

## Vietnam's 2022 amended IP Law: What do new trademark provisions mean for your brand protection strategy?

Intellectual property is regarded as a company's most important and valuable asset. In particular, it cannot be denied that a trademark is the industrial property object with the highest commercial exploitation value. Numerous amendments and additions have been made to Vietnam's 2022 Intellectual Property Law in order to improve the effectiveness of the intellectual property protection mechanism and fulfill Vietnam's legal obligations under International intellectual property agreements to which Vietnam is a signatory, including CPTPP, EVFTA, and RCEP... These amendments and supplements are akin to a complete overhaul of Vietnam's intellectual property law, helping to address legal loopholes that have persisted for many years since the 2005 IP law was promulgated and amended in 2009 and 2019. The following article gives an analysis and evaluation of the revised trademark regulations in the 2022 IP Law, assisting you in comprehending the applicable legislation to determine the appropriate actions, and the impact on your brand protection strategy in Vietnam.

### 1. Bad faith (Malicious) – a legal basis for trademark opposition or invalidation in Vietnam

To amend and supplement Article 96 as follows:

"Article 96. Cancellation of effectiveness of protection title

1. A protection title is completely invalidated in the following cases:

a) The applicant applied for the mark application in **bad faith** (with malicious intent);

To amend and supplement a number of clauses of Article 117 as follows:

a) To amend and supplement Clause 1 and add Clause 1a after Clause 1 as follows:

"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:

a) There are grounds to assert that the subject matter covered in the application does not fully satisfy the protection criteria;

b) There are grounds to assert that the applicant does not have the right to register the industrial property objects or register trademarks in bad faith (with malicious intent);

"Bad faith" is a legal term that was added to Articles 96 and 117 of Vietnam's amended IP Law in 2022 in order to address the following issues: **(i)** to close legal loopholes that had been identified from the "first-to-file" principle – a mechanism that grants protection titles to the those earliest filed trademark applications, including those made in bad faith and **(ii)** effectively curbing trademark squatting – a growing trend in emerging economies like Vietnam. With the provision of "bad faith," a legitimate trademark owner has an additional important legal basis to challenge the validity of a trademark filed or registered by a third party in bad faith (with malicious intent) in order to regain its trademark rights under trademark opposition or invalidation proceedings.

The elements, criteria, and requirements that must be met to determine whether a trademark has been filed/registered with "bad faith" (malicious intent) will be detailed in legal documents such as decrees and/or guiding circulars of Vietnam. In fact, "bad faith" is a key legal basis in the laws of many jurisdictions throughout the world to prevent the abuse of the "first-to-file" principle for trademark squatting or trademark appropriation, intellectual property theft, particularly with respect to well-known and recognized trademarks.

An applicant is presumed to have filed a trademark application in bad faith/on a dishonest basis under the IP laws of numerous jurisdictions throughout the world under the following circumstances:

- ✓ Copying, imitating or translating another party's well-known trademark;
- ✓ Registration in bad faith of a trademark that has been utilized by another party and exerts certain influence;
- ✓ Registration of a trademark which violates the previous rights of another party;
- ✓ The organization or individual acting on behalf of the trademark proprietor files a trademark application in his or her own name with no authorization;
- ✓ Any natural person, entity or other organization wishing to gain the exclusive right to use the mark for its goods or services in the process of production and business activities needs to file a trademark application with the trademark office. An application for a trademark registration in bad faith filed with the intention of not being used is not allowed for protection.

Previously, Vietnam's IP legislation did not identify "bad faith" as a legal basis to refusing a trademark application or invalidating a registered trademark. Consequently, there is no ground for handling trademark applications in bad faith (e.g., abuse of reputation, unfair competition, etc.). Due to the lack of specific

regulations on "bad faith", Vietnam's trademark opposition and/or invalidation rulings have become dubious. In most circumstances, "bad faith" evidence is only accepted when there is clear proof that the applicant was aware of the legitimate owner's trademark through a business relationship (*such as sales/purchase contracts, agency contracts, etc.*). The proliferation of trademark squatting for illicit profit has been fueled by the absence of legislation against bad faith of the applicant. A person resident in Ho Chi Minh City, for instance, filed roughly 200 trademark applications, the majority of which were for well-known trademarks of foreign trademark owners, and many of the applied-for trademarks were granted protection. Obviously, the "first-to-file" principle has been abused negatively by third parties to register for trademark appropriation of the legitimate trademark owners, particularly for well-known brands. As a result, numerous trademark owners either lost their trademarks, were forced to purchase back their own brands, or were compelled to abandon the Vietnamese market.

