

Vietnam IP News Bulletin

Kenfox IP & Law Office

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PATENT ENFORCEMENT RELATED QUESTIONS IN VIETNAM

1. What remedies are available against a patent infringer through civil route in Vietnam?

For this query, KENFOX advises that civil remedies applied in case of IPR infringement are provided under Article 202 of the Law on Intellectual Property of Vietnam 2005, revised in 2009 (“**the IP Law 2005**”) as follows:

- Compelling termination of the act of IPR infringement;
- 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 the IPR infringing goods

2. Whether patent holder may utilize alternative way to enforce patent right or get remedies through litigation in a court? (For example mediation, custom notice et al.)

For this query, KENFOX provides the below routes for patent holders to consider when enforcing their patent rights in Vietnam

(i) **Administrative route:**

Besides civil route (*i.e. file a lawsuit to a Vietnamese competent court*), the patent holder is entitled to enforce his patent rights under **administrative route**. In this regard, the patent holder may file a petition to the Vietnamese administrative enforcement authority (*i.e. Inspectorate of Ministry of Science & Technology*) to handle the third party’s alleged patent infringement under administrative measure.

Administrative remedies under Article 214 of the IP Law 2005 applied in case of IPR infringement are as follows:

- Warning order; or
- Monetary fine (the maximum fine level is of 500 million VND (about US\$25,000).

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

- Confiscating IP infringing goods, implements and materials predominantly used for production or trade of such IP infringing goods;
- Suspending for a limited term of the relevant business activities;
- Compelling destruction, distribution or use for non-commercial purposes of the IP infringing goods, materials and implements predominantly used for production or trade of such infringing goods provided that the distribution or use of the IP infringing goods does not affect the rights of the IPR holder;
- Compelling delivery out of the territory of Vietnam of the transiting goods which involve infringement of IPR or compelling to re-export of the IP infringing goods, after having removed infringing elements

(ii) Border control measures:

Apart from administrative route, KENFOX advises that the patent holder may apply **border control measures** in order to protect/enforce their rights. Vietnam has adopted the customs recordal system which is very fruitful for the IPR holders to seize or prevent the infringing goods before they can find a way to penetrate into the mainland market. To this end, IPR holders just need to file a customs recordal request at Customs Supervision Department (“CSP”) under General Department of Vietnam Customs. After receipt of the customs recordal request, the CSP shall transfer such request and other supporting documents to all the provincial and city Customs Authorities throughout Vietnam for monitoring the import and export goods imported into Vietnam.

(iii) Informal action (i.e. sending out a Cease & Desist Letter to the alleged patent infringer)

Besides administrative route and border control measures, KENFOX advises that a patent infringement may be handled by an informal action. In detail, the patent holder may issue a Cease & Desist Letter (“C&D Letter”) to the alleged infringer(s), requesting the alleged infringer(s) to stop their patent infringement and comply with some requirement as set out in the C&D Letter. However, compliance of requirements in the C&D Letter, as a matter of fact, is subject to the alleged infringer who may partly accept or refuse patent infringement allegation from the patent holder.

3. How much cost does the above remedies have? (For example official fee/ attorney fee or posting bond et al.)

For this query, KENFOX understands that your question (4) refers to the costs payable to the Vietnamese enforcement authorities and our services fees in case we act for patent holder to take enforcement against a third party’s alleged patent infringements.

We note that acts of patent infringement can be handled under civil route, administrative route and border control measures. As various actions must be taken in case a specific route is taken, for your comprehensive perusal. For confidentiality of the cost matter, please contact us for details.

4. How possible can we gain remedies?

For this query, KENFOX advises that it depends on various factors to determine how possible the patent holder can gain remedies. For example, to claim for damage compensation, it is required that the patentee must provide the competent courts with evidence of **actual loss directly** caused by the patent infringer. The proof of damage should be clear and legitimate evidence, showing the direct **causal relation** between the infringement and the damage.

For your information, damages established by inference (or evidence on damages is not clear), the Court will reject the claim for compensation. As a matter of fact, most claims for damages filed by the IP owner were dismissed because they were not considered as actual losses directly caused to the IPR holder by acts of IPR infringement in Vietnam. The compensation ordered by the Court to be paid by the infringer to the trademark owner is not much.

