraction), such a product can be identified by its manufacturing process (e.g., a product X obtained by a process Y), provided that this technical feature is sufficient for the comparison and distinguishing of the claimed product with other products of the prior art (Point 5.7.2f). In the patent practice before the NOIP, when the NOIP’s examiners consider that the product claimed in a product-by-process claim could be defined by its own characteristics (e.g., structure, composition, amount of each component, or the like), they will reject such a product-by-process claim drafting and request the applicant to define the claim by the characteristics of the product per se. For example, in one Office Action issued by the NOIP for a patent application, the NOIP’s examiner in charge of the application did raise an objection to one claim which was drafted as a product-by-process claim for the reason that the mixture claimed in this claim was defined by its composition and amount of each component contained therein, and it thus could not be expressed in the format of product-by-process claim.

With regard to the substantive examination of a product-by-process claim, the above-mentioned NOIP’s Guidelines states that when assessing the novelty of this claim format, the

NOIP's examiners have to consider whether the recited manufacturing process feature imparts a certain specific structure and/or component to the claimed product. If a person skilled in the art could conclude that this process necessarily produces a product whose structure and/or component is different from that of the products of the prior art, then said product-by-process claim meets the requirement of novelty. In contrast, if the claimed product made by the recited process has the same structure and/or component as the product of the prior art, then the product set forth in the product-by-process claim will be considered as lacking novelty even though it is made by a different process, unless the applicant can prove that the recited process will produce a product having different structure and/or component, or having different function through which a change on the structure and/or component of the claimed product could be perceived (Point 22.2.2.5 (3)). This implies that during the patentability assessment for this claim type in Vietnam, only the product per se is examined (i.e., product identity theory), taking into consideration the specific structure and/or component of the claimed product which is implied by the recited process.

The NOIP's Guidelines also gives a specific example relating to an invention on a glass which is made by process X, and in the prior art a process Y for making an identical glass is already disclosed (Point 22.2.2.5 (3)). This example shows that if the glasses made by these two processes have the same structure, shape, and/or material, then the invention is not new. In contrast, if process X comprises an incubating step at a specified temperature which has not yet been disclosed in the prior art, and thanks to this incubating temperature, the claimed glass made by process X has an increased resistance to cracking and breakage as compared to that made by process Y, then the invention has novelty. This is because the increased resistance to cracking and breakage does imply that the claimed glass has a different inner and micro-structure thanks to the different manufacturing process as compared to the glass of the prior art.

As regards the infringement analysis of a product-by-process claim, there are no explicit provisions in relation to the technical scope and/or the enforcement of such a claim type

provided for in the Intellectual Property Law of Vietnam and relevant legal regulations. Also, there have been no case laws, and thus no trial decisions, with respect to this issue in Vietnam up to date. Thus, if there is a case, the infringement assessment for this special form of claim seems to be based upon current Circular No. 11/2015/TT-BKHCN dated 26 June 2015 of the Ministry of Science and Technology detailing and guiding a number of articles of the government's Decree No. 99/2013/ND-CP dated 29 August 2013 on sanctioning of administrative violations in the field of industrial property, which provides that an accused product shall be regarded as "identical" or "equivalent" to a product protected by a claim if all essential technical features recited in the claim are present in the identical or equivalent form in the accused product, and shall be regarded as "not identical" or "not equivalent" if the accused product does not contain at least one essential technical feature recited in the claim, wherein two technical features shall be considered as a) "identical" if they have the same nature, the same purpose, the same manner of achieving purpose, and are in the same relationship with other features stated in the claim, and b) "equivalent" if they have the similar or interchangeable nature, the substantially identical purpose, and the substantially identical manner of achieving purpose (Rule 11). As such, it could be interpreted that in case of a product-by-process claim, an accused product seems to infringe a patented product-by-process claim which is defined by its manufacturing process feature only when it is made by a process having the same, similar or interchangeable nature, the same or substantially identical purpose, and the same or substantially identical manner of achieving the purpose to the process recited in the product-by-process claim at issue. That is to say, when assessing the possibility of infringement to a product-by-process claim in Vietnam, it seems that the recited process may be considered as a limitation (i.e., process limitation theory).

