



KENFOX
IP & LAW OFFICE

Counterfeit and brand protection

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- 2 Figurative trademarks pending examination at IP VIETNAM and approaches to take actions

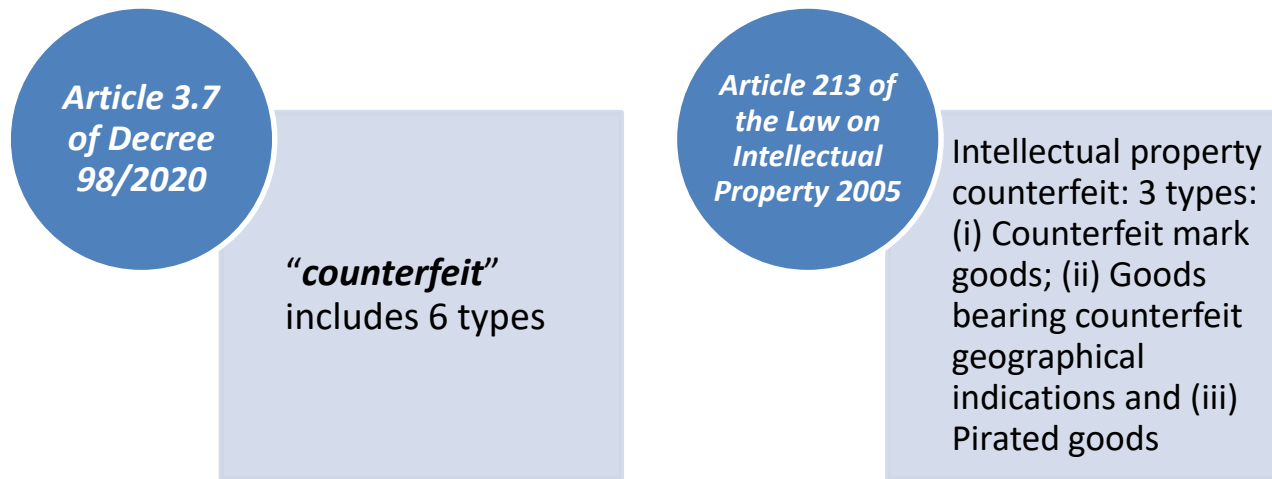
- 3 Principles and grounds for determining and claiming damages for infringements of intellectual property rights, as well as the practice in Vietnam

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1. Strategies to combat counterfeiting and IP infringement

1.1 Understanding of Counterfeits and Brand

1.1.1 Counterfeits as defined in Decree 98/2020/ND-CP dated August 26, 2020 (“Decree 98/2020”) on prescribing penalties for administrative violations against regulations on commerce, production and trade in counterfeit and prohibited goods, and protection of consumer rights

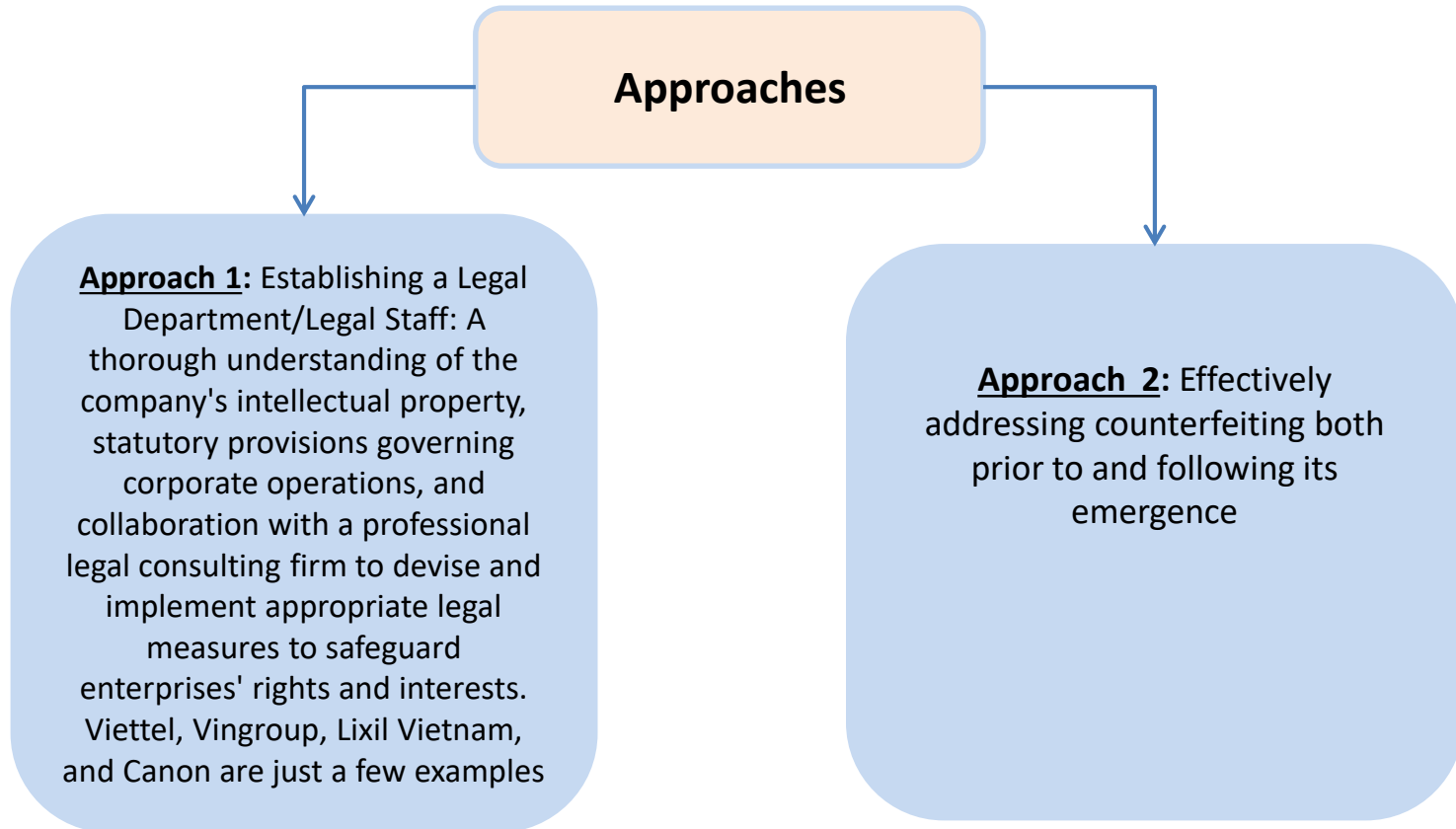


1.1.2 Brand

A brand can be construed to comprise a set of identifying and distinguishing signs, which is the image, perception, feeling, and conception that consumers and the general public have of a particular product and its owner (as well as other individuals, organizations, and locations)