## 2. Suspension of trademark examination in Vietnam

*To amend and supplement Clause 3 of Article 117 as follows:*

*"3. When an industrial property registration application falls into the cases specified in Clauses 1, 1a and 2 of this Article, the state management agency in charge of industrial property rights shall carry out the following procedures:*

*b) Suspend the application examination process in case the applicant submits a request for suspension of application examination and requests for trademark invalidation according to the exclusions specified at Point e and Point h, Clause 2, Article 74 of this Law. Based on the results of settlement of the request for trademark invalidation, the state management agency in charge of industrial property rights shall continue the application examination process;*

*c) Suspend the application examination process in case of receiving a copy of the notice of acceptance of the lawsuit by the competent court informing that a third party initiated a lawsuit related to the right to register an industrial property object or a trademark filed in **bad faith**. Based on the court's settlement results, the state management agency in charge of industrial property rights shall continue the application examination process.*

Suspension of trademark examination is a new regulation added for the first time in Article 117.3 of the 2022 IP Law. Accordingly, a trademark examination will be suspended if it falls into one of the three following cases:

- ✓ First, the applicant requests suspension of the application examination and invalidation of the cited marks because the applied-for mark is deemed to be similar to the cited marks under Article 74.2e.
- ✓ Second, the applicant submits a request to suspend the application examination and requests invalidation of the cited mark(s) because the applied-for mark is deemed to be similar to the cited mark(s) that have expired for less than three years in pursuant to Article 74.2h.
- ✓ Third, the applicant filed a lawsuit over the right to register an industrial property object or a trademark registered in bad faith.

Clause 3 of Article 117 of Vietnam's 2022 IP Law appears to be a closed regulation, as the suspension of trademark application examination added in Article 117.3 of the 2022 IP Law is limited to only three cases, whereas in practice there may be numerous cases in which the examination of a trademark application should be suspended. Assume the following case: A legitimate trademark owner files a trademark application and later discovers that a third party has filed a trademark application identical to his mark, but with an earlier filing date, and then files an opposition against such a trademark with IP VIETNAM (*but does not file a lawsuit in court*). If the request filed by the legitimate owner for suspension of the trademark examination is denied, his trademark application will be rejected when the deadline for substantive examination arrives. In this context, if the procedure for cancellation/termination is not completed by IP VIETNAM before the time of settlement of the applicant's appeal, the legitimate owner's trademark application may be denied protection and the appeal deadline has passed. To continue the case, the applicant must re-submit the trademark application, which adds to the trademark owner's financial burden, and any third party may file a similar trademark application during the opposition examination or appeal process. As a result, the rightful trademark owner's re-filed application has a later filing date and is nonetheless rejected under the "first-to-file" principle.

Previously, due to the absence of specific regulations on the suspension of trademark applications, many right holders were placed in tricky situations. As soon as a trademark owner discovers that a third party has filed a request for trademark cancellation (*on the basis of non-use*), he files an application for a similar mark with minor modification/amendment in the list of goods/services or trademark reproduction ("**application for trademark re-registration**"). Typically, a trademark cancellation request can take between two and three years to complete. Thus, while the non-use cancellation request has not been completed, the deadline for

substantive examination of the application for trademark re-registration has expired. IP VIETNAM did not accept third-party requests for suspension of trademark examination due to the lack of a corresponding provision in the IP law. Therefore, IP VIETNAM issued a notice of grant of protection to the re-filed mark while knowing that the owner's initial trademark was being challenged for invalidity and that another trademark application by a third party with an earlier filing date was being evaluated. This settlement has rendered the trademark dispute endless if the trademark owner continually refiles the trademark application.

### 3. Third-party observations and oppositions against the grant of a protection title in Vietnam

To amend and supplement Article 112 as follows:

*“Article 112. Third party observation on the grant of a protection title*

*From the date the industrial property registration application is published in the Industrial Property Official Gazette until the date of the decision to grant a protection title, any third party has the right to give opinions to the competent management agency on industrial property rights about granting or not granting a protection title for that application. Opinions must be made in writing, accompanied by supportive documents or cited information sources.*

*The third party’s observation is considered as a source of reference information during the examination of industrial property registration applications.”*

*Article 112a. Opposition against industrial property registration applications*

*1. Before the issuance date of a decision on grant of a protection title, within the following time limit, any third party has the right to object to the grant of a protection title:*

*c) Five months from the publication date of the trademark application;*

*2. Objections specified in Clause 1 of this Article must be made in writing, enclosed with evidence or cited information sources and subject to payment of prescribed fees and charges.*

The amended IP Law of 2022 establishes two mechanisms for third parties to provide opinions on pending trademark applications in Vietnam: **(i)** third-party observations on the grant of a trademark registration and/or **(ii)** opposition to the grant of a trademark registration.

