

The Trademark

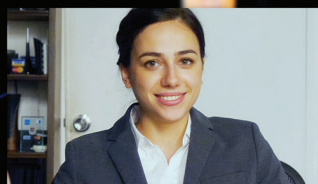
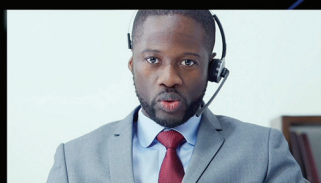
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Copyright – a powerful and effective tool to repress trademark and industrial design infringements in Vietnam

Nguyen Vu QUAN and Ngo Thu HUONG, Partners at KENFOX IP & Law Office, provide a detailed outline of the reasons why a Copyright Registration Certificate could protect your IP in Vietnam sooner than you thought.

Intellectual property of reputable and well-known businesses is perpetually the target of imitation, copying, and counterfeiting. The greater the business' prestige and goodwill, the more vulnerable it is to illegal business people. As soon as the designs and logos for a reputable and well-known 'business' product line are introduced to the market, products with similar

or even identical designs, patterns, and logos appear immediately. Hereunder are some examples:

Practice indicates that enforcing trademark and ID rights in Vietnam presents numerous challenges, exacerbated by the length of time required to examine trademark/ID applications in Vietnam. The actual examination time for a trademark application can range between 16-18 months, or even several years, if the trademark is opposed by a third party or is denied protection by the Intellectual Property Office of Vietnam. The prolonged time for trademark/ID examination in Vietnam contributes significantly to the aforementioned situation, and at the same time, it also gives rise to a slew of negative consequences:

- (i) Third parties take advantage of the pendency of trademark/ID to commercialize their products without fear of being sued.
- (ii) Although the (unregistered) trademark/ID has been widely used in legal business activities in Vietnam and has developed into a commercial indication, Vietnamese Enforcement Authorities are reluctant to deal with alleged unfair competition actions.
- (iii) Third parties take advantage of the copyright protection mechanism to register the trademark or design of the product packaging of the legitimate trademark owner as a copyright as a way to obstruct enforcement actions by rights holders, even after the mark has been granted a Trademark Registration Certificate. In Vietnam, invalidating a copyright registration is not easy and often takes a long time.

**Prior trademarks/
packaging label**



**Later trademarks/
packaging label**



Registering trademarks, industrial designs, or copyright?

In many cases, a logo may qualify for protection as a trademark and/or copyright, while a product packaging may qualify for concurrent protection under all three types of intellectual property (IP): trademark, industrial design (ID), and copyright. Numerous rights holders register trademarks and IDs in the belief that anti-infringement enforcement based on trademark and ID rights will be stronger and more effective than copyright. Therefore, for a long time, copyright has only been viewed as a source of supporting documents/arguments in IPR protection strategies. As a result, the establishment/protection of copyright in Vietnam has been undervalued and ignored.

When trademarks/ID rights have not been established, many rights holders choose to send Warning/Cease & Desist Letters or initiate anti-unfair competition measures. Winning the battle against unfair competition in Vietnam is never easy. Vietnamese laws impose severe requirements on the burden of proof placed on rights holders. Only entities that have used commercial indications "widely and stably in lawful business activities in Vietnam, are known to consumers about the reputation of the business entity and the goods and services bearing such trade indications" have the right to initiate anti-unfair competition measures. To do so, rights holders must, under Article 19.1 (d) of Circular 11/2015/TT-BKHCN, provide "information on advertising, marketing, display, and exhibition; sales turnover; number of products sold; system of distribution agents, joint ventures, and associated parties; investment scale; appraisal by state agencies, the mass media, selection by consumers, and other information showing the reputation of the business entity associated with the commercial indication in its business activities in Vietnam". It is impossible to provide documents in accordance with the aforesaid regulations because where do rights holders obtain documents and evidence demonstrating widespread use of commercial indications in the context that they have just launched their products on the market, and immediately thereafter, products with similar packaging or designs appear? Is the supporting evidence (if provided) sufficient to satisfy the "wide use" requirement? What does the "wide use" concept mean? The above-mentioned regulation makes no quantitative regulation/explanation of the concept of "wide use".

Unnecessary high standards but unspecific for establishing rights to IPR subject matters, the backlog of trademark/ID applications making it impossible for the rights holders to take enforcement actions, the prolonged time



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to resolve IP complaints/disputes, IP theft/blatant appropriation serve as essential reasons which have discouraged many investors, legitimate brand owners, and businesses in Vietnam.