1. Strategies to combat counterfeiting and IP infringement

1.2 Strategies to combat counterfeiting and IPR infringement



1. Strategies to combat counterfeiting and IP infringement

1.2 Strategies to combat counterfeiting and IPR infringement

Typical cases

Case 1: To register or to lose, a costly lesson from a typical industrial design dispute in Vietnam
(see link: <https://kenfoxlaw.com/to-register-or-to-lose-a-costly-lesson-from-a-typical-industrial-design-dispute-in-vietnam>)



Piaggio Vietnam's Vespa LX scooter



The alleged infringing Diamond Blue scooter

1. Strategies to combat counterfeiting and IP infringement

1.2 Strategies to combat counterfeiting and IPR infringement

Typical cases

Case 2: The battle between names has not yet ended whether “ST25” a cultivar name or a brand?
(see link: <https://kenfoxlaw.com/the-battle-between-names-has-not-yet-ended-whether-st25-a-cultivar-name-or-a-brand>
<https://www.vir.com.vn/proper-brand-protection-strategy-urgent-requirement-for-enterprises-84255.html>)



ST25

ST25

Vietnam's ST25 Rice, Dac
San Soc Trang



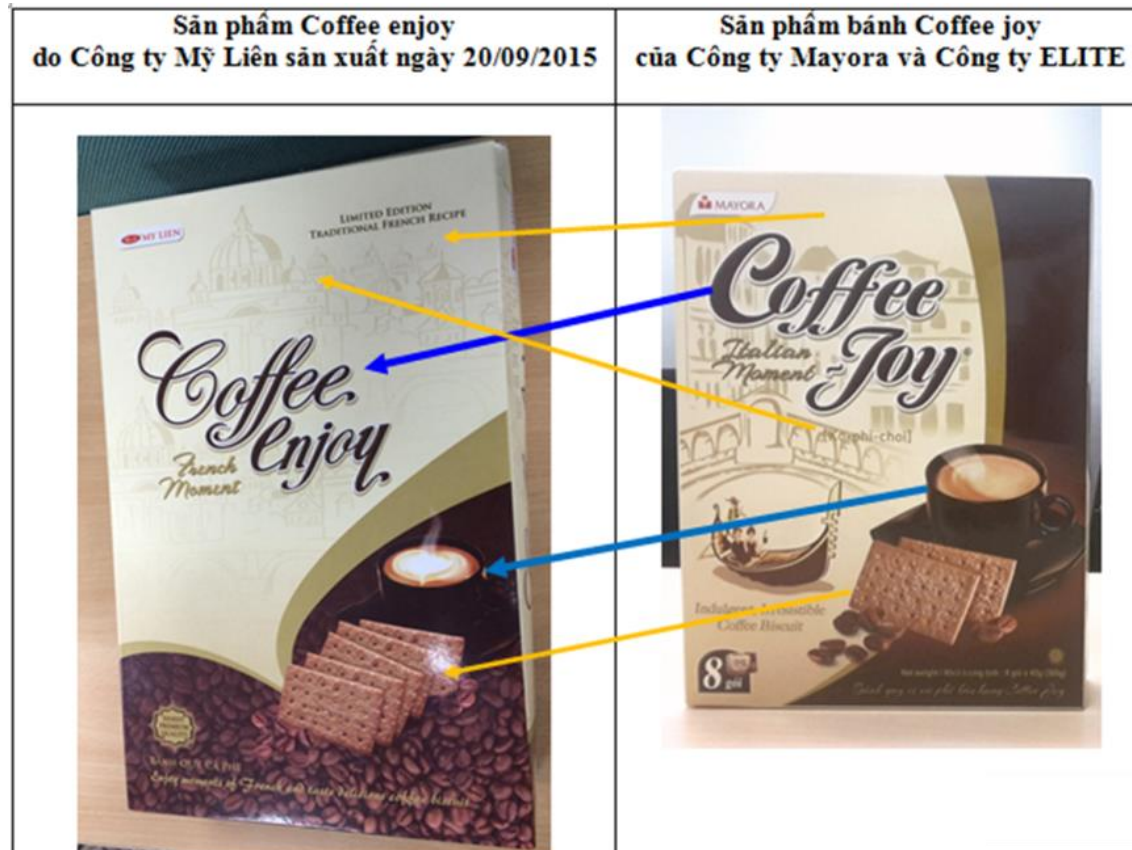
Vietnam's ST25 Rice
The World's Best Rice

1. Strategies to combat counterfeiting and IP infringement

1.2 Strategies to combat counterfeiting and IPR infringement

Typical cases

Case 3: Coffee joy vs. Coffee enjoy





1. Strategies to combat counterfeiting and IP infringement

1.2.1 Actions to be taken prior to the emergence of counterfeits

Case 4: Anti-counterfeiting hologram stamp

In Vietnam, Yonex Kabushiki Kaisha is the legitimate owner of the following trademarks:

No	Trademark	Registration number	Class	Filing date	Expiry date
1		54822	18, 25, 28	14/03/2003	14/03/2023
2	 (YONEX device mark)	56572	18, 25, 28	23/4/2003	23/4/2023

1. Strategies to combat counterfeiting and IP infringement

1.2.1. Actions to be taken prior to the emergence of counterfeits

Distinguish badminton racket genuine goods –
counterfeit – “YONEX” & “



Counterfeit products: **(1) Badminton rackets, strings, shuttlecocks, racket bags, racket bags; (2) Clothes, shoes**

Technical characteristics (visual detection) used to differentiate authentic from counterfeit goods **include the number of stamps, the stamping position, and the product price. Furthermore, it is based on the two-letter "YY" symbol. The two letters "YY" are the device marks on the real product that are close or adjacent, whereas the counterfeit product's device marks are not adjacent and have a gap.**

- ✓ Regarding “stamp”: Genuine goods bear four stamps (1 stamp of the Ministry of Public Security, 1 stamp of Distributor, 1 stamp of Sun Rise and 1 oval stamp of Yonex). Meanwhile, counterfeits feature only two stamps.
- ✓ A check card/authentication card can be used to assess whether a hologram stamp is real or a forgery. If it is a genuine stamp, scanning it will produce two distinct images in the two panes. Note: The device is intended solely for the examination of Yonex oval stamps.



1. Strategies to combat counterfeiting and IP infringement

1.2.1 Actions to be taken prior to the emergence of counterfeits

Yonex warning on newspaper

HÃY THẬN TRỌNG!

Hàng YONEX giả có thể thấy ở mọi nơi. Hãy kiểm tra xác thực sản phẩm Yonex của bạn và giúp đỡ YONEX đấu tranh **CHỐNG NAN HÀNG GIẢ**.

