

Proper brand protection strategy: urgent requirement for enterprises

A proper brand protection strategy is a compulsory requirement for Vietnamese companies to survive and develop their products in the context of domestic brand names being registered by overseas competitors. Nguyen Vu Quan, trademark and copyright manager at KENFOX IP & Law Office, writes about the needs for domestic firms to register their brand names internationally.



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Well-known Vietnamese brands registered by overseas competitors are largely seen nowadays. Some typical examples are Trung Nguyen coffee, Vinataba tobacco, Vifon instant noodles, Ben Tre coconut candy, Duy Loi foldable hammocks, Sa Giang shrimp chips, and Phu Quoc fish sauce, all of which have been illegally registered in foreign countries.

Most recently, the code “ST25”, the name of a Vietnamese rice variety, is known as a delectable and premium rice product that garnered international recognition and has even received the “World’s Best Rice” award, but it has since been registered as a trademark by four US companies and one Australian one. This has rightly accelerated the need for a strategy for brand protection for Vietnamese business.

Although this is an old story, the lesson is always fresh and relevant: you will pay a high price sooner or later if you do not have a proper brand protection strategy in place. Though government assistance is critical, Vietnamese companies must raise awareness and strengthen their capacity to defend themselves in order to survive and thrive.

Vietnam has always been ranked as one of the world’s leading rice-exporting countries. In 2020 alone, Vietnam exported 6.15 million tonnes of rice to the rest of the world, with a value of \$3.07 billion.

ST25 rice was developed and successfully bred by Ho Quang Cua and his associates, a group of agricultural engineers in Soc Trang province, but Cua failed to apply for trademark registration, opening the door for the US and Australian groups to do so.

While the ST25 mark is still pending in Australia, a substantive examination for the said mark has been completed by the United States Patent and Trademark Office (USPTO). But the trademark examination outcomes for marks containing the same element “ST25” provided by USPTO examiners appear to be inconsistent.

Under Nonfinal Office Actions against two marks – “Vietnam’s ST25 Rice, Dac San Soc Trang” and “Vietnam’s ST25 Rice: The World’s Best Rice” and also for “rice” in Class 30 in the name of Transworld

Foods, Inc. – the USPTO concluded that “ST25” refers to a particular strain or varietal of rice. Varietal or cultivar names are designations used to identify cultivated varieties or subspecies of live plants or agricultural seeds. They are generic and cannot be registered as trademarks because they are the common descriptive names of plants or seeds by which such varieties are known to the US consumer.

As such, the USPTO noted to Transworld Foods, Inc. that “no claim is made to the exclusive right to use ST25 RICE apart from the mark as shown”.

Similarly, in a Nonfinal Office Action against another mark in Class 30 in the name of Ngon Fish Sauce, Inc., the USPTO concluded that the applicant must disclaim the wording “GAO THOM ST25” which translates to “fragrant rice ST25”. The evidence shows that the wording “fragrant rice” is used to describe a characteristic of Vietnamese rice and “ST25” is a variety of rice.

In the above Office Actions, the USPTO’s examiners cited various online documents as grounds to determine “ST25” as a name of a rice variety in Vietnam or a plant variety originating from Vietnam for a refusal of exclusive protection to the element “ST25” contained in the above marks based on Trademark Manual of Examining Procedures.

Further, if the examiner determines that wording sought to be registered as a mark for live plants, agricultural seeds, fresh fruit, or fresh vegetables comprises a varietal or cultivar name, then the examiner must refuse registration or require a disclaimer on the grounds that the matter is the varietal name of the goods and does not function as a trademark.

From the foregoing, the element ST25 in the aforementioned three marks is deemed a designation of a particular strain or varietal of rice. Such a designation is generic and is not eligible for registration as a mark because it is the common descriptive name of a plant or a seed by which consumers in the United States are familiar therewith.

What can be done

There are still opportunities for Vietnamese ST25 rice products to be safely commercialised in the United States if the USPTO refuses protection for the trademark in the name of California-based I&T Enterprise, Inc.

