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Similar trademarks, but whether they reach the threshold of confusion are the key to overcoming trademark refusals in Vietnam

1. Apart from **word marks**, a growing number of trademark owners are registering their logos or symbols as trademarks to commercialize their goods/services. Logos or symbols are categorized as **device marks**. While a business may have many words marks, many choose to register only one device mark as their logo or image representative for their business. Therefore, in order to create device marks, businesses must always devote their best efforts from developing concepts, setting out principles and requirements that such device marks/Logos need to achieve/ establish a stronghold in the minds of consumers. It can be said that a device mark or a corporate logo serves as a means of communication/message to customers/the public and is an integral part of the business's brand identity system.

2. A device mark or a logo may be a highly complex artistic drawing, or it may also simply consist of a few stylized letters derived from the first letters in

the proprietor's trade name, or it may include a combination of images and words. Device/Logo Trademarks are aesthetically symbolic signs that are designed to alert/remind customers/the public of a company or business that created and used it. Thus, a device mark or logo serves the same basic function as a word mark (i.e. distinguishing), but more importantly, it can assist the brand owner in communicating effectively and impressively a/some certain implied connotation, value(s), special feature(s), etc. that the brand owner wants the public to associate/remembers with or associate with his/her company/business, and thus influences and motivates a decision to purchase a branded goods or use a branded service by customer/public.

3. If your device mark or logo is refused protection in Vietnam for allegedly confusingly similarity with one/more device mark(s) or logo(s) of another entity/individual, our advice is, as a precondition, you should never give up, because simply if you do, lawyers will have no chance to defend your efforts, values, significance, and message you've built for your device mark or logo. KENFOX IP attorneys, with extensive experience and in-depth knowledge, will advise, identify legal grounds, appropriate evidence, sharp arguments, and optimal approach to assist you in overcoming obstacles to legally protect your device mark/logo, which is considered to be your heart - a critical condition for initiating investment, marketing, communication, image, and value promotion for your business.

4. KENFOX is proud to have won a significant victory for Philipp Plein - a German customer, in defending the entity's device mark in the context that (i) Philipp Plein's device mark/logo is considered confusingly similar to two device marks/logos of other entities and (ii) there will be numerous potential legal risks (such as facing IPR infringement claims from the cited trademark owners, and enforcement actions from the Vietnamese authorities, etc.) if the IP Vietnam does not grant protection due to the Philipp Plein branded products already being sold in the Vietnamese market.

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II. Background

5. Philipp Plein is a German fashion designer and founder of the Philippine International Group Plein. The Philipp Plein brand is derived from its passion and uniqueness, which has grown into an international fashion brand with significant success. The Philipp Plein is a hallmark of Germany, the Group's designers create stylish ensembles for both adults and children. Despite the brand's German origins, the Philippine International Group Plein's headquarters are in Switzerland.

6. Philipp Plein applies to register its mark "



7. The IP Office of Vietnam ("**IP Vietnam**") refused registration of Philipp Plein's "PP, device" mark on the ground is considered confusingly similar to two prior trademarks under Article 74.2 (e) Vietnam's IP



8. After reviewing Philipp Plein's appeal, the IP Vietnam has rejected the arguments and evidence submitted by the appellant and issued a decision to refuse protection for the trademark "PP, device", and accordingly, upheld its initial refusal that the

mark "PP, device" of the Philipp Plein is confusingly similar to the two cited marks.

9. Philipp Plein, dissatisfied with the IP Vietnam's decision to resolve the appeal, has filed a second appeal with the Ministry of Science and Technology ("**MOST**") - the IP Vietnam's superior agency. Among the arguments advanced by the appellant are the following: (i) Philipp Plein's trademark "PP, device" is dissimilar to the two cited marks in terms of structure, representation, visual impression and (ii) Philipp Plein's trademark "PP, device" has been used in commerce in Vietnam without causing any actual confusion to the public/ consumers.

10. To resolve the second appeal, an Oral Hearing was held with the participation of three parties, including: representatives of the MOST as the appeal settlement agency, representatives of the IP Vietnam as the responding party and the representatives of the Philipp Plein as the appellant.

11. After listening to the arguments and opinions of the involved parties, the related documents submitted into consideration, the MOST concluded that while the trademark applied for is composed of two letters, "PP" which in opposite position and the two cited marks also include the word "QP" in an opposite position, the similarity between these brands is insufficient/not to the extent that it can cause confusion for consumers and, thus, they are found distinguishable in their totality. The MOST also noted that the mark "PP, device" was used in commerce in Vietnam and requested the appellant to supplement documents proving the use of the trademark for its review.

12. After reviewing additional documents on the use of the mark "PP, device", the MOST issued a Decision on settlement of the second appeal, annulling the IP Vietnam's refusal Decision and requesting the IP Vietnam to initiate procedures for protection of the mark "PP, device" under IR No. 1098038 in the name of Philipp Plein.