While trademark/ID registration can take more than one year or several years, copyright registration in Vietnam is relatively quick and simple. Along with meeting the "originality" requirement (i.e., a work is protected on the basis of the author's creation, regardless of novelty or creativity), the grant of a Copyright Registration Certificate to a work submitted to the Copyright Office of Vietnam is primarily based on the commitment that the work was created by the author themselves and was not copied from that of any other individual/organization. The downside risk of the copyright registration mechanism in Vietnam is that, due to the extremely "fast" and "open" nature of this mechanism for copyright registration, many trademarks or logos, and other forms of intellectual property belonging to rights holders have been illegally copied, registered as works of applied art, and granted Copyright Registration Certificates. Copyright Registration Certificates are used as a

Résumés

Nguyen Vu QUAN, Partner

Nguyen Vu QUAN is working as a partner with KENFOX IP & Law Office in the Litigation Department. Since 2004, QUAN has worked in the field of intellectual property, focusing on the different aspects of obtaining, defending, and enforcing IPR in Vietnam, Laos, and Cambodia. For over a decade of litigation experience, QUAN has assisted a diverse range of clients with developing efficient, cost-effective strategies to uncover and stop third parties from illegally using or registering IPRs. He has extensive experience working and coordinating with the law enforcement agencies to ensure focused solutions for IP infringement. QUAN has coordinated with enforcement authorities to conduct raids and successfully deal with large scale infringement cases for Lacoste, Charles & Keith, Yonex, Dihon Pharmaceutical, and Engelhard Arzneimittel, among others.

Ngo Thu HUONG, Partner

Ngo Thu HUONG is a partner in KENFOX's IP Practice. HUONG has over 20 years' experience of advising on intellectual property law, particularly such as trademarks and copyright. She has worked hand-in-hand with some of the world's most recognizable brands to develop strategies for brand development, clearance, protection, monetization, expansion, and enforcement. HUONG partners with clients that range in size from start-ups to leading global franchises, in a wide array of industries, including fashion, jewelry, luxury, and consumer goods; alcohol; casinos and hospitality; franchise restaurants; medical devices, pharmaceuticals, and life sciences, including in the cannabis space; universities; and defense products. She is a trusted advisor and partner to larger clients' in-house legal teams and regularly called upon to step into an in-house counsel role for smaller and start-up clients.

talisman/amulet (or King-awarded death-free card) by nefarious traders to ward off accusations of IP infringement. Obviously, this is a large legal loophole that has been abused. This will certainly spark many disputes and conflicts over IP rights, turning/escalating them into serious and uncontrollable problems.

Solution?

The recent signing of big trade pacts, such as the EU-Vietnam Free Trade Agreement ("EVFTA"), the Comprehensive and Progressive Trans-Pacific Partnership Agreement ("CPTPP"), the Regional Comprehensive Economic Partnership ("RCEP"), and the UK Vietnam Free Trade Agreement ("UKVFTA") have triggered a continuous amendment of Vietnam's IP Law that is expected to meet a higher standard of intellectual property protection. However, reality shows that fighting IPR infringement is always a never-ending battle in any jurisdiction. Therefore, instead of waiting for a change in national legislation, protecting yourself against IP theft is still a wise and effective approach. To mitigate the above-mentioned negative consequences, fight against IPR infringements in Vietnam, and prevent and limit damage, businesses should carry out the necessary procedures to register for protection of their trademarks and product packaging designs in the form of copyrights in Vietnam, in addition to trademark and/or industrial design registration before launching products on the market.

Copyright registration is inexpensive, and the time required to obtain a copyright certificate is very short, between 15-20 working days after submitting a valid dossier. Vietnamese law does not prohibit the registration of an IP object under two or three types of IP, as long as it satisfies the protection criteria. In the context that the trademark/ID has not been granted a protection title and it is not easy to prove that "commercial indications" have been widely used in Vietnam, possessing a Copyright Registration Certificate in Vietnam for a trademark or product packaging design will bring many benefits to businesses in the following:

- Burden of proof: In Vietnam, the holder of a Copyright Registration Certificate is not required to prove ownership of the work in dispute, unless there is other evidence as prescribed in Article 49.3 of the Law on Intellectual Property of Vietnam. A Copyright Registration Certificate in Vietnam constitutes *prima facie* evidence of the validity of the copyright in a work. Therefore, if your trademark/ID is granted a Copyright Registration Certificate, you are automatically deemed to be the holder of that trademark/ID in the form of a copyright.

