

Rules of evidence to win IP infringement cases in Vietnam

Introduction

“The involved parties seeking to prove that their claims are grounded and lawful bears the burden of presenting evidence before the Court” summarizes not only the general principle, but also the core of the burden of proof. Only in few cases does the court verify and collect evidence. Essentially, the burden of proof in an intellectual property infringement litigation rests on the rights holder/plaintiff.

In recent IP cases tried in Vietnam, a lot of the evidence that has been accepted into IP disputes in Vietnam was thrown out by the courts because those evidence submitted in support of the lawsuit petitions was judged inadmissible. In a large number of IP lawsuits, the plaintiff's claims for damages are rejected by the court because the evidence establishing the damage is deemed flimsy¹. Typically, in one case, the first instance court rejected the plaintiff's documents as evidence of the violation, while the appellate court accepted them as admissible evidence². In another case, the plaintiff's document is accepted as evidence in the first instance, but is deemed unfounded³ at the higher trial level.



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Résumé

Nguyen Vu QUAN is working as a partner with KENFOX IP & Law Office in the Litigation Department. QUAN works with a wide range of clients to develop efficient and affordable strategies to uncover and stop third parties from illegally using or registering IPRs in Vietnam, Laos, Cambodia and Myanmar.

Evidence and key takeaways

What is evidence?

Evidence is defined as anything genuine that is handed over or presented to the Court during the proceedings by the involved parties and other agencies, organizations or individuals, or is gathered by the Court in accordance with the order and procedures prescribed by the Vietnamese Civil Procedure Code. Such evidence is used by the Court to determine the objective facts of the case and to determine whether the interested party's claim or objection is well-founded and admissible.

What sources of evidence are acceptable?

Documents submitted to Vietnamese courts are considered evidence if they originate from one of the 10 sources listed below:

- (i) Readable, audible or visible materials, electronic data;
- (ii) Exhibits;
- (iii) Involved parties' testimony;
- (iv) Witnesses' testimony;
- (v) Expertise conclusions;
- (vi) On-site appraisal minutes;
- (vii) Property evaluation and price appraisal results;
- (viii) Written records of legal facts or acts that are formulated by functional persons;
- (ix) Notarized/authenticated documents;
- (x) Other sources prescribed by law.

In a number of recent IP cases recently handled by administrative enforcement agencies and/or adjudicated by Vietnamese courts, rights holders often use the **bailiff service**⁴ to document the evidence or to make a **bailiff's certified report**⁵. This is a sensible approach in light of the fact that requests for evidence's source or admissibility are *frequently rejected by the court or litigants*. In Vietnam, the bailiff serves as a source of evidence for the Court to consider when resolving civil and administrative cases in accordance with the law; it also serves as the foundation for performing transactions between agencies, companies, and individuals in accordance with the law.

What attributes must the evidence possess in order to be admissible?

Evidence is always viewed as a critical and crucial aspect, as it serves as the foundation for the Court to assess the accuracy of the facts before reaching a final verdict. Therefore, evidence always needs to contain 03 attributes: Objectivity, Relevance and Admissibility. Specifically:

- **Objectivity:** Evidence does not depend on human subjective consciousness; evidence must not be created.
- **Relevance:** The evidence must be directly or indirectly related to the case.
- **Admissibility:** Evidence must be gathered, stored, examined, appraised, and studied in accordance with the legal sequence and processes. For instance, evidence must come from one of the sources specified in the Civil Procedure Code and must be delivered within a specified time frame.

What requirements does the source of evidence have to meet?

Not all sources of evidence are admissible as evidence; they must meet the standards outlined in Article 95 of the Vietnamese Civil Procedure Code 2015. Specifically:

- (i) Content-readable materials shall be considered evidence if they are originals or copies legally notarized or authenticated or supplied and certified by competent agencies or organizations.
- (ii) Audible, visible materials shall be considered evidence if they are presented in conjunction with documents attesting to their origins (applicable to materials recorded by the presenting persons themselves) or the documents certified by the one providing such materials for the presenting persons about the origins of those materials or documents related to such audio and/or video recording.
- (iii) Electronic data shall be presented in the form of exchange of electronic data, electronic invoices, electronic mail, telegrams, telegraphy, facsimile and other similar formats consistent with applicable electronic transactions legislation.
- (iv) Exhibits to be considered evidence must be authentic and pertinent to the cases.
- (v) The testimony of involved parties and witnesses must be considered evidence if it is documented in writing or on audiotapes, audiodiscs, videotapes or discs, or other audio or image recording devices, prescribed images, or oral testimony in court.
- (vi) Expertise conclusions should be considered evidence if they are obtained in line with the legal processes.
- (vii) Minutes of on-site appraisals will be considered evidence if the appraisal is completed in line with the legal processes.
- (viii) The results of property evaluations and price appraisals shall be considered evidence if the evaluation/appraisal is conducted in conformity with the legal processes.
- (ix) Written records of legal facts or acts formulated on-site by functional individuals shall be considered evidence if the records are formulated in accordance with the legal procedures.
- (x) Documents that have been notarized/authenticated shall be considered evidence if they have been notarized/authenticated in accordance with the processes provided by law.
- (xi) Other sources prescribed by law shall be assessed to be evidence in accordance with the applicable standards and procedures.