To conclude, the product-by-process claim format is permitted in Vietnam in some exceptional cases. While the NOIP adopts the "product identity theory" when considering the patentability of this claim type as established in the NOIP's Guidelines, the current legal regulations indicate that the

“process limitation theory” seems to be applied by the competent enforcement authorities in the infringement analysis when there is a case./.

Overview

1.1 History

Although having been launched just over two decades ago, Intellectual Property (“IP”) protection is one of the fastest developing areas of law in Vietnam and IP laws have been continuously renewed and improved. Protection of industrial property was first introduced in 1981 with the promulgation of the Ordinance on Innovation and Invention in 1981 that focused on moral rights rather than ownerships of inventors/creators. From 1981 to 1989, the industrial property protection in Vietnam had administrative effects only, although a number of governmental regulations on trademarks (1982), utility solutions (1988), industrial designs (1988), licensing of industrial property (1988), and copyright (1986) were issued.

The Ordinance on the Protection of Industrial Property Rights, passed by the State Council on 28 January 1989 marked a turning point for the industrial property laws of Vietnam. The Ordinance laid the foundation for the protection of inventions, utility solutions, designs, and trademarks in the country. Following the 1989 Ordinance, the Government issued Decree 84 HDBT providing for amendments and additions to regulations on particular industrial objects issued earlier in 1990. The 1994 Ordinance on Copyrights provided a higher level of copyright protection.

Another landmark in the development of the IP regime in Vietnam was the introduction of the Civil Code, adopted by the National Assembly on 28 October 1995, which came into effect

on 1 July 1996, codifying all existing legislations on civil matters and creating the legal foundation for ownership and civil rights. The Civil Code 1995 replaced all former legal regulations on IP, including the 1989 Ordinance on IP Protection and the 1994 Ordinance on Copyrights. For implementation, the Government also issued corresponding subordinate decrees on industrial property and copyrights. Significant changes were made to the Civil Code 1995 and its implementing regulations in order to achieve compliance with the TRIPs Agreement and other international conventions to which Vietnam had acceded.

The Civil Code 2005 was passed on 14 June 2005 by the National Assembly and replaced the Civil Code 1995 as of 1 January 2006. In contrast to the twenty six industrial property right provisions discussed in the Civil Code 1995, the Civil Code 2005 contains only four general provisions on protection of industrial property and plant varieties. However, the coverage of subject matters of industrial property protection has been extended to further include layout designs of semiconductor integrated circuits, trade secrets, trade names, and geographical indications. With regards to copyrights, in addition to lowering the number of relevant provisions from thirty five down to fourteen, for the first time in the development of IP laws in Vietnam, the term "related rights" has been used to substitute for the "rights and obligations of performers, producers of phonograms and videograms and broadcasting organizations". Such related rights shall include the rights of entities and individuals over performances, phonograms, videograms, broadcasting programs, and encrypted program-carrying satellite signals.

However, as a matter of fact, prior to the advent of the new IP Law 50/2005, IP related provisions in Vietnam were scattered over 40 legal documents that were not always consistent with each other and that were not all TRIPS-WTO compliant. As part of its bid to gain accession to the WTO,

Vietnam consolidated its confusing maze of partially conflicting IP rules and regulations into a streamlined version, IP Law 50/2005, that became effective as of 1 July 2006. IP Law 50/2005 has been perceived by IP owners and practitioners in Vietnam as a great advance toward adequate protection and fully compliance with the TRIPs obligations. Subsequently, implementing decrees and regulations have been established to make detailed provisions and guidelines to implement the IP Law 50/2005.