- **Third party observation** is a procedure that allows the public to submit opinions on industrial property registration applications, which the examining agency uses to make decisions regarding the applications under examination. Third-party observation serves as a reference source for examiners during the application examination process.
- **Opposition** is an administrative procedure that enables a third party to challenge the validity of an industrial property registration application and subsequently seek the competent body to deny the grant of a protection title, provided the opponent offers legal grounds to substantiate his case.

The primary distinction between the two above-mentioned mechanisms is the time limit for third-party action. If you want to file an opposition to the registration of a trademark, you must file it within 5 months after the trademark application's publication in the Industrial Property Gazette. However, if you miss the 5-month deadline or discover that an adverse party's trademark is in conflict with your earlier registered trademark, you may still submit your opinion to IP VIETNAM for its consideration through the "Third party observation" procedure as long as the adverse party's mark is pending.

Below is our comparison table of the similarities and differences between the two procedures “third party observation” and “third party opposition”.

Comparison	Criteria	Third party observation (Article 112)	Third party opposition (Article 112a)
Similarity	<ul style="list-style-type: none"> <li>✓ Before the date of issuance of the decision on grant of a protection title, any third party can voice an opinion against or opposition to the grant of a protection title.</li> <li>✓ No relevant interest is required for the filing of a third-party observation or opposition (any <i>bona fide</i> third party, not only the party with related rights and interests, enjoys the right to raise his opinion on the registration of an application by using one of two above-mentioned procedures).</li> <li>✓ Observation/Oppositions must be submitted in writing with legal grounds, analysis, and arguments. Two procedures contain clear legal ground for the public to give their opinion on the grant of an exclusive right to an industrial property subject matter that the public must respect if they believe that the subject matter for registration is likely to conflict, or affect negatively or do not meet the criteria of protection.</li> </ul>		
	Fee	Free of charge	Subject to prescribed fees
	Term	A third party observation may	Opposition must be filed within 5

Difference		be filed during the trademark examination period, provided that it is submitted before IP VIETNAM issues a decision to grant a protection title.	months from the publication date of the trademark application.
	Procedure	IP VIETNAM only receives a third-party observation, but may not respond or initiate its own procedures to deal with such a third-party observation.	IP VIETNAM receives oppositions, issues opposition numbers, and initiates a specific procedure for addressing a third party's opposition as an independent procedure ( <i>similar to the procedure for trademark invalidation, cancellation or appeal</i> ).
	Feature	Being only a reference source of information in prosecution of industrial property registration applications ( <i>being only opinions serving as reference information</i> )	Being a separate and independent procedure, like other procedures such as trademark termination, invalidation or appeal.

Previously, under the IP Law of 2005, Vietnam did not establish a regulation on opposition to grant of protection titles as a separate procedure comparable to a trademark appeal or cancellation/invalidation, but rather a "third party observation" mechanism. In fact, when IP VIETNAM received a "third party observation," it treated it as an opposition. Therefore, case-by-case evaluation of "third party observation" is inconsistent. In addition, the regulations regarding the time limit for receiving and examining a "third party observation," which is similar in form to a trademark opposition, as stipulated in Article 112 of the 2005 IP Law, are imprecise and unreasonably protracted. Failure to distinguish between a trademark opposition and a third-party observation impedes the implementation of the two aforementioned procedures; the time limit for receiving the third-party opinion is too long, resulting in a lengthy process of handling the application, and the third party may abuse this procedure to obstruct the grant of a protection title.