THẺ XÁC THỰC YONEX

Thẻ xác thực YONEX giúp nhận biết hàng YONEX thật
Phương pháp rất dễ để phân biệt hàng thật và hàng YONEX giả là sử dụng Thẻ xác thực YONEX

HÃY KIỂM TRA XÁC THỰC HÀNG YONEX CỦA BẠN TẠI BẤT CỨ CỬA HÀNG ĐẠI LÝ ỦY QUYỀN NÀO CỦA CHÚNG TÔI
LÀM THẺ NÀO ĐỂ NHẬN BIẾT HÀNG YONEX THẬT

THẺ XÁC THỰC YONEX : Dụng cụ này dùng để phân biệt hàng YONEX thật và hàng YONEX giả
HÀNG QUẦN ÁO / GIÀY / TẤT CHÂN / CÁC PHỤ KIỆN YONEX CHÍNH HIỆU

HÀNG YONEX THẬT		HÀNG YONEX GIẢ
<p>1. HÀNG QUẦN ÁO YONEX</p> <p>A. NHÃN XÁC THỰC (1)</p> <p>HÀNG THẬT </p> <p>Nhãn Forge Guard (Dòng chữ thông thường) Lô-gô YY và tên YONEX hiện thị trên nền da sần màu khaki qua cả hai ô (☐) và (●) của Thẻ xác thực</p> <p>B. NHÃN XÁC THỰC (2)</p> <p>HÀNG THẬT </p> <p>Nhãn AntiTEX (Dòng chữ thông thường) Lô-gô YY và tên YONEX hiện thị trên nền da sần màu khaki qua cả hai ô (☐) và (●) của Thẻ xác thực. Và chứng kiến một khi nhãn AntiTEX được sờ qua qua sẽ biến mất (●) của Thẻ xác thực</p>	<p>HÀNG GIẢ </p> <p>Nhãn Forge Guard giả mạo</p> <p>Các quần áo YONEX giả thông thường không có Nhãn xác thực. Tuy nhiên, cũng có một số hàng có Nhãn xác thực giả mạo. Nhãn Forge Guard hoặc Nhãn AntiTEX giả mạo đều có thể nhìn thấy sự sai lệch so với ô hai ô của ô bên Thẻ xác thực, chúng các bạn sẽ không thể nhìn thấy các đặc điểm các Nhãn xác thực như trên đây. Những gì bạn sẽ nhìn thấy là hình ảnh hình ảnh tương tự các Nhãn.</p> <p>Khi Nhãn Forge Guard giả mạo bị sờ qua Thẻ xác thực, bạn sẽ không nhìn thấy lô-gô YY và chữ YONEX hiện thị một lần nữa nữa.</p>	
<p>2. VỊ TRÍ CỦA CÁC NHÃN XÁC THỰC</p> <p>HÀNG THẬT </p> <p>Nhãn Forge Guard hoặc Nhãn AntiTEX có thể tìm thấy cùng với các nhãn hướng dẫn chăm sóc quần áo ở phía ngoài bên trái của người mặc</p>		
<p>3. GIẤY THẺ THẢO, DÂY ĐAN VẶT, TÚI THỂ THAO, QUÀ CẦU LÔNG, CÁC PHỤ KIỆN YONEX</p> <p>HÀNG THẬT </p> <p>Tên của YONEX thật được hiện thị bên ô của ô bên phải (☐), nhưng không hiện thị bên ô của ô bên trái (●) của Thẻ xác thực</p>		
<p>4. VỊ TRÍ CỦA TÊN MÔ YONEX TRÊN GIẤY THẺ THẢO, DÂY ĐAN VẶT, TÚI THỂ THAO, QUÀ CẦU LÔNG, CÁC PHỤ KIỆN YONEX CHÍNH HIỆU</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>A. GIẤY THẺ THẢO</p> <p>HÀNG THẬT </p> <p>Tên của YONEX có thể tìm thấy trên nền da sần của ô bên trong</p> </div> <div style="text-align: center;"> <p>B. TÚI THỂ THAO</p> <p>HÀNG THẬT </p> <p>Tên của YONEX có thể tìm thấy trên nền da sần của nhãn và inlay bên trong túi</p> </div> <div style="text-align: center;"> <p>C. DÂY ĐAN VẶT VÀ QUÀ CẦU</p> <p>HÀNG THẬT </p> <p>Tên của YONEX có thể tìm thấy ở cạnh bên trái của bao bì đựng dây đan vợt hoặc phía trên nhãn hiệu YONEX</p> </div> <div style="text-align: center;"> <p>D. TẤT CHÂN</p> <p>HÀNG THẬT </p> <p>Tên của YONEX có thể tìm thấy ở cạnh bên trái của ống đựng quần tất hoặc phía trên nhãn hiệu YONEX</p> </div> </div>		
<p>5. TÊN MÔ CỦA SUNRISE</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>HÀNG THẬT </p> <p>Tên của Sunrise có thể tìm thấy trên nền da sần của ô bên trong</p> </div> <div style="text-align: center;"> <p>HÀNG THẬT </p> <p>Tên của Sunrise có thể tìm thấy trên nền da sần của ô bên trong</p> </div> <div style="text-align: center;"> <p>HÀNG THẬT </p> <p>Tên của Sunrise có thể tìm thấy trên nền da sần của ô bên trong</p> </div> <div style="text-align: center;"> <p>HÀNG THẬT </p> <p>Tên của Sunrise có thể tìm thấy trên nền da sần của ô bên trong</p> </div> </div>		
<p>6. TÊN MÔ CÔNG AN</p> <p>HÀNG THẬT </p> <p>Tên của Sunrise có thể tìm thấy trên nền da sần của ô bên trong</p>		

HÃY TÌM GIÁC HÀNG GIẢ
Nếu bạn có nghi ngờ về sản phẩm YONEX giả hoặc nếu bạn có thông tin liên quan đến việc bán và sản xuất hàng YONEX giả, hãy hãy gửi các thông tin. Chúng tôi sẽ điều tra và xử lý các hành vi vi phạm. Chúng tôi không thể nào đảm bảo rằng sản phẩm của bạn là hàng thật. Tuy nhiên, chúng tôi không thể nào đảm bảo rằng sản phẩm của bạn là hàng thật. Tuy nhiên, chúng tôi không thể nào đảm bảo rằng sản phẩm của bạn là hàng thật. Tuy nhiên, chúng tôi không thể nào đảm bảo rằng sản phẩm của bạn là hàng thật.

Bắt đầu việc mua hàng có nghi ngờ tại hàng YONEX giả hoặc sản xuất hàng YONEX giả, sẽ ngay các quy trình tố tụng pháp lý để chúng tôi xử lý các hành vi vi phạm.