1.2 International Conventions and Treaties

Vietnam has been a member of the Paris Convention for Protection of Industrial Property and the Madrid Agreement Concerning International Registration of Marks since 1949. The country also became a member of the Convention Establishing WIPO in 1976, and acceded to the Patent Cooperation Treaty (PCT) in 1993. Vietnam is neither a member of the Nice Agreement nor the Strasbourg Agreement, but it has adopted the International Classification of Goods and Services and the International Patent Classification thereunder. Vietnam officially became a member of the Berne Convention for the Protection of Literary and Artistic Works on 26 October 2004.

Further developments toward international integration include the country becoming an official member of the Geneva Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of their Phonograms on 6 July 2005, joining internationally recognized collective management organizations established with respect to musical works (Vietnam became a member of CISAC – International Confederation of Societies of Authors and Composers and BIEM – The Bureau International des Sociétés Gérant les Droits d'Enregistrement et de Reproduction Mécanique, International Organization representing Mechanical Rights Societies in November 2005). Vietnam also signed the Brussels Convention relating to the distribution of encrypted program-carrying satellite signals that took effect in Vietnam on 12 January 2006. The Madrid

Protocol has been effective in Vietnam since 11 July 2006.

As a member of the Association of Southeast Asia Nations (ASEAN), Vietnam ratified the ASEAN Framework Agreement on IP Cooperation in 1996. The Framework Agreement cites conformity with the TRIPs Agreement and other international conventions as a basis for ASEAN cooperation. In June 1997, Vietnam and the United States entered into the Bilateral Agreement on Copyright Protection, providing for copyright protection of each country's citizens' works. Vietnam and Switzerland also signed a Bilateral Agreement on the Protection of IP in July 1999.

The landmark bilateral trade agreement (BTA) between Vietnam and the United States of America on trade relations was signed on 13 July 2000 in Washington, DC. Through this trade agreement, Vietnam has committed to most of the obligations covered by the WTO-TRIPS Agreement. The most important milestone in the normalization of relations with the US was Vietnam's accession to the WTO on 11 January 2007. This achievement followed an official agreement between Vietnam and the US on the terms and conditions for Vietnam's accession to the WTO, signed on 31 May 2006, and approval of Permanent Normal Trade Relations (PNTR) status for Vietnam by the US Congress on 21 December 2006. As a result of these agreements, cooperation in economic, legislative, health, education, and social welfare matters, as well as in cultural and scientific development, including cooperation in all aspects of IP protection, is expected to be further strengthened in the years to come.

1.3 Current Legislation on Intellectual Property

Listed hereunder are the major legal instruments for protection and enforcement of intellectual property rights in the country:

(i) Civil Code 2005 passed by the National Assembly on June 2005 and effective from 1 January 2006 (Part VI

“Intellectual Property and Technology Transfer”, Part VII “Civil Relations having foreign elements”, particularly Article 774 “Copyrights having foreign elements” and Article 775 “Industrial property Rights and Plant Variety Rights having foreign elements”).

(ii) Civil Procedure Code 2004 passed by the National Assembly on June 2004 and effective from 1 January 2005 providing processes and procedures for settlement of civil affairs and enforcement of civil judgments.

(iii) Criminal Code of 1999 of the National Assembly, enacted in December 1999 (Section 131 – on copyrights, Section 156, 157, 158 – on counterfeits, Section 170, 171 – on industrial property).

(iv) Criminal Procedure Code of 2003 of the National Assembly, enacted in November 2003 and effective from 1 July 2004 providing processes and procedures for institution of legal proceedings, investigation, prosecution, and enforcement of criminal judgments.

(v) Intellectual Property Law 2005 passed by the National Assembly on 29 November 2005 and came into force on 1 July 2006 (six parts, 222 articles).

vi) Competition Law 2004 of the National Assembly, enacted in December 2004 and effective from 1 July 2005 (six chapters, 123 articles).

(vii) The Customs Law of 2001 of the National Assembly, enacted in June 2001 and effective as of 1 January 2002 amended in June 2005.