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- Assessment of copyright infringement: The Copyright Registration Certificate in Vietnam serves as the legal basis and is a required document for requesting an assessment of copyright infringement in Vietnam. In detail, before filing a copyright alleged infringement case with a Vietnamese competent enforcement authority, to support a copyright infringement allegation, a rights holder may submit a request for assessment to the Expertise Center of Copyright and Related Rights ("ECCR"), a Vietnamese government agency competent to give expert opinions on copyright and related rights infringement. It is worthwhile noting that, unlike trademark/ID protection, evidence of Copyright Registration Certificates granted by foreign copyright offices in Berne Member Countries will also be considered by the ECCR. In other words, Copyright Registration Certificates issued by countries under the Berne Convention can be accepted by the ECCR to give an expert opinion on the likelihood of copyright infringement in Vietnam.
- Legal grounds for asserting IPR rights: Vietnamese enforcement agencies hesitate to take enforcement measures if right holders do not submit the Copyright Registration Certificate along with the petition for handling copyright Infringement under administrative and/or civil proceedings. A Copyright Registration Certificate facilitate enforcement actions against copyright infringement because it records full information about the protected work, the author and the holder thereof.
- Avoiding IP theft or appropriation: Early registration of works in Vietnam helps mitigate the danger and risk of being appropriated by other organizations/ individuals seeking to register and acquire legal ownership of the work.

For the reasons mentioned above, the Copyright Registration Certificate will become a powerful and effective tool to seek protection in Trademark/Industrial Design disputes/infringement, especially in the context of this object is still under examination and has not been granted a Trademark Registration Certificate and/or Design Patent.

According to our observations, in recent time, the use of copyright to prevent Trademark/Industrial Design infringement in Vietnam is a new trend and tends to increase because it

satisfies two requirements of the rights holder: (i) speed/fastness and (ii) efficiency comparable to enforcement based on trademark/ID rights. After the ECCR was established in 2016 and began operations in the last two years, when an infringement is detected, rights holders can use the Copyright Registration Certificates to request the ECCR to provide expert opinions/assessment conclusions on whether or not an infringement is being committed, on that basis, using administrative and/or civil mechanisms to fight against IPR infringement.

Quite a few requests for assessment of copyright infringement have been filed with the ECCR. In some localities, the Market Surveillance Forces are prepared to handle copyright infringements when a rights holder files a request for handling copyright infringements accompanied by the ECCR's assessment conclusion.

Is the Copyright Registration Certificate enough?

Naturally, when you have advanced weapons to wage a war, the other party will also use tools or weapons to defend themselves and fight against you. When you attack someone, they will defend themselves and/or retaliate against you. Seeking to weaken or even attack the validity of the copyright registration in order to cool down the rights holder or to result in invalidation of the copyright registration or to force the rights holder to sit at a negotiating table to consider stopping enforcement actions is not an unfamiliar tactic.

In a recent copyright enforcement case conducted by the Long An Provincial Market Surveillance Authority, the Assessment Conclusion from the ECCR was challenged by the alleged infringer on the basis that: the protected work in the Copyright Registration Certificate is not original and creative because it is not substantially different from many pre-existing and widely used commercial images.

In complex disputes involving copyright-trademark-industrial design infringement, practice indicates that a Copyright Registration Certificate will sometimes only play the role as an initial/preliminary proof/evidence. A third party or competitor may claim/assert themselves to be the creator of the disputed work/trademark/industrial design or challenge the protected work's validity on the grounds that it is not original (not dissimilar from many pre-existing works).

In other words, submitting a Copyright Registration Certificate alone may not be sufficient to establish ownership of the registered work in a Copyright-Trademark-Industrial Design dispute. In such a case, in order to solidify/consolidate the legal basis, strengthen their position and gain an advantage when a third party/

“However, reality shows that fighting IPR infringement is always a never-ending battle in any jurisdiction.”

competitor initiates one/more IPR disputes, the owners should proactively collect, systematically store and submit proof of their own independent creation and design of the works as a solid basis for establishing their copyright. Documents may include, but are not limited to, the following:

- A Copyright Registration Certificate issued by the Copyright Office of Vietnam or by a member country of the Berne Convention.
- Documents/proof of self-creation, the process of creating the work to establish ownership (e.g., manuscripts of the work and contract for the design of the work or product packaging).
- Additional evidence of public use of the work both within and outside of Vietnam including sales contracts, advertising materials, service facilities, business means, etc., bearing the work and other documents establishing the work's date of first use and its long-term use.

The bottom line

IPR infringements are becoming increasingly sophisticated, pervasive, and continuing to grow at an alarming rate in Vietnam, much like mushrooms growing after rain. Waiting for years for a trademark/ID to be granted protection in Vietnam is not an effective therapy. It will definitely expose you/your business to irreparable risks and damage. Meanwhile, in Vietnam, initiating anti-unfair competition proceedings requires a very heavy burden of proof. Therefore, at this current stage, a time-efficient and fast IPR protection strategy, in our opinion, should be: prioritizing all necessary resources for copyright registration in addition to the registration of trademark/ID (if applicable) as soon as possible, especially when the ECCR has carried out the assessment of copyright and related rights infringement upon the requirements of IPR holders and Vietnamese authorities.

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