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one hundred and ten percent

Passion For Excellence

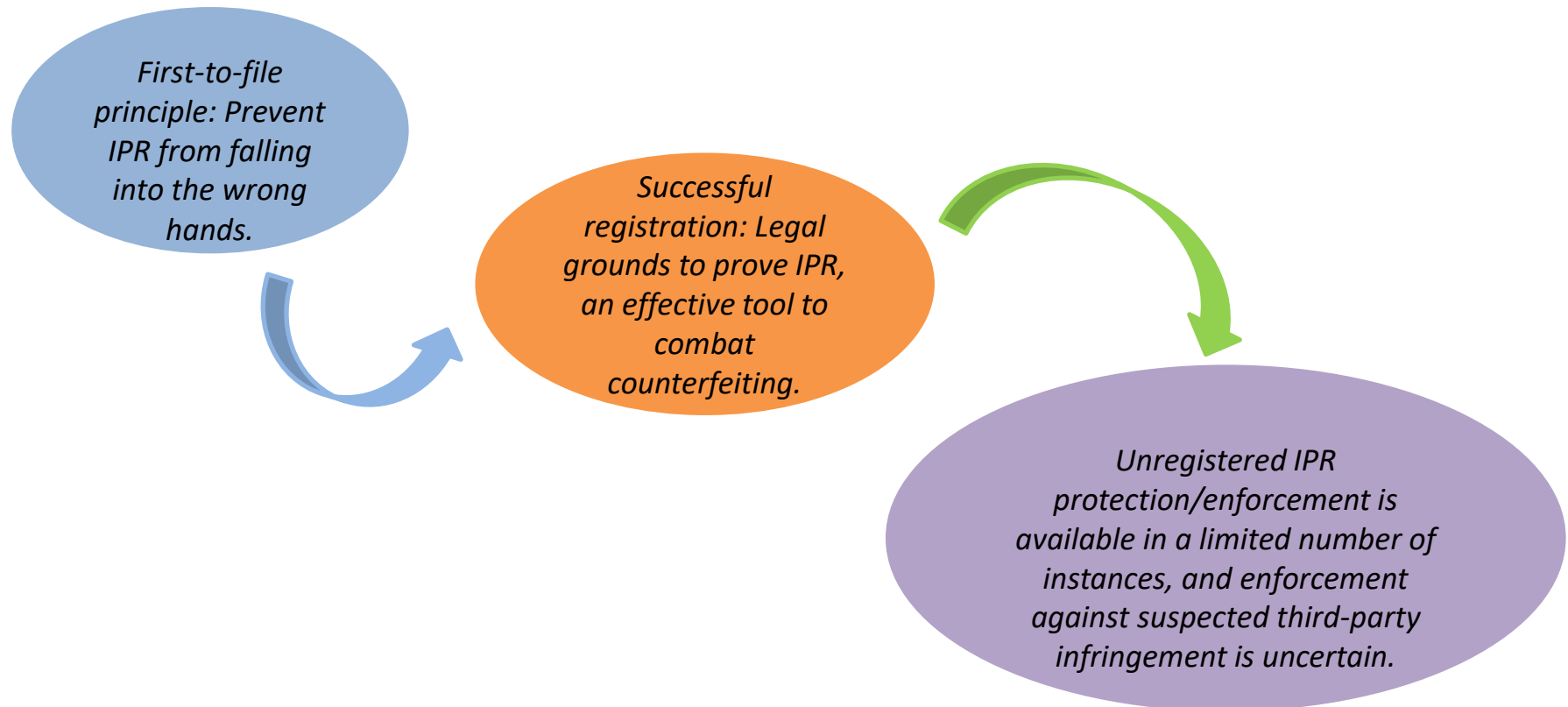
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1. Strategies to combat counterfeiting and IP infringement

1.2.1 Actions to be taken prior to the emergence of counterfeits

(i) Establishment of right: Expeditiously register for protection of brand elements such as trademarks, industrial designs, patents, utility solutions, and copyright in Vietnam and other countries where businesses operate.

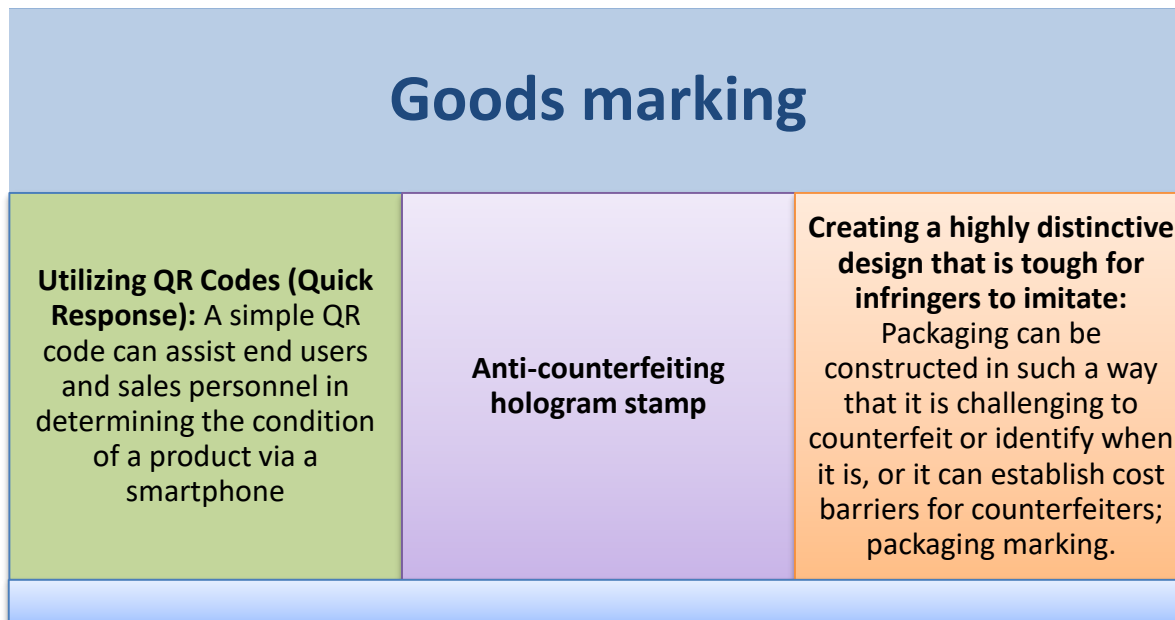
This is a fundamental measure as:



1. Strategies to combat counterfeiting and IPR infringement

1.2.1 Actions to be taken prior to the emergence of counterfeits

(ii) Self-protection with "**technology measures**": Using "technical measures" to prevent IPR infringement is one of the self-protection strategies that is becoming an increasingly essential instrument for preventing genuine goods from being counterfeited.



