

Amendments to patent and industrial design regulations under the draft of the amended Intellectual Property Law

Since its promulgation in 2005, the Intellectual Property Law (the “IP Law”) has played an important role in regulating legal relations with respect to intellectual property. However, as compared to 2005, the current development context has changed a lot. Vietnam is no longer merely a country that uses intellectual property but is strongly shifting to being a country that creates this type of asset to serve its intensive growth model. Meanwhile, the amendments to the IP Law in 2009 and 2019 are mainly to meet its commitments when Vietnam joined the WTO and to implement the commitments that Vietnam must implement as soon as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (the “CPTPP Agreement”) comes into force. Therefore, such amendments have not strongly enough motivated investment in research and innovation activities. Correspondingly, a further amendment to the IP Law has been an urgent requirement for the socio-economic development of Vietnam.

The Ministry of Science and Technology (MoST) has recently chaired and coordinated with the Ministry of Culture, Sports and Tourism (MoCST, in charge of copyright issues) and the Ministry of Agriculture and Rural Development (MARD, in charge of issues on new plant varieties) to draft amendments and supplements to a number of articles of the IP Law (the “Draft IP Law”). The Draft IP Law amends and supplements 92 articles (of which 12 articles are added, 80 articles are amended) and 2 articles are annulled, resulting in a total of 232 articles of the amended IP Law. Hereunder are some remarkable amendments to patent and industrial design regulations under the Draft IP Law.

1. Supplementing regulations on novelty of inventions (Clause 1, Article 60):

“An invention in a patent application with a later filing date or priority date shall be deemed to have lost its novelty if it has been disclosed in another patent application with an earlier filing or priority date but published on or after the filing date or priority date of that patent application.”

This is a completely new regulation that has never been included in previous legal documents on intellectual property. Under current regulations, an invention in a patent application with an earlier filing date but a publishing date being on or after the filing date of a later filed patent application (often referred to as “secret prior art”) is considered undisclosed (not of a known technical background), and therefore such an application cannot be used as a cited document to assess the novelty of the invention in the later application. In case these inventions claim protection for the same subject matter, the later application may be refused according to Article 90 of the IP Law on the first-to-file principle.

2. Supplementing regulations on security control for inventions before their registration abroad (Article 89a):

“1. Applications for registration of inventions in the technical fields that have an impact on security and national defense, are created entirely in Vietnam and are under the registration rights of individuals who are Vietnamese citizens and permanently reside in Vietnam or of organizations established under the law of Vietnam may be filed abroad only if they have been filed in Vietnam and the time limit of 6 months from the date of such filing has expired.

2. If within 6 months from the date of filing an application, a competent state agency has notified that the invention in the application is a confidential invention, the organization or individual specified in Clause 1 of this Article may file an application for registration of such invention abroad only in accordance with the Government's regulations.

3. The state management agency in charge of industrial property rights shall coordinate with the Ministry of Public Security and the Ministry of National Defense in determining secret inventions in security control procedures according to the regulations of this Article.

4. The Government shall specifically prescribe secret inventions and control the security of inventions in technical fields that affect security and national defense before they are registered abroad.”

3. Supplementing regulations on invalidation of patents (Clause 1, supplement of Clause 1a, Article 96):

Compared to the current regulations, the Draft IP Law supplements a number of other grounds for invalidation of patents, that is, the invention is not fully disclosed; the amendment or supplementation exceeds the scope of original disclosure; the application is filed against the regulations on security control; the application does not indicate genetic origin or traditional knowledge. Specifically:

"1. A protection title shall be wholly invalidated in the following cases:

...

b) A patent application is filed contrary to the regulations on security control of inventions specified in Article 89a of this Law;

c) A patent application for an invention which is directly created based on genetic resources or traditional knowledge about genetic resources fails to disclose or incorrectly disclose the origin of genetic resources or traditional knowledge about genetic resources contained in that application.

1a. A protection title shall be invalidated in whole or in part in the following cases:

a) The applicant does not have the right to register and may not assign the right to register an invention, industrial design, layout design or trademark;

b) The industrial property object fails to satisfy the protection conditions specified in Articles 8 and Chapter VII of this Law;

c) The amendment or supplementation of an industrial property registration application widens the scope of the subject matter disclosed or stated in the application or changes the nature of the claimed subject matter stated in the application;

d) The invention has not been disclosed sufficiently and clearly to the extent that it is possible for a person with average knowledge of the relevant technical field to realize the invention;

d) The protection scope of a patented invention exceeds the scope of the original disclosure of the patent application;

e) The invention does not satisfy the first-to-file principle specified in Article 90 of this Law."

4. Supplementing requirements for documents on genetic resources and traditional knowledge in general requirements for applications (Clause 1, Article 100):

In addition to the documents according to the current regulations, the Draft IP Law stipulates that a patent application also includes a document explaining the origin of genetic resources or traditional knowledge about genetic resources in the patent application for inventions directly created based on genetic resources or traditional knowledge of genetic resources in the case of an application filed under Point c, Clause 1, Article 86 of this Law.