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III. Key Takeaways

13. Article 74.2 (e) of Law on IP stipulates that: "2. A mark shall be deemed to be indistinctive if it is a sign falling into one of the following categories: (e) Signs other than integrated marks which are identical with or confusingly similar to registered marks of identical or similar goods or services on the basis of applications for registration with earlier filing dates or priority dates, as applicable, including applications for registration of marks filed pursuant to a treaty of which the Socialist Republic of Vietnam is a member". In order to assess the similarity of marks at issue, it is required (i) to compare an applied-for trademark to the cited mark(s) and concurrently, (ii) to compare goods or services bearing the marks in question. A likelihood of confusion of marks is established in case both above requirements are satisfied.

14. If the goods/services bearing the trademarks in question are deemed similar in nature/function, intended utility, consumers, and commercial channel, obviously, the only way to successfully appeal a trademark refusal decision is to establish that the requirement (i) is not satisfied. That being said, comparisons and analysis should delve deeper and highlight critical/core differences in the trademarks' aspects (*in terms of structure, pronunciation, representation, the visual impression, etc.*). In the context of device marks, the following questions should be answered to find the grounds and arguments to prove dissimilarities between trademarks:

- (i) What similarities exist between the marks in question?
- (ii) What differences are there between marks?
- (iii) Whether similarities between marks are adequate to place consumers at risk of confusion?
- (iv) Are there similar precedents similar to the marks at issue?

15. Questions (i), (ii) and (iii) in Paragraph 14 above will be answered if clarifying the central question: **Which portion is playing a key/fundamental role in performing the distinguishing function (origin-indicating function) for the marks at issue?**

16. Typically, in a mark composed of words and device, there will be one dominant component that plays a greater role and has a stronger effect on the consumer's mind than the other. When it comes to remembering the marks, consumers naturally recall the most distinguishable portion, the strongest element of the marks. Therefore, it is necessary to determine which component of a composite mark is the most distinguishable, what properties it possesses, and why is it considered the most distinctive component? When a brand consists of two components, the "word" and the "device," the "word" component is most frequently used by consumers to refer to the product they intend to purchase, serving as the simplest tool/means of communication between the seller and the buyer. As a result, the "word" component of a composite mark frequently serves as the mark's strongest and most distinctive component.

17. In the first cited mark, the words "QUÝ PHÁT" is clearly a dominant portion because it is firstly used by consumers to indicate the product/service they wish to buy/use. The terms "QUÝ PHÁT" in this cited mark are identical to the trade name the cited mark owner "QUÝ PHÁT". Thus, "QUÝ PHÁT" is the main part, performing the distinguishing function of the first cited mark. The "QP" logo occupies a small position above the words "QUÝ PHÁT" and serves as a decorative element, unpronounceable as a word, so it plays a minor role in shaping the consumers' perceptions of the mark.

Similarly, in the second cited mark, the words "QP-FASHION" are a dominant portion that serves as the distinguishing function of the said mark.

In contrast to the two cited marks, the trademark applied for registration does not include words in similar positions.

Thus, the marks in question clearly imply/contain distinct connotations, and the commercial impression created by the aforementioned brands has a markedly different effect on the perception and mind of consumers. As a result, these trademarks will be perceived and memorized in

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dissimilar ways and, therefore, should not be confused. Experienced attorneys will focus on analyzing the differences in the structure of trademarks and the differences in the portions that perform the distinguishing function of the trademarks at issues in order to highlight dissimilarities in the way the consumers recognize/remember the marks, thereby, making strong arguments to rebut allegation of the risk of confusions to be caused to consumers.

18. The dissimilarity in the key/core elements that perform the distinguishing function of the above device marks will undoubtedly aid in (i) conveying different connotations and messages, (ii) creating a different "**commercial impression**" that affects consumers' recognition/recognition and remembrance of the trademark in different ways, thereby, (ii) assisting consumers in being misled about trademarks used for products/services of the same type.

19. Scope of protection of a trademark in Vietnam: Article 16 of Decree 103/2006/ND-CP, as amended and supplemented in 2010, stipulates that [*Scope of industrial property rights to ... a mark ... is determined according to the scope of protection stated in the relevant protection title*]. Pursuant to Article 11.2 of Decree No. 105/2006/ND-CP, as amended and supplemented in 2010, [*The basis for determination of an infringing element of a mark is the scope of protection of the mark including the mark specimen and a list of goods and services in the mark registration certificate or the certificate of protection in Vietnam of internationally registered mark*]. Thus, statutorily, the scope of trademark protection is determined based on (i) a registered trademark image and (ii) a list of products/services registered with that mark.