1. Strategies to combat counterfeiting and IPR infringement

1.2.1 Actions to be taken prior to the emergence of counterfeits

(iii) Measures of control: Effective distribution system control: Establish distribution criteria and monitor the flow of goods via the system.

(iv) Market surveillance: Amassing and evaluating information/data pertaining to infringements of rights and unfair competition.

(v) Developing “brand touch points”:

Brand touch points can be defined as the points of contact between consumers and brands and branded items. These can include *points of contact with goods, branded goods packaging, points of contact with the business's selling points, points of contact with the distribution system, points of contact with the enterprise's publications, advertising programs, public relations (PR), and points of contact with the enterprise's employees, offices, and websites.*

- Increase brand exposure and awareness;
- Protecting brands from infringements: Consumers have a wealth of information about products and businesses, are familiar with branded products, are able to differentiate them from similar products, and are attempting to increase their trust and ability to interact with businesses in detecting and denouncing infringements.

1. Strategies to combat counterfeiting and IP infringement

1.2.2 After the emergence of counterfeits

Case 1: Thanh Dong Company sues Ngoc Thanh production facility for infringing industrial property rights for the patent "Self-winding rainproof tarpaulin"

Because the evidence did not establish a relationship between the acquired products and the defendant, the appellate court reversed the first-instance court's judgment and demanded a retrial:

[During the settlement procedure, the first-instance courts made no attempt to collect evidence for 2003 and 2004 sales invoices for self-rolling tarpaulins... Furthermore, during the lawsuit's settlement, the first-instance courts did not conduct an IP assessment to ascertain the legal status, the ability to protect the object of IP rights, the scope of protected IP rights, and the evidence necessary to calculate the amount of damage... but instead relied on official letter No. 2776 dated November 17, 2006 from the Intellectual Property of Vietnam - Ministry of Science and Technology in response to Thanh Dong Company about the appraisal of "self-winding rainproof tarpaulin", this official letter was issued before the Court accepted the case. In the process of settlement the first-instance Courts, only procedures for making a record of evaluation and comparison of self-winding rainproof tarpaulins in the lawsuit are carried out, not for inspection procedures. At the full appellate session, the parties did not accept the photographs that the appraisal agency had based for issuing the assessment conclusion. Based on the lawyers' arguments, the appellate trial panel considered that the first-instance investigation and evidence collection was incomplete, and the appellate level could not collect evidence and conduct additional investigations. Therefore, it is necessary to cancel the first-instance judgment and transfer the case file to TAST to re-settle the case].

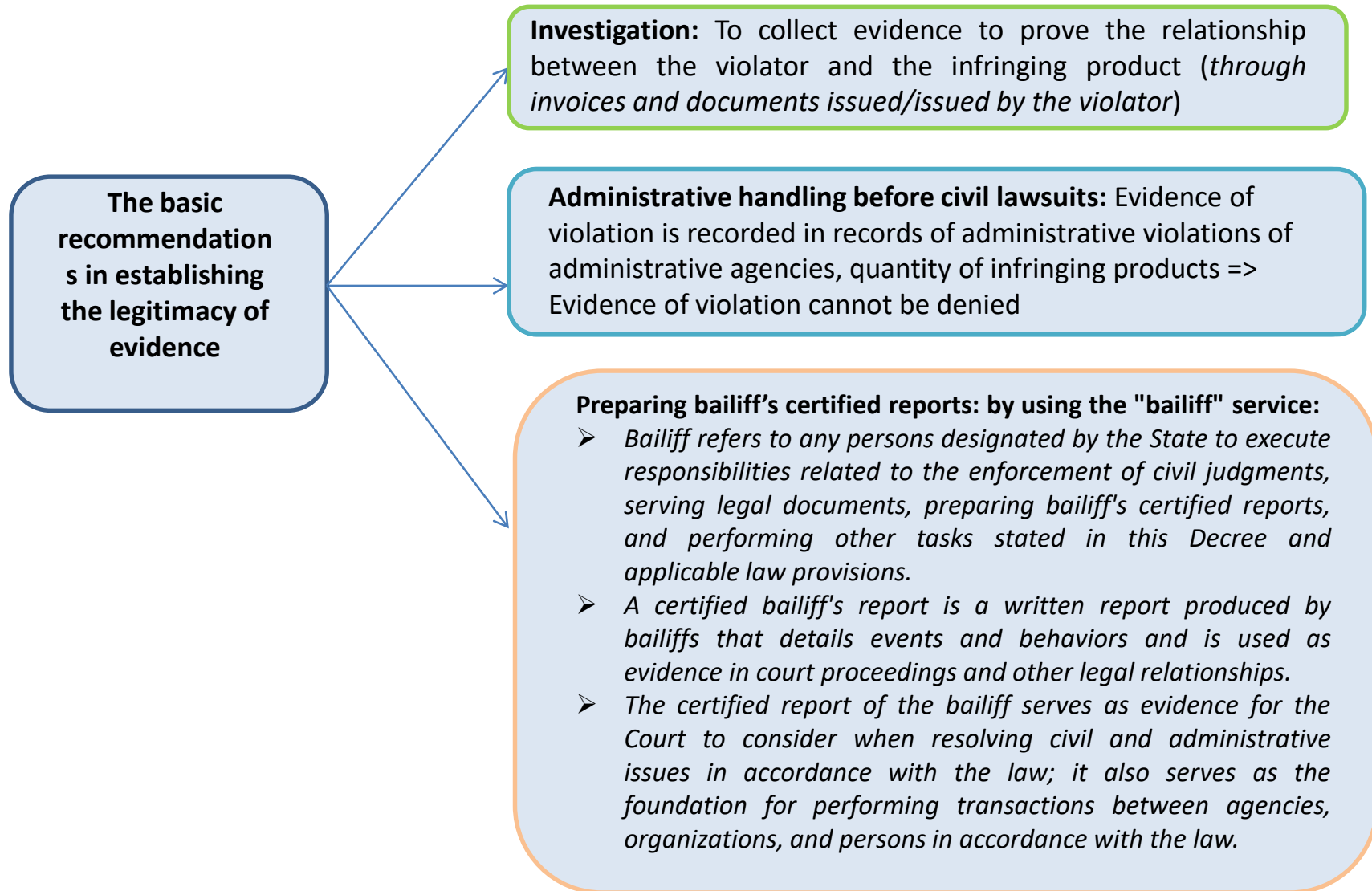
Evidence: "the parties did not accept the photographs that the appraisal agency had based for issuing the assessment conclusion" => the evidence is considered illegal.

Case 2:  vs. 