5. Supplementing regulations on refusal to grant protection titles (Clause 1, Article 117):

Compared with the current regulations, the Draft IP Law supplements a number of other grounds for refusal to grant a protection title, that is, the amendment and supplementation of the claims exceeds the scope of the original disclosure; the invention is not fully disclosed; the application does not indicate genetic origin or traditional knowledge; the application is filed against the regulations on security control. Specifically:

"1. An application for registration of an invention, industrial design, trademark or geographical indication shall be refused to grant a protection title in the following cases:

...

d) The amendment and supplementation of the application widens the scope of the subject matter disclosed or stated in the application or changes the nature of the subject matter claimed in the application.

1a. Apart from the cases specified in Clause 1 of this Article, a patent application shall be refused to grant a protection title in the following cases:

- a) The scope of the claimed invention extends beyond the scope of the original disclosure of the patent application;
- b) The invention is not sufficiently disclosed in the patent specification to the extent that a person with average technical knowledge can implement the solution stated in the claims;
- c) A patent application for an invention which is directly created based on genetic resources or traditional knowledge about genetic resources fails to disclose or incorrectly disclose the origin of genetic resources or traditional knowledge about genetic resources. genetic resources in that application in the case of an application filed under Point c, Clause 1, Article 86 of this Law.
- d) A patent application is filed contrary to the regulations on security control of inventions specified in Article 89a of this Law.”

6. Supplementing regulations on confidential inventions (Article 120b and Article 120c):

The Draft IP Law supplements regulations on confidential inventions in Articles 120b and 120c as follows:

- "1. Inventions that are determined by a competent state agency to be a state secret according to the law on protection of state secrets are called confidential inventions.
- 2. Confidential inventions that meet the protection conditions will be granted a Confidential Invention Patent or a Confidential Utility Solution Patent.
- 3. Confidential invention registration applications, confidential invention patents, confidential utility solution patents must not be published and must be kept confidential according to the law on protection of state secrets. The industrial property authority records information on confidential inventions in the National Register of Confidential Inventions.
- 4. From the date on which a confidential invention is declassified by a competent authority in accordance with the law on protection of state secrets, an application and a protection title for the confidential invention shall be handled as follows:
 - a) The confidential patent application continues to be processed as an ordinary patent application;
 - b) The confidential invention patent, the confidential utility solution patent is converted into an invention patent, a utility solution patent and published in the Industrial Property Official Gazette and recorded in the National Register of Inventions.
- 5. The Government shall provide specific regulations on confidential inventions.”

7. Supplementing regulations on obligation to protect test data (Article 128):

The Draft IP Law clearly defines the regulations on the obligations to protect test data in the application for a marketing license of pharmaceuticals and agrochemicals, where the level of protection of agrochemical data is improved. Specifically:

- "1. Where it is required by law that an applicant for a marketing authorization for a pharmaceutical or agrochemical product is required to provide test results or any other data that is a trade secret obtained as a result of a substantial investment of effort and the applicant requests that such information be kept confidential, the licensing authority is obliged to take all necessary measures to prevent such data from being used for unfair commercial purposes and shall not be disclosed, except where disclosure is necessary to protect the public.
- 2. For pharmaceuticals, from the time the confidential data in the license application is submitted to the competent authority specified in Clause 1 of this Article to the end of 5 years from the date the applicant is licensed, the agency shall not grant a licence to any person who submits an application later if the above-mentioned confidential data is used in the application without the consent of the submitter of such data, except for the case specified at point d, clause 3 of Article 125 of this Law.

3. Where the marketing authorization authority of pharmaceutical products allows the later applicant to rely on a pharmaceutical product that has been approved for marketing or data proving the safety and effectiveness of a pharmaceutical product that has been approved marketing authorization to apply for a marketing authorization for another pharmaceutical product, the licensing authority must publish on its website the information of the later application within 5 months before the date the pharmaceutical product in the later application is granted marketing authorization.

4. For agrochemical products, from the time the confidential data in the license application is submitted to the competent authority specified in Clause 1 of this Article until the end of 10 years from the date the applicant is granted a license, the authority may not grant a license to the later applicant if the above-mentioned confidential data is used in the application or based on the fact that the submitter of the above-mentioned confidential data is granted marketing authorization without the consent of the data submitter, except for the case specified at Point d, Clause 3, Article 125 of this Law or the licensing is necessary to ensure security and nutrition for the people or other urgent needs of society.”

8. Supplementing regulations on compensation to patent owners for delay in granting marketing authorization of pharmaceutical products (Article 131a):

Article 131a provides for compensation to patent owners for delays in marketing authorization of pharmaceutical products as follows:

"1. When performing the patent annuity procedure, the patent owner is not required to pay a fee to use the protection title for the period during which the initial marketing registration of a pharmaceutical product is manufactured under that patent in Vietnam is delayed.