Splitting a prior mark into separate components to assess the likelihood of confusion with a registered trademark has become a dangerous trend in recent times, with a pleading that: the IP Office must adopt stringent trademark examination principles to reject similar trademarks in order to avoid the risk of consumer confusion and consumer protection. However, it appears that examiners rarely put themselves in the shoes of consumers to evaluate

and understand how consumers recognize, remember and differentiate brands from each other. Issuing a trademark refusal in Vietnam is actually quite simple, as an examiner just needs to quote a cited mark and a legal ground, without any argument to explain why an applied-for trademark should be refused. As a result, examiners tend to adopt the so-called "better safe than sorry" or "Sentence first - verdict afterwards" principle, resulting in a variety of inappropriate and unreasonable refusals against trademarks.

The statutory provisions in Article 16 of Decree 103/2006/ND-CP and Article 11.2 of Decree 105/2006/ND-CP is construed that: Trademarks are protected as they are registered on records. A trademark consisting of a word and a device possesses a scope of protection different from the protection mechanism when it is registered by the trademark owner as 2 separate trademarks, i.e. one word mark and one device mark. In other words, a mark composed of a word and a device cannot be considered two independent trademarks. The principle of protection of the trademark as it is registered is interpreted to mean that the constituents of the mark are protected in their totality. As such, when determining the registrability of a trademark, the examiner must consider and evaluate the trademark in its entirety, as if it were protected.

Separating a composite mark into two portions to assess the confusing similarities between it and an applied-for mark will distort and falsify the scope of protection of marks, without the examiner realizing that by doing so, the examiner has given each component of that mark an independent and largest protection scope while it was supposed that a mark is only protected as it is registered, that being said, the trademark is protected in its totality. Consequently, the examiner will the examiner will develop biased viewpoints, impose one-sided, subjective opinions and will not be guided by the law when making false observations about the confusing similarity of the marks at issue. Obviously, this is taboo. Statutorily, the examiner must perform an appraisal/assessment/comparison of the marks that consists of words and devices as a whole as in comparison to a prior mark in order to reach a

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correctly, subjective and comprehensive conclusion on whether or not there is a likelihood of consumer confusion?

20. Supporting documents for a trademark appeal in Vietnam: Evidence demonstrating that the applied-for mark and the cited marks have been used in commerce without causing actual confusion is valuable because it lends credibility to the argument and persuades the Vietnam appeal settlement authority to accept protection for the applied-for mark. The documents and arguments used to establish that an applied-for mark has been in use for a long period of time, has developed a relatively high market reputation, and has possessed a sizable customer base are quite effective in establishing the mark's distinguishability from the cited marks. Extensively experienced IP attorneys will need to advise their clients on the types of documents to prepare and how to use them effectively during the complaint process.

21. Similar precedents to the case in question can be an important source of evidence to persuade the Vietnam appeal settlement authority to grant the protection of the applied-for mark. The cases where trademarks are deemed similar, but have been approved for protection by IP Office in Vietnam or elsewhere, should be collated to prove: While some similarities between the marks in question exist, the degree of similarity is insufficient to pose a risk of consumer confusion. In other words, even if the marks in question share some similarities, the dissimilarities in their strong elements are sufficient for the consumer to distinguish them/not to be confused by such Trademarks.

22. The Oral Hearing in Vietnam to resolve a second appeal (a second complaint) in the field of industrial property in Vietnam is a proceeding organized by the

Appeal Settlement Agency (Ministry of Science and Technology-MOST) so that the appellant (**IP representative of the trademark applicant**) and the Responding Party (**IP Vietnam - the agency against which the decision was appealed**) clarifies the facts, presents arguments, evidence, and views on the issues in the Complaint, on that basis, the Appeal Settlement Agency reviews and issues a second-time appeal settlement decision in a correct and objective way. The Oral Hearing provides a valuable opportunity for attorneys to establish their positions and arguments, to influence the consideration and decision-making process, and to resolve complaints in the best interests of their clients.

23. Under Paragraph 22 above, the question that an appellant wish to know may be: What to prepare for the Oral Hearing to achieve the results as desired? The Oral Hearing for appeal resolution, in our opinion, can also be viewed as a **Simplified Court Hearing** or **Shortened Trial** or **Court Summary Proceedings** to adjudicate a case, in which the Appeal Settlement Agency (MOST) serves as the Court, the appellant (IP Representative of the applicant) acts as the plaintiff and the responding party (IP Vietnam) acts as the defendant. As a result, there will be a lot of things to prepare, a lot of work to be done, a wise approach and strategy to adopt to ensure that the clients will ultimately win! KENFOX attorneys, with extensive experience in multiple appeal proceedings, are prepared to advise in detail on documents required for the appeal procedure in Vietnam (such as: Affidavit, Expertise Opinion, Use Evidence, Photos and Testimonials, etc.) before the Oral Hearing, as well as know how to analyze what content, focus on what points, to make effective use of documents to support complaints, respond to situations/developments in a flexible way to get an edge in the debating process for the clients.