(see link: <https://kenfoxlaw.com/risks-of-improper-use-of-registered-trademarks-in-vietnam>)

1. Strategies to combat counterfeiting and IP infringement

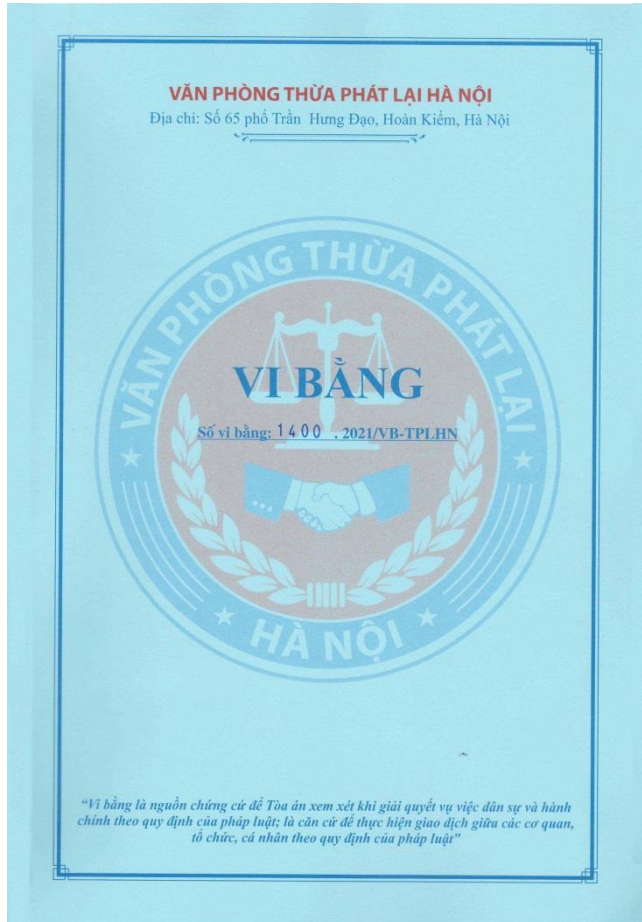
1.2.2. After the emergence of counterfeits



1. Strategies to combat counterfeiting and IPR infringement

1.2.2. After the emergence of counterfeits

Image of Preparing bailiff's



VĂN PHÒNG THƯA PHÁT LẠI HÀ NỘI CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM
Địa chỉ: số 65, Trần Hưng Đạo, phường Trần Hưng Đạo, quận Hoàn Kiếm, Hà Nội
Độc lập-Tự do-Hạnh phúc

HÌNH ẢNH KÈM THEO VI BẰNG
(Kèm theo Vi bằng số: 1400.2021/VB-TPLHN lập ngày 01/11/2021)



Hình ảnh: Ông Nguyễn Vũ Quân truy cập, sao chụp các hình ảnh từ một số website;

THƯA PHÁT LẠI



Hoàng Văn Hải

1. Strategies to combat counterfeiting and IP infringement

1.2.2 After the emergence of counterfeits

(i) Seeking counsel from a provider of intellectual property services with substantial experience in IPR enforcement: Failure as a result of naive thinking: small scale infringement, just warning is sufficient
=> Simply take legal action on one's own and undervalue the value of legal guidance.

Substance: The true culprits are those who are fully aware of the dangers/sanctions they will face/damages they will experience if seized => By default, they employ a number of techniques to protect the subject intellectual property rights in such a way that a violation is practically impossible to detect.

(ii) Investigate violations: Amassing evidence to establish the violation, determining/evaluating the magnitude of the infraction in order to identify an effective strategy/action plan. Is it necessary to conduct a preliminary investigation? In-depth examination?

(iii) Ceas and Desist Letter/Warning: On what grounds? => Analyze the object, the level...

(iv) Selection of market agencies to coordinate by administrative measures::

- Market management
- Police
- Science and technology inspector
- Customs

(v) Initiating a lawsuit to a Court:

In civil proceedings, evidence plays an important role to determine:

- (i) A violation of the right has occurred, and
- (ii) A basis for the plaintiff to prove actual damage to request the court to determine the amount of compensation for damage.

2. Figurative trademarks pending examination at IP VIETNAM and approaches to take actions

Typical cases

Case 1: Haicneal vs. Hainozal

Trademark

HAICNEAL

Actual packaging



Signal



2. Figurative trademarks pending examination at IP VIETNAM and approaches to take actions

Typical cases

Case 2: Prospan vs. Prostibame

Trademark



Signal



2. Figurative trademarks pending examination at IP VIETNAM and approaches to take actions

There are 2 recommendations in this situation

Recommendation 1: Select suitable registration forms for protection: A device mark may be protected in two ways: as a trademark or as a copyright for "Applied Arts Works".



Example:

Recommendation 2: Maintain records demonstrating the establishment of Intellectual Property rights through the use of "commercial indications" in business operations, even if they are not registered => The right to protect oneself against unfair competition.

2. Figurative trademarks pending examination at IP VIETNAM and approaches to take actions

COMMERCIAL INDICATIONS



Article 130.2 of Vietnam IP Law: Commercial indications means signs and information serving as guidelines to trading of goods or services including (i) trademark, (ii) trade name, (iii) business symbol, (iv) business slogan, (v) geographical indications, (vi) designs of packages, (vii) labels of goods.

Three requirements to be satisfied in proving UNFAIR COMPETITION:

- (i) **Timing:** Proving that the genuine owner used the "Commercial indications" prior to the alleged infringer using the corresponding commercial indications;
- (ii) **Scope of use:** Proving that the "commercial indications" have been widely and consistently utilized in lawful business activities in Vietnam, that consumers are aware of the reputation of business entities and commodities that bear the commercial indications, and that the service bearing the commercial indications.
- (iii) **Confusing similarity:** Demonstrating the likelihood of consumer confusion and the intent to confuse consumers regarding the business entity, business activities, commercial origin of goods or services, geographical origin of goods or services, mode of production, features, quality, quantity, or other characteristics of goods or services, or on the terms of supply of goods or services.

3. Principles and grounds for determining and claiming damages for infringements of intellectual property rights, as well as the p

Typical cases

Case 1 : Dong Phuong Trading and Manufacturing Company Limited sues A Vietnam Electronics Joint

Stock Company for trademark infringement “ ”

See link: <https://kenfoxlaw.com/facing-civil-remedies-due-to-improper-use-of-a-registered-trademark-in-vietnam>

Plaintiff: The plaintiff filed a lawsuit in court, requesting that Asanzo Vietnam Company cease the infringing act, issue a public apology and correction, compensate for damages in the amount of VND 500,000,000, and delete all goods bearing trademarks that violate industrial property rights throughout the territory of Vietnam.