Are audio and videotapes⁶ admissible as evidence?

Audio recordings are only admissible as evidence if they are "*submitted in conjunction with a document attesting to the document's origin or a document attesting to the audio or video recording's pertinent facts.*" That is, the audio recordings must be accompanied by a workable record of the tape's particular content, complete with the parties' full signatures, or both parties must admit before the Court that the voice on the audio tape is their own, as well as the date and time of the incident.

Are text messages taken into account while determining admissibility?

Text messages will be treated as evidence if they are acknowledged by both parties or if the court recognizes them.

Which regulations and principles must be followed when it comes to the handover of evidence?

To safeguard their legitimate interests, the general principle is that the involved parties have the right and obligation to hand over documents and evidence to the Court. Documents and evidence must be handed over in accordance with the regulations governing the sequence, manner, and time of handover. Specifically,

Regarding the sequence/procedure: The hand-over of materials and evidence to the courts by involved parties must be recorded in the minutes. The minutes must explicitly describe the appellations/designations/names, forms, contents, and qualities of the materials/evidences; the quantity of copies, page count, and date of receipt; the deliverers' signatures or appended fingerprints, the recipients' signatures, and the court seals. The minutes must be prepared in two copies, one to be preserved in the civil case files and one to be distributed to the parties involved.

Documents and evidence in a foreign language must be accompanied by a legally notarized and authorized translation into Vietnamese.

Regarding the time of handing over documents/evidence:

- ▶ In first instance procedures, the judges presiding over the cases must set a deadline for the submission of materials and evidence that *does not exceed the period of preparation for adjudication*.

If the courts request the involved parties to provide materials and evidence but the involved parties fail to comply for a good and sufficient reason, and the required materials and evidence are not supplied after decisions to bring the cases to trial in the first instance and decisions to convene meetings to resolve civil matters have been issued, the parties involved are required to explain why such a failure occurred.

In cases where the courts did not ask the parties involved to provide evidence, or where the parties involved **could not be aware of** evidence while resolving cases according to first-instance procedures, the involved parties may supply and present such materials or evidence during first-instance trial sessions, meetings for resolving civil matters, or subsequent proceedings.

- ▶ In appellate procedures, involved parties are entitled to supplement the following materials and evidences during the preparation for appellate trial: a) Materials and evidences requested by the first-instance Court but not provided by the involved parties for good and **justifiable reasons**; b) Documents and evidences that the first-instance court did not request from the involved or the involved parties **could be aware of** during the settlement of the case according to first-instance procedures.

- ▶ In cassation procedures, involved parties shall be entitled to provide materials and evidences for persons competent to file appeals pursuant to cassation procedures if such materials and evidence were not provided to the first-instance or appellate courts because such Courts did not require them or because the involved parties failed to provide them for good or because the involved parties were not aware of such materials and evidences during the resolution of the cases.

From the above provisions, involved parties are entitled to submit documents and evidence to the Court within the time limits for preparing for trial of the case, and within the time limits for preparing to settle civil matters through first-instance procedures. The court will accept documents and evidence submitted by the parties participating in the subsequent stages of proceedings only if they fall into one of two categories:

- *For the documents and evidence that the Court had requested to be handed over, the involved parties must prove a "justifiable reason" for the late submission.*

- *For the documents and evidence that the Court had not requested to be handed over, the involved parties must establish that they **"were not aware of"** those documents and evidence during the preparation for the first instance trial.*

However, if the judge determines that the documents and evidence submitted are insufficient to resolve the case, the judge may request additional documents and evidence from the parties. The question in this case is whether there is any precedent for the trial court refusing to accept the parties' documents/evidence after the deadline for submission has passed. Indeed, many first-instance cases did not take late evidence into account. However, pursuant to the requirements of the 2015 Civil Procedure Code, the claimant may seek that the Court accept the delayed documents/evidence on the basis of:

- ☑ Article 259.1 of the Civil Procedure Code, where "**materials and/or evidence must be verified or more evidence must be gathered to decide the cases and such operations cannot be carried out in court**", the trial panel must adjourn the court session. Thus, while the parties concerned are responsible for demonstrating and supplying documents/evidence, the Court cannot be left to adjudicate the case if there are insufficient grounds for settlement. It is self-evident that when documents and evidence are missing, even while the court is adjudicating, the court must also suspend the trial in order to collect additional evidence. As such, there is no reason to refuse evidence submitted by the involved parties at the court hearing, even if it is late, if the evidence is decisive and could change the outcome of the case.
- ☑ Argument about the court's obligations to uphold justice, human rights, and the legitimate rights and interests of organizations and individuals. Without considering late evidence, the Court will deliver an incorrect verdict in accordance with the objective facts.