(viii) Law on Information Technology No. 67/2006 passed by the National Assembly on 29 July 2006 and came into force on 1 January 2007.

(ix) Cinematography Law passed by the National Assembly on 29 June 2006 and came into force on 1 January 2007.

(x) The Ordinance on procedures for judgment of administrative violations enacted in July 2002 and effective from 1 October 2002.

(xi) Law on Appeal and Denunciation No. 9/1998/QH10 of the National Assembly, enacted on December 1998, amended and

supplemented by Law on Appeal and Denunciation No. 26/2004/QH11 of June 2004 and Law on Appeal and Denunciation No. 58/2005/QH11 of November 2005.

(xii) Decree 175/2004/ND-CP of the Government, enacted October 2004, providing the provisions on Sanctions Against Administrative Violations in Commerce.

(xiii) Decree No 100/2006/ND-CP of the Government, enacted in September 2006 and effective as of November 2006, guiding the implementation of articles of the IP Law concerning copyrights and related rights.

(xiv) Decree No 103/2006/ND-CP of the Government, enacted in September 2006 and effective as of November 2006, providing guidelines for implementing certain articles of the Intellectual Property Law concerning industrial property.

(xv) Decree No 104/2006/ND-CP of the Government, enacted in September 2006 and effective as of November 2006, guiding the implementation of articles of the IP Law concerning rights on plant varieties.

(xvi) Decree No 105/2006/ND-CP of the Government, enacted in September 2006 and effective as of November 2006, providing guidelines for the implementation of certain articles of the Law on Intellectual Property regarding Enforcement of Intellectual Property Rights and State management of intellectual property.

(xvii) Decree No 106/2006/ND-CP of the Government, enacted in September 2006 and effective as of November 2006, detailing and providing guidelines for implementing the provisions on handling of administrative violations concerning industrial property.

(xviii) Decree 101/2001/ND-CP of the Government, enacted in December 2001, providing detailed provisions for the implementation of the Customs Law.

(ixx) Decree No. 89/2006/ND-CP of the Government, enacted on 30 August 2006 providing regulations on goods labeling.

(xx) Circular 01/2007/TT-BKHCN of the Ministry of Science and Technology, establishing regulations to implement Decree 103/2006/ND-CP, promulgated on 22 September 2006, that

provides guidelines for implementing certain articles of the Intellectual Property Law concerning industrial property. The Circular came into effect as of 9 May 2007.

(xxi) Circular No. 132/2004/TT-BCT of the Ministry of Finance, enacted in December 2004 and came into force on 31 January 2005, guiding the Collection, Payment, Management and Use of Industrial Property Fees and Charges.

(xxii) Circular No. 129/2004/TTLT/BTC-BKHCH of the Ministry of Science and Technology, enacted in December 2004, guiding the implementation of border measures concerning the industrial property rights for export and import goods.

(xxiii) Joint Circular 58/2003/TTLT-BVHTT-BTC of the Ministry of Culture and Information and the Ministry of Finance, enacted in October 2003 providing guidelines on copyright protection for exportations and importations at customs offices.

Background

Geography

The territory of Vietnam comprises a land mass of 330,000 km², a vast sea area including a large continental shelf, and a string of archipelagos stretching from the Gulf of Tonkin to the Gulf of Thailand.

On the map, Vietnam takes an elongated “S” shape. The national territory is approximately 1,750 km long, ranging from its Northernmost point to its Southernmost point, and its width varies from 50 km to 600 km. The total inland border line is 4,230 km in length, including 1,650 km of common border with the People’s Republic of China in the North, 1,650 km with the Laos People’s Democratic Republic in the West, and 930 km with the Kingdom of Cambodia in the West and South West.