Defendant: There is a counterclaim because the defendant believes the plaintiff's case is unjustified, which has a detrimental influence on the defendant's reputation, honor, and position in the market, eroding customer trust while also causing Asanzo Vietnam Company to waste time, effort, and money. The plaintiff sent different letters to the defendant's business agents in order to publicize the case and to seek that the defendant's agents share internal business data on the defendant. This action has caused confusion and anxiety among the defendant's agents and employees, impairing their ability to do their jobs effectively. As a result, the defendant demanded that the plaintiff apologize, publicly rectify, and compel Dong Phuong Company to pay VND 300,000,000 in damages.

First instance court:

- Asanzo Vietnam Company is accountable for compensating Dong Phuong Company for material damage in the sum of VND 100,000,000. (One hundred million).
- Do not accept A Vietnam Electronics Joint Stock Company's counter-claim regarding requesting an apology and correction in the press from Dong Phuong Trading and Manufacturing Co., Ltd.

3. Principles and grounds for determining and claiming damages for infringements of intellectual property rights, as well as the p

Typical cases

The appellate court: The defendant appealed the entirety of the court of first instance's verdict. The complainant sought an increase in compensation to VND 30 million.

- In considering the plaintiff's appeal for damages, the trial panel determined that Dong Phuong Company lacked evidence of material loss and that it was impossible to assess the defendant's profit from trademark usage. Asanzo Vietnam Electronics Joint Stock Company's profit is the consequence of a number of related elements. As a result, the first-instance Court recognized the plaintiff's request for compensation in the amount of VND 100,000,000 as justified and commensurate with the terms of Article 205 of the Intellectual Property Law.
- The defendant has been found guilty of trademark infringement by the appropriate authorities, as discussed in section [2.1]. As a result of the trademark violation, the defendant must pay VND 100,000,000 in damages, as the first-instance verdict determined. The defendant's side feels that the plaintiff's transmission of denunciations to numerous units and organizations has an adverse effect on the defendant's business, and hence compels the plaintiff to apologize and promote three consecutive newspaper issues. The trial panel determined that because the defendant was infringing on the plaintiff's trademark, it was not illegal for the plaintiff to send a document to the appropriate authorities and organizations to prevent the infringement. The defendant's counterclaim is without merit in this instance.

Case 2: See the cases where the plaintiff asked the court to determine the amount of statutory compensation at: <https://kenfoxlaw.com/claiming-damages-in-ipr-lawsuits-in-vietnam-key-takeaways>

3. Principles and grounds for determining and claiming damages for infringements of intellectual property rights, as well as the p

3.1. Principles for the Court to determine damage caused by IP rights infringement?

Damage caused by trademark infringement includes **material damage** and **mental damage** :

- Material damage includes: (a) Property damage; (b) The decrease in income and profit; (c) Loss of business opportunity and (d) Reasonable cost to prevent or remedy the damage.
- Mental damage includes: Damage of honour, dignity, prestige, reputation and other mental losses caused to authors of literary, artistic, scientific works, people performances; Authors of patent, industrial designs, layout designs, plant varieties.

The degree of damage/compensation is decided by the Court based on [*the actual physical and mental damage caused by direct infringement to the intellectual property right holder*].

How is property loss calculated?

If a claim is made for property damage due to an infringing trademark, it is required to state the value of the mark at the time of the infringement and the basis for determining the value of the mark.

How to calculate the decrease in income and profit?

Formula: Diminished profit = actual profit before the violation occurs - actual profit after the violation occurs => that difference is the reduced actual income and profit of the plaintiff.

3. Principles and grounds for determining and claiming damages for infringements of intellectual property rights, as well as the p

3.1. Principles for the Court to determine damage caused by IP rights infringement?

❶ The court must clearly determine the objective factors affecting the increase or decrease in income and profit of the plaintiff that are not related to the infringement of IP rights to ensure the determination of the decrease in the plaintiff's actual income and profit.

❷ When determining the damage at the time of the violation compared to the previous time, the income and profit of the plaintiff did not decrease, but compared to the actual income and profit they should have had. If there is no infringement, it is still reduced, and then this case is also considered as reduced income and profit.

❸ Reasonable costs to prevent and remedy damage: *including costs for custody, preservation, storage and storage of infringing goods, costs of implementing temporary emergency measures, expenses reasonable to hire services of assessment, prevention and remedy of violations and expenses for notification and rectification on the mass media related to violations.*

❹ Payment of reasonable costs to hire a lawyer: Article 205.3 of the IP Law stipulates: an industrial property right holder shall also have the right to request the court to compel the organization or individual who have committed the act of infringement of industrial property rights to pay reasonable costs of engaging a lawyer].

Reasonable expenses for hiring a lawyer are actual and necessary expenses, suitable to the nature and complexity of the case; the skills and qualifications of the attorney and the amount of time required to study the case. The cost level includes the attorney's fee and the travel and accommodation expenses for the lawyer. The level of remuneration shall be agreed upon by a lawyer with a client in a legal service contract based on the bases and methods of remuneration specified in the Law on Lawyers.

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3.1. Principles for the Court to determine damage caused by IP rights infringement?

What is the basis for determining the “actual damage”?

It is considered to have actual damage if the plaintiff has all the following grounds:

- The material or spiritual benefit is real and belongs to the aggrieved person.
- The injured person has the ability to gain material or spiritual benefits.
- There is a decrease or loss of benefits of the aggrieved person after the infringement occurs compared to the ability to obtain such benefits when there was no infringement and the infringement is the direct cause of the infringement such reduction, loss of benefits.

3.2. What is the basis for the Court to decide the level of compensation for damage?

Legal basis: Article 205 of the Law on Intellectual Property and Joint Circular No. 02/2008/TTLT-TANDTC-VKSNDTC-BVHTT&DL-BKH&CN-BTP dated 03/04/2008. According to Article 205 of the IP Law, the court has two methods to determine the amount of compensation: (i) according to actual damages and/or (ii) statutory.

For material damage

Compensation for actual damage (*if the plaintiff can prove it, there is clear evidence of the material value being infringed*).

Plaintiffs can predicate on one of three grounds to request the Court to determine the amount of compensation:

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3.2. What is the basis for the Court to decide the level of compensation for damage?

- (i) Total material damage in monetary terms plus profits earned by the respondent from committing the act of infringing IP rights, if the plaintiff's reduced profit has not been included in the total material damage.*
- (i) The price for licensing the right to use the IP object assuming that the defendant is transferred the right to use that object by the plaintiff under the IP object use contract to the extent that it corresponds to the infringing act committed.*
- (ii) Material damage by other calculation methods proposed by the IPR holder in accordance with the provisions of law.*

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3.2. What is the basis for the Court to decide the level of compensation for damage?