Under administrative remedies, administrative route is currently the best option if the IP right holder's main priority is to immediately stop on-going IPR infringement. In respect of monetary fine imposed on the infringer, it will depend on the value of the infringing goods seized by the administrative enforcement authority. We note, however, that patentee can not claim for damage compensation under administrative route.

5. How long from filing law suit to judgment / from filing to approval of the injunction under the laws of Vietnam?

For this query, KENFOX advises that the duration to issue remedies varies subject to what enforcement route (administrative, civil, etc.) the IPR holder takes.

In respect of the "injunction", we advise that "injunction" or "injunctive relief" may be construed similar to the "*Preventive measures to secure administrative sanctioning*" under Article 215 of the IP Law 2005 in respect of administrative procedures of prevention of IPR infringement and "*provisional urgent measure*" under Article 206 thru 208 of the IP Law 2005,

In light of the foregoing, injunction/injunctive relief can be obtained in line with civil and/or administrative measure. As far as we know, there has been no award of injunction/injunctive relief issued by the Vietnamese Courts and/or the Vietnamese administrative enforcement authorities up to date.

6. How long is the validity period of the above remedies? (Ex: for injunction et al.)

As scope of your questions is quite broad, KENFOX focuses on your query on validity period of injunction under civil measure. We emphasize again that injunction/injunctive relief is available in the Vietnamese laws, they have, however, never been awarded by the Vietnamese courts and/or administrative enforcement authorities.

Under Article 209.1 of the IP Law 2005, "*The court shall issue a decision cancelling provisional urgent measures previously applied in the case stipulated in clause 1 of article 122 of the Civil Procedure Code or in a case where the person subject to such measures proves that such application was not well founded*". This legislation can be interpreted that the injunction will be valid until the alleged infringer can prove that the application of injunction was not well founded.

Under the Code of Civil Procedures No. 92/2015/QH13 dated 25 November 2015, there is no specific regulation on how long the validity period of the injunction will be.

7. Is there any time-limitation of filing the law suit, filing a request for the injunction et al.? What document (proof) does the patent owner need to provide? Is there any standard of the proof or document?

Is there any time limitation of filing the law suit, filing a request for the injunction et al.?

Subject to type of disputes, KENFOX advises that time-limits for initiation of IPR disputes may vary. For example:

- The limitation period for initiating a legal action with the court to settle civil cases (“time-limit”) shall *not be applicable* in case of request for the protection of ownership rights under Article 155.2, Civil Code;
- The time-limit shall be *03 years* from the date on which the IPR owner is aware of or must be aware of infringement in case of initiating legal action claiming compensation for damage under Article 588, Civil Code.

In respect of time limitation for filing a request for the injunction, no explicit legislation under the laws of Vietnam on when the patentee must file a request for the injunction. Normally, the patentee may, at the earliest, file a request for the injunction to prevent irreparable damage thereto and/or to prevent the alleged infringer to disperse or destruct the goods suspected of infringing upon patent rights and relevant evidence if they are not protected in time.

What document (proof) does the patent owner need to provide? Is there any standard of the proof or document?

To initiate a civil lawsuit against an alleged patent infringer, KENFOX advises the patentee need to file a statement of claims (court petition), together with documentary evidences, to request the competent court to solve the dispute. With regard to IPR infringement cases, the plaintiff shall be requested to submit documentary evidence proving that he/she is a valid IPR holder as well as documentary evidence proving there has been IPR infringement. The submitted evidence must conform to the specific court’s guidance (normally notarized documents is required). For IPR cases, proceedings must be commenced in the court for the province where the defendant resides or works or has its head office or if a dispute is relating to compensation for non-contractual damages, the plaintiff may petition the Court of the locality in which his/her residence, work place or head office is located or where the case causing damage occurs to hear the matter.

8. Could you advise us about counter-actions to be taken by the infringer against patent infringement claims in Vietnam?

As far as we know, upon being handled by the Vietnamese enforcement authorities, the infringer may take counter-actions to delay/discontinue settling the infringement or invalidate the patent. Practice indicates that one of the common counter-actions which the alleged infringer resort to in a patent infringement case is to challenge the validity of the granted patent (i.e. to file an invalidation request against the patent with the NOIP).