How to collect evidence?

Article 97 of the Civil Procedure Code 2015 provides the evidence-gathering measures that litigants can take to ensure that the evidence obtained is admissible. Specifically, agencies, organizations, and individuals may collect materials and evidence themselves by taking the following measures:

- (i) Gathering readable, audible or visible materials, electronic data;
- (ii) Assembling exhibits;
- (iii) Defining witnesses and collecting confirmation from the witnesses
- (iv) Requesting that agencies, organizations, or individuals permit the copying or supply of materials related to the resolution of matters/cases kept or managed by such agencies, organizations, or individuals;
- (v) Requesting the People's Committees of communes to authenticate the signatures of the witnesses;
- (vi) Requesting that the courts collect materials and evidence in the event that the parties involved are unable to do so;
- (vii) Requesting the courts to issue decisions on requests for expertise or property evaluations;
- (viii) Requesting agencies, organizations and individuals to conduct other tasks as prescribed by law.

The courts may take one or a number of the following measures to collect materials and evidence:

- (i) Obtaining testimonies of the involved parties, witnesses;
- (ii) Confrontations between parties involved, as well as between parties involved and witnesses;
- (iii) Requesting expertise
- (iv) Conducting property evaluations
- (v) Conducting an on-site inspection and appraisal;
- (vi) Entrusting the collection and verification of documents and evidence;
- (vii) Requesting agencies, organizations and individuals to supply readable, audible and visible materials or other exhibits related to the resolution of civil cases;
- (viii) Verifying the presence or absence of the involved parties at the residence;
- (ix) Other measures according to regulations in this Code.

How can evidence held by a third party be gathered?

► *The litigant actively requests the third party to provide documents/evidence:*

In general, the involved parties need to actively collect and provide evidence to establish that their rights have been violated. However, if the evidence is held by other agencies, organizations, or individuals, the involved parties have the right to provide documents and evidences. When requesting documents and evidence from agencies, organizations, or individuals, the involved parties must submit a written request specifying the documents and evidences to be provided; the reason for providing them; the individual's full name and address; and the name and address of the agency or organization managing and storing the documents and evidences to be provided.

Agencies, organizations, and individuals are responsible for supplying records and proof to relevant parties within 15 days of receiving requests; in the event of non-compliance, they must respond in writing to the requester and explicitly indicate the cause.

► *The parties involved have the right to petition the Court for a ruling, to request documents/evidence from a third party, or to petition the Court to collect documents and evidence:*

If the parties have taken all the necessary steps to collect documents and evidence but are still unable to do so on their own, they may petition the Court to issue an order directing agencies, organizations, or individuals to keep and manage documents and evidence provided to them or requesting the Court to collect documents and evidences on their behalf in order to ensure a proper settlement.

The parties seeking that the Vietnamese Court collect documents and evidence must make a specific application specifying the issues to be proved; the documents and evidence to be obtained; and the reason they are unable to collect them themselves. They must also include the individual's complete name and address, as well as the name and address of the agency or organization managing and retaining the documents and evidence to be collected.

► *The court shall issue a decision to request agencies, organizations, and individuals that are managing and keeping documents and evidence to provide them to the court upon request of the concerned parties or as deemed necessary.*

Agencies, organizations and individuals responsible for managing and preserving documents and evidences shall have to provide sufficient documents and evidences upon the Court's request within 15 days from the date of receipt of such request; at the end of this time limit, if the requested agency, organization or individual fails to provide sufficient documents and evidences at the request of the Court, they must reply in writing, clearly stating the reason. Agencies, organizations and individuals that fail to comply with the Court's requests without a plausible reason shall, depending on the nature and seriousness of their violations, be administratively sanctioned or examined for penal liability under the laws. The administrative sanction or criminal prosecution of agencies, organizations, and individuals is not a reason for those agencies, organizations, and individuals to be exempt from the obligation to provide documents and evidence.

Which agency evaluates the evidence and what standards are followed?

The court is responsible for evaluating the evidence. The court must evaluate each piece of evidence, its interrelationship, and determine its admissibility, relevancy, and probative value.