(i) Total material damage in monetary terms + profit that the defendant has earned from performing the act of infringing IP rights, if the plaintiff's reduced profit has not been included in the total material damage

- Total revenue of the defendant = All invoices and vouchers for selling products or using works that infringe IP rights.
- The court determines the defendant's profit after deducting all expenses from the defendant's total revenue.
- Only the profit earned by the defendant from the commission of an IPR violation may be added to the plaintiff's total monetary damage, provided that the plaintiff's reduced profit has not been included in the calculation total material damage.

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3.2. What is the basis for the Court to decide the level of compensation for damage?

(ii) The price of licensing the right to use an IP object assuming that the defendant is transferred the right to use that object by the plaintiff under the IP object use contract to the extent that it corresponds to the infringing act committed. The right transfer price is determined in one of the following ways :

- ❖ It is the payable amount in case the right holder and the infringer have freely agreed and signed a contract on licensing of that intellectual property object (reasonable copyright fee and licensing fee). The infringement is the very act of using the intellectual property object).
- ❖ It is the presumed licensing price of the intellectual property object, which is determined by the method of determining the sum of money which the right holder (the plaintiff) and the licensee (the defendant) may have agreed upon by the time the infringement is committed, if the parties voluntarily agree with each other on that sum of money;
- ❖ It is based on licensing prices of intellectual property objects applied in the relevant domain and referred to in previous practices of licensing intellectual property objects (*for example, cases of licensing of intellectual property objects in the relevant domain in which payments or security amounts have been made before the infringement is committed, with licensing fee levels widely considered reasonable or uniformly applied in Vietnam*).

(iii) Material damage by other calculation methods provided by the intellectual property right holder in accordance with the provisions of law.

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3.2. What is the basis for the Court to decide the level of compensation for damage?

Statutory damages (*if plaintiff cannot determine actual damage*)

The court may award statutory damages only if the amount of compensation for material harm cannot be determined on the above-mentioned criteria. The Court determines the amount of compensation for material damage (statutory compensation); based on the magnitude of the damage, the minimum compensation is VND 500 and the maximum is VND 500 million.

*To guarantee that a reasonable level of compensation is determined in cases involving **copyright and related rights**, and to defend the plaintiff's legitimate rights and interests, the Court must predicate upon the nature, extent and degree of the infringement, specifically as follows :*

- ✓ Circumstance and motive of the infringement (intentional, unintentional or compelled infringement, infringement committed by a person due to his/her material or spiritual dependence on another person, first-time infringement, recidivism, etc.);
- ✓ Way of committing the infringement (organized or unorganized infringement, infringement committed by a person on his/her own or after being bribed, deceived or forced by another person);
- ✓ Geographical area, period of time, volume and scale of the infringement (it is committed in a district of a province or many districts of different provinces, during a long or short period of time, involves a large or small quantity of things, on a commercial scale, etc.);
- ✓ Impacts and consequences of the infringement (local or international impacts on the honor, dignity, prestige or reputation of the right holder; material consequences caused to the right holder)

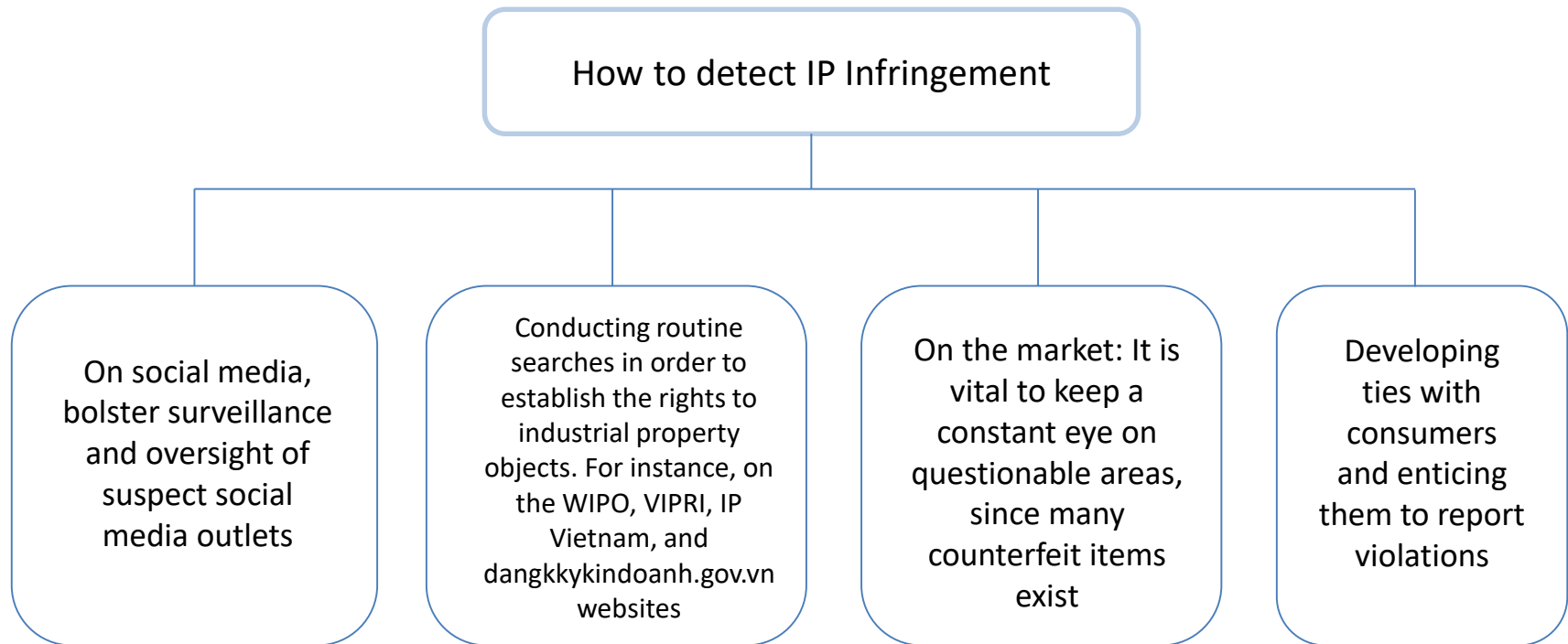
3. Principles and grounds for determining and claiming damages for infringements of intellectual property rights, as well as the p

3.2. What is the basis for the Court to decide the level of compensation for damage?

For mental damage

In cases where the plaintiff can prove that the act of infringing upon intellectual property rights has caused mental damage to him/her, he/she may request the court to decide the compensation level between VND 5,000,000 and VND 50,000,000, depending on the extent of the damage.

4. How to detect IP Infringement



Thank you!

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