The sea area in Vietnam is to the east, the South and the South West borders on the territorial water of Cambodia, Indonesia, Malaysia, the Philippine and Thailand. Vietnam possesses a large continental shelf, many coastal and offshore islands and archipelagos. The main islands and archipelagos are Phu Quoc Island (70 km off the Ha Tien coast), Hoang Sa (Paracel) archipelago (300 km off the Da Nang coast), Truong Sa (Spratly) archipelago (500 km off Cam Ranh coast) and Tho Chu archipelago (200 km off the Rach Gia coast).

Vietnam has a rather diversified topography of plains, midlands, and mountains. Mountains and forests with more than 7,000 vegetable breeds make up three fourths of the area of Vietnam and can be divided into four main zones: the North-eastern mountain area, or Viet Bac; the North-western region; the North Truong Son region; and the Central Highlands. The largest and potentially most fertile plains are the Me Kong River Delta in the South and the Red River Delta in North.

The capital of Vietnam is Hanoi, which lies in the North of the country. Principal cities include Ho Chi Minh City ("HCMC") in the South, Hai Phong on the north-east coast and Da Nang, Hue and Nha Trang, all on the east coast.

Climate

Vietnam lies in the tropical monsoon zones. The typical features of this zone include warmth, humidity and abundant seasonal rainfall.

In the North, climate changes occur in four seasons: spring (from January to April), the feature of which is drizzle and constant humidity; summer (from May to July), which is hot and rainy season, autumn (from August to October) and winter (from October to early January), the season with the lowest temperatures of the year.

In the Central and the Southern parts (from Da Nang southwards), it is hot all the year round and there are only two seasons: a rainy season (from May to October), and a dry

season (from October to April).

Population and Demography

The total population of Vietnam is now accounting for about 91.7 million (not including 4 million Vietnamese living abroad); Vietnam is ranked at 13th in the world, 8th in Asia and 3rd in Southeast Asia in term of population size. The population is composed of 54 ethnic groups, of which the Viet (Kinh) accounts for 86.2% and lives in the deltas and coastal areas.

Distribution of population is uneven, with rural population accounting for about 69.4% of the total. Also, the population is not evenly distributed within the regions, Red River and Mekong River Deltas, for instance, accounting for 17% of the total land area but are home to over 41% of the total population whereas the Central highlands and Northern mountainous areas which account for over 48% of the total land area but have only about 21% of the total population. As for urban areas, Hanoi and HCMC, for instance, are the two largest population-density cities, with about 7.1 million and 8 million, respectively.

The average population growth rate now is about 1.08% per year which is among the highest rate in the region. Population growth rates are also different and vary sharply from region to region. Normally, the mountainous and rural areas have a much higher growth rate as compared with that in the urban areas, particularly in Hanoi and other principal cities.

In addition, a matter of fact is that the rate of migration to urban areas is growing significantly in recent years and expected to continue in the future, from rural to urban areas and/or big cities. The main reason is that agricultural sector becomes more mechanized while high labor demand is arising in urban areas and in industrial zones.

Language

As earlier said, although the population of Vietnam comprises a number of ethnic groups, each with its own culture and language, Vietnamese (the language of the Viet) is used as the national standard for communications among all ethnic groups in Vietnam. Although the writing is the same throughout the country, there are in fact some differences in speaking by Vietnamese between the two parts, the North and the South.

Amongst foreign languages in Vietnam, English becomes now the most common one for communications in Vietnam after a very short of time practicing here. Although it is a generalization, it is seen that French and Chinese are still quite widely spoken in Vietnam by the older generations due largely to the historical reasons. Thanks to the close co-operations between Vietnam and other former socialist countries, including the U.S.S.R., D.D.R., etc., in the past, a number of Vietnamese can now speak and understand Russian, and German. Because of being quite common in use, English and French are used in support for Vietnamese, in some legal documents relevant to foreign trade and foreign direct investment.

Forms of POA and Deed of Assignment for Cambodia

The downloadable forms of **Power of Attorney** and **Deed of Assignment** as attached hereto can be used for applicants for IP protection in Cambodia.