Some of other counter-actions may be available under the IP Laws and relevant Decrees of Vietnam for the alleged infringer are as follows:

- The alleged infringer may argue that the accused embodiment does not fall within the patent

- claims if properly construed under Article 8 of Decree No. 105/2006/ND-CP;
- Alternatively, the alleged infringer may argue that the alleged infringing acts are exempted from patent infringement under Article 125.2, IP Law of Vietnam

9. Please inform us how much cost does the infringer to invalidate the above remedies?

In our experience, the cost for taking counter-actions against the remedies will vary, subject to which actions will be taken by the infringer.

10. Please advise us chance of success in case the infringer take counter-actions against patent infringement claims in Vietnam

KENFOX advises that chance of success in invalidating the remedies are dependent on various factors, such as strength and legitimacy of evidence submitted to support the invalidation actions.

11. Let us know whether there is any time limitation of the invalidation? (ex: the time limitation of filing request to invalidate the injunction)

KENFOX advises that in respect of the time limitation of filing request to invalidate the injunction, under Article 209.1 of the IP Law 2005, “*The court shall issue a decision cancelling provisional urgent measures previously applied in the case stipulated in clause 1 of article 122 of the Civil Procedure Code or in a case where the person subject to such measures proves that such application was not well founded*”. This legislation can be interpreted that the injunction will be valid until the alleged infringer can prove that the application of injunction was not well founded.

Normally, the infringer needs, if they wish the Court to cancel the injunction order, after receiving the Court’s injunction order, they need to, at the soonest, submit evidence to prove that “*that the application of injunction was not well founded*”.

12. Please advise us the duration for the request for invalidation of these remedies come out (ex: from filing request to revocation of the injunction)?

No specific regulation on how long the request for invalidation of the remedies will come out. KENFOX advises that normally, the court needs to review the evidence submitted by the infringer to determine whether “*the application of injunction was not well founded*” or not to cancel/retain the provisional urgent measures applied to the infringer.

13. Whether there is any time-limitation of filing the law suit, filing a request for the revocation of injunction et al.?

What document (proof) does the infringer need to provide? Is there any standard of the proof or document?

Is there any threshold for the invalidation of these remedies?

The threshold may be on case-by-case basis. KENFOX advises that normally, the Court’s injunction order will just summarize some details of the request made by the plaintiff and some conclusion on whether the request of injunction order is appropriate or not. The Court may, on case-by-case basis, set out a certain timeline for the alleged infringer to provide evidence to the Court, proving that “*the application of injunction was not well founded*”.

Is there any time limitation of filing the law suit, filing a request for the revocation of injunction et al.?

Depending on type of disputes, time limits for initiation of IPR disputes may vary. For example:

- The limitation period for initiating a legal action with the court to settle civil cases (“time-limit”) shall *not be applicable* in case of request for the protection of ownership rights under Article 155.2, Civil Code;
- The time-limit shall be *03 years* from the date on which the IPR owner is aware of or must be aware of infringement in case of initiating legal action claiming compensation for damage under Article 588, Civil Code.

In respect of time limitation for filing a request for the revocation/cancellation of injunction, it may be on case-by-case basis. If a certain timeline is set out in the Court’s injunction order for the alleged infringer to provide evidence to prove that “*the application of injunction was not well founded*”, the infringer need to take action within such set timeline.

What document (proof) does the infringer need to provide? Is there any standard of the proof or document?

No specific regulation is set out under the laws of Vietnam in which the infringer needs to provide to the Court to prove that “*the application of injunction was not well founded*”. In such regards, the infringer may submit any documents in support of their arguments, aiming at requesting the Court to cancel the injunction order.

Our firm

KENFOX IP & Law Office, is one of the leading IP law firms providing a full spectrum of IP related services in **Vietnam**, **Laos**, **Cambodia** and **Myanmar**. With a team of fully qualified and experienced attorneys and specialists in the IP field and such key technology fields as: *Biology, Biomedical Engineering, Chemical Engineering, Chemistry, Civil Engineering, Computer Science, Electrical Engineering, Mechanical Engineering, Electronics, Pharmacy or Telecommunication, etc.*, we take great pride in providing a wide range of discerning clients around the world with professional and high quality services vis-à-vis establishing and enforcing IP rights in the above jurisdictions.

*Should your clients be interested in IP protection in the above-mentioned jurisdictions, please feel free to **contact us**.*