The bottom line

Obviously, evidence is a central issue in civil litigation. The plaintiff's and defendant's entire proof process is centered on the issue of evidence; each level of civil procedure is substantially determined by the evidence. The evidence enables the involved parties to shed light on the truth and establish valid grounds for defending their legitimate rights and interests, while the agencies conducting the procedure can evaluate the accuracy of the facts in order to render a fair judgment, taking into account the objective circumstances and concluding the case accurately and according to the law. Evidence can be considered the primary document which determines the success or failure of the plaintiff/defendant in a lawsuit. Frequently, cases are won or lost based on these evidentiary concerns.

Therefore, having a firm grasp of what evidence is, which sources of evidence are acceptable in Vietnamese courts, what attributes evidence must possess, when evidence must be submitted, and how evidence is collated before litigation is critical if the involved parties want the court to accept their claims or defenses as valid and admissible.

[1] In *Dinh Cong ND v Company V* for unauthorized use of 387 teaching videos, the plaintiff requested that the court compel the defendant to pay material damage compensation calculated at VND 1,500,000 x 387 videos = VND 580,500,000. (*in which, the amount of VND 1,500,000 is calculated according to the efforts and brains of the plaintiff and the equivalent market price, based on reference to the contract signed between the plaintiff and a third party, which is VIETTEL TELECOM*). However, the aforementioned contract does not refer to the 387 videos under question. Simultaneously, the plaintiff sought compensation for a loss of business opportunities related to 50 computer training videos that a third party, Topica, had negotiated with the plaintiff to purchase at VND 3,000,000 x 50 videos = VND 150,000,000. The plaintiff also claimed VND 15,000,000 as mental damage compensation.

However, both the first instance and appellate courts rejected the plaintiff's claims for the following reasons: (i) The cooperation contract between the plaintiff and Viettel is inappropriate (i.e., *the subject matter of the contract is not the 387 videos in dispute*) to prove the actual damage/loss to the plaintiff; (ii) The plaintiff's documents and emails do not demonstrate that the plaintiff and Topica will enter into the contract or that the contract will not be executed due to the defendant's infringing acts, and (iii) That the plaintiff spends a lot of time and effort trying to find out and prevent the infringement is not considered mental damage to the plaintiff.

[2] In *Dinh Cong ND v Company V* for unauthorized use of 387 teaching videos, the appellate court recognized documents including: [(i) a printed image file containing 387 pages of video footage the lecture posted on the defendant's website and (ii) 01 CD containing 387 videos documenting the defendant's uploading of the videos for advertising purposes; 01 file containing 387 links to video lectures on the defendant's website] as valid evidence even though the first instance court determined that the plaintiff could not provide admissible evidence. In other words, in the view of the first instance court, the evidence provided by the plaintiff was inadmissible to prove the infringement.

[3] In *Thanh Dong Company v Ngoc Thanh Production Enterprise* for infringing industrial property rights for the patent "Automatic scrolling canvas", the appellate court reversed the first-instance court's judgment and directed the first-instance court to retry the case because the plaintiff's evidence, which was accepted by the first-instance court, failed to establish a causal link between the purchased products and the defendant, at the same time, stated that: *[During the settlement process, the first-instance court only carried out the procedures for making a record of evaluation and comparison of the self-winding rainproof tarpaulin in the case, but not carrying out the procedures inspection. The parties did not accept the photographs [of the purchased product] that the appraisal agency concluded.*

[4] Bailiff refers to any persons appointed by the State to perform tasks regarding civil judgment enforcement, legal document serving, preparation of bailiff's certified reports and other tasks specified in this Decree and relevant law provisions.

[5] Bailiff's certified report refers to any written report prepared by bailiffs recording events and behaviors and used as an evidence in court hearing and other legal relationships

[6] In *Dinh Cong ND v Company V* for unauthorized use of 387 teaching videos, the appellate court recognized documents including: [01 CD containing 387 videos recording the incident during which the defendant uploaded the videos to advertisement; 01 file containing 387 links to the defendant's video lectures on his website] as valid evidence. Pursuant to Article 94.1 and Article 95.2 of the Civil Procedure Code, audible or visible materials are considered evidence if they are presented alongside written statements from the person possessing such documents about the origin of the documents, or if they record audio or video by themselves. Considering that, in the self-declaration dated December 21, 2015 (records No. 245), Mr. ND explained as follows: "On September 25, 2015, I discovered a series of videos about teaching elementary math and a series of videos about my computer science teaching posted on 360do.cn website and my two youtube channels were infringed by vietgiaitri.com website owned by Viet Entertainment Company. I have documented all 387 of my videos that vietgiaitri.com has infringed, as well as print screens of the infringing videos to use as proof in court". Thus, Mr. ND's documents met with applicable legislation and should be deemed admissible evidence.

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