In the context that the USPTO examiner did not rely on the provisions of a conflict between the cultivar name and the mark to refuse protection for the ST25 mark in the name of I&T Enterprise, Inc., at this time, it is required to file a Notice of Opposition under the opposition proceedings to challenge a trademark application in the United States. The opposition process opened on May 4 and Ho Quang Cua and his son’s company have filed a notice of opposition.

Since an opposition must be submitted within 30 days of a trademark application being published, the urgency of the timing of a trademark opposition in the United States must be given special consideration. Otherwise, the trademark will be matured into registration.

Trademark conflicts with varietal or cultivar names are not uncommon. When a breeder selects and breeds a plant variety, the variety is frequently given a name. Varietal names are frequently made-up terms.

During commercialisation, the varietal designation/name is frequently used as a trademark to imply that the products originated from that variety, thereby making a varietal name be considered as a trademark. This makes it difficult for examiners of intellectual property offices in a number of countries to obtain

reliable evidence to determine whether the sign/element sought for registration is a “varietal name” or a “trademark” for the purpose of rejecting or approving protection.

The above case, establishing that the sign ST25 is the name of a rice variety selected and bred by Ho Quang Cua and his associates in Soc Trang province is not difficult. The designation ST25 denotes rice that has been processed from paddy harvested from the ST25 variety of rice. The initials "ST" stand for “Soc Trang” province, a Mekong Delta province where the variety is developed and bred. The code falls within the scope of protection for the plant variety rights. As a result, it is necessary to invoke the plant variety regulations to oppose I&T Enterprise, Inc.’s registration of the ST25 mark.

Key takeaways

There are two central questions thus far. Why was the element ST25 contained in three trademark applications filed refused for protection, but I&T Enterprise Inc’s attempt has not yet been rejected? And what are the legal consequences if Vietnamese ST25 rice products are exported to the United States if the ST25 mark is registered in the name of I&T Enterprise, Inc.?

The name proposed/given to a plant variety selected and developed by the breeder is referred to as a “varietal name” or a “denomination” or a commodity designation. Common names in any language of goods or services that have been widely and regularly used and known to many people will be deemed indistinguishable, failing to perform the trademark’s distinguishing function, and thus not protected as a trademark.

ST25 is the name given by Ho Quang Cua for the rice variety that he chooses to create and develop, and thus does not meet the criteria for trademark protection, as it is the name of a variety of rice or a name of a plant variety. But every rule has its exceptions. The USPTO’s examiner refused protection for the element contained in the three other trademark applications due to the plant variety name in Vietnam but did not issue a similar notice of refusal to the mark in another application was confusing and resulted in the conclusion that the USPTO’s trademark assessment principles were inconsistent.

However, this inconsistency is understandable because trademark applications are examined by different examiners, and it is likely that some examiners found grounds for refusal while others did not.

Whether or not ST25 is considered the “designation” of the rice variety, and whether or not it legally fails to meet the requirements for trademark monopoly protection, the delay in intellectual property rights (IPR) registration in large markets where Vietnamese rice products are heavily exported may cost IPR holders dearly. Allowing your brand/IP to fall into the hands of a competitor is the equivalent of losing a tool that could protect you effectively.

Trademark ownership has evolved into a potent weapon in the hands of competitors. It forces you to sit at the negotiating table, accept to buy back your own brand at whatever price your competitor would offer, or else your branded products will be seized and/or destroyed by the law enforcement authorities and you risk of being sued and ordered to pay damages by a court, etc. Our recommendation is as follows: along with business development, Vietnamese businesses must place a premium on brand creation, management, and development, all of which must adhere to a meticulous and methodical roadmap.

Consult with relevant attorneys at each stage of market approach and legalities to avoid becoming embroiled in increasingly complex, costly, and protracted IP proceedings without knowing what the outcome will be and in some scenarios, spending money and seeing things only get worse.

By Nguyen Vu Quan