2. The registration procedure for circulation of pharmaceutical products is considered delayed if after 2 years from the date of receipt of complete registration dossiers for circulation, the agency competent to grant marketing authorization for pharmaceutical products does not give a written response for the first time for the dossiers without good cause. The delay period is calculated from the first day after the end of 2 years from the date the agency competent to grant marketing authorization for pharmaceutical products receives complete dossiers until the first written response is issued.

3. Where the patent owner has paid the fee for using the protection title for the period considered late, the fee paid will be deducted from the fee to be paid in the next annuity period or refunded.

4. In order to not have to pay the fee for using a protection title when carrying out the procedures for maintaining the validity specified in Clause 1 of this Article, within 12 months from the date on which the drug is licensed for circulation, the patent owner must submit to the state management agency in charge of industrial property rights a document from the agency competent to grant marketing authorization for pharmaceutical products certifying that the registration procedure for circulation of such pharmaceutical products has been delayed.

5. The Government shall detail this Article.”

9. Supplementing regulations on compulsory decision-based transfer for export of pharmaceutical products (Clause 1, Article 145):

The Draft IP Law supplements the following grounds for compulsory licensing of the use right to an invention under Clause 1, Article 145:

“đ) The use of inventions to meet the needs for drugs for prevention and treatment of diseases in other countries that are eligible for import under international treaties to which the Socialist Republic of Vietnam is a contracting party.

10. Supplementing regulations on market scope and compensation for inventions transferred under compulsory decisions (Clause 1, Article 146):

Point b, Clause 1, Article 146 has been amended to remove the content "mainly to supply the domestic market" and include this content in Point đ with some exceptions specified at Points d and đ of Clause 1 Article 145. Specifically:

"b) The transferred use right shall be limited to the scope and duration sufficient to satisfy the transfer target, except for the case specified at Point d, Clause 1, Article 145 of this Law. For inventions in the field of semiconductor technology, the transfer of use rights is only for public, non-commercial purposes or to deal with unfair competition in accordance with the regulations of the competition law;

...

đ) The use right to use is transferred mainly to supply the domestic market, except for the cases specified at Points d and đ, Clause 1, Article 145 of this Law."

Point b, Clause 1, Article 146 has been amended to supplement an exception related to the amount of compensation payable to the holder of the exclusive right to use the invention, namely:

"d) The transferee must pay the holder of the exclusive right to use the invention an adequate amount of compensation, depending on the economic value of the use right, in each specific case in accordance with the compensation price framework determined by the Government, except where the right to use the invention is transferred under a compulsory decision to import pharmaceuticals under the mechanism of an international treaty to which the Socialist Republic of Vietnam is a contracting part and the compensation for the use of the invention transferred pursuant to a compulsory decision has been paid in the exporting country."

11. Supplementing contents to the concept of an industrial design (Clause 13, Article 4):

The concept of industrial design has been amended in more detail as follows:

"An industrial design is the external appearance of a finished product or a part to be assembled into a finished product, represented by shapes, lines, colors or a combination of these elements and visible during the use of the finished product."

Under this new concept, the two features supplemented are "a finished product or a part to be assembled into a finished product" and "visible during use of the finished product". They are important characteristics that are always carefully considered by examiners of the Intellectual Property Office of Vietnam (IP Vietnam) upon their examination of an industrial design.

12. Amending requirements for industrial design applications (Article 103):

The Draft IP Law provides for more detailed requirements for a set of photos or drawings of an industrial design and a description of the industrial design, specifically:

"1. Documents identifying the industrial design to be protected in an industrial design application include a set of photos, drawings of the industrial design and a description of the industrial design shown in the set of photos and drawings of the industrial design.

2. A set of photos or drawings of an industrial design must fully show the design features of the claimed industrial design to the extent based on which any person with average knowledge in the relevant field can identify that industrial design.

3. The description of the industrial design in the set of photos and drawings must list the order of the photos and drawings in the set of photos and drawings and list the shaping features of the industrial design represented in the set of photos and drawings."

13. Amending regulations on time limit for publication of industrial design applications (Clause 3, Article 110):

Clause 3, Article 110 is supplemented with regulations on late publication of applications at the request of applicants, specifically:

An industrial design application, a trademark application or a geographical indication application shall be published within 2 months from the date on which the application is accepted as a valid application. An industrial application may be published at a later moment at the request of the applicant at the time of filing the application but no later than 7 months from the filing date."

In the new development context of Vietnam after 16 years of implementing the IP Law, it is highly expected that the imminent amendment to the IP Law may help overcome the shortcomings, limitations and inadequacies of the current law. It may thereby promote innovation activities, proactive and active application of the achievements of the 4th industrial revolution through increased exploitation and enforcement of IP rights. In addition, the amendment may make Vietnam's IP activities closer to the advanced reality and practice of the world, fully internalize Vietnam's commitments related to IPR rights which have been recognized in international treaties to which it is a member, especially the CPTPP Agreement and the European Union Vietnam Free Trade Agreement (EVFTA), and ensure the IP Law's synchronization and consistency with relevant laws promulgated by the National Assembly of Vietnam in recent years.

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