#### 4. Well-known trademarks

*To amend and supplement Clause 20 of Article 4 as follows:*

*"20. A well-known mark is a mark widely known by the relevant sectors of the public in the territory of Vietnam.";*

*To amend and supplement the opening paragraph of Article 75 as follows:*

*"The consideration and assessment of a mark as well-known mark is based on some or all of the following criteria:"*

*To amend and supplement Point i, Clause 2, Article 74 as follows:*

*"i) The sign is identical or confusingly similar to another person's well-known mark before the date of filing the trademark application for goods or services identical or similar to goods or services bearing the well-known mark or for dissimilar goods or services, if the use of such mark may affect the distinctiveness of the well-known mark or the registration of the mark is intended to take advantage of the reputation of the well-known mark."*

The revised IP Law of 2022 has altered Article 4 and Article 75 of the IP Law to restrict the reach of consumers and the application of the criteria for recognizing well-known trademarks. Accordingly, the regulations on well-known trademarks are amended as follows: "A well-known mark is a mark widely known by the relevant sectors of the public in the territory of Vietnam".

Article 74.2(i) of Vietnam's 2022 IP Law is amended to add provisions on the time when the mark which is considered well-known shall serve as a cited mark, that is, the time when the earlier/cited mark becomes well-known must be **before** the filing date of the applied-for trademark. In trademark opposition or cancellation based on the right to a well-known mark, this means that, **(i) evidence for the well-known mark must be obtained (established) prior to the filing date of the applied-for application**, and **(ii) the documents/evidence obtained after the filing date of the applied-for application are not valid and thus not accepted**.

In addition, Article 75 has also been amended so that IP VIETNAM, depending on goods and services bearing the mark as well as relevant consumers, may consider and assess a mark as well-known on a basis of **some** or **all** of the criteria specified in Article 75. As such, not all of the criteria listed in Article 75 need to be fully and simultaneously evaluated in order to identify and recognize a mark as well-known; at the same

time, it is likely to add criteria other than those listed in this Article. Consequently, with this amendment, it may be easier for you to demonstrate the well-known status of a mark in Vietnam in order to benefit from the special protection mechanism for well-known marks.

The provisions on well-known trademarks as amended in the 2022 IP Law create a clear, specific and easy-to-apply legal basis, which is more favorable to protect the legitimate rights and interests of well-known trademark owners in the event that a third party is found to have filed an application for a trademark identical/confusingly similar to a well-known mark, or used a sign similar/identical to a well-known mark in commercial activities in Vietnam.

Previously, a mark was only recognized as well-known if it met two conditions, **(i)** the mark had to be widely known to “consumers”, and **(ii)** the mark’s reputation had to be widespread throughout Vietnam’s territory. The term “Consumers” is construed to refer to the **general public**, not the “*relevant public sector*” as provided in the 2022 IP Law. Accordingly, for a trademark to be recognized as well-known, it had to be widely known by the Vietnamese general public throughout the country’s territory. To demonstrate a mark’s reputation, the trademark owner was required to submit supporting documentation based on the eight criteria outlined in Article 75. This condition makes it impossible for the majority of trademark owners to demonstrate that their mark fits the Vietnam criteria for a well-known trademark. This regulation is considered to set a high but unreasonable requirement (*compared to the TRIPs Agreement*), causing a situation in which a mark cannot be recognized as well-known in Vietnam due to an inability to demonstrate its popularity throughout the territory of Vietnam among the general public (the mass public), despite the fact that it has been recognized as well-known in many other countries and is widely used in commerce in Vietnam. For a long time, this regulation has been criticized as a legal barrier, preventing the enjoyment of the rights to which the well-known trademark owner should have been entitled under the special protection mechanism for well-known trademarks.

## 5. Sound trademarks

*To amend and supplement Clause 1 of Article 72 (General conditions for protected marks) as follows:  
 “A visible sign in the form of letters, words, drawings, images, holograms, or a combination thereof, represented by one or more colors or a sound sign represented in graphic form.”  
 To add Clause 7 to Article 73 as follows:  
 “7. A sign containing a copy of a work, except with the permission of the owner of that work.”.  
 To amend and supplement Clause 2 of Article 105 as follows:  
 “2. If the mark is a sound mark, then the trademark sample is the audio file and the graphical representation of that sound.”*

A sound mark is a type of non-traditional trademark that is first protected as a trademark under the revised IP Law of 2022. Protection of sound marks is a mandatory requirement under Article 18.18 of the CPTPP to which Vietnam is a member. Article 18.18 CPTPP: [No Party shall require, as a condition of registration, that a sign be visually perceptible, nor shall a Party refuse to register a trademark solely on the ground that the sign of which it is composed is a sound].

To file an application for a sound trademark in Vietnam, according to Article 105.2 of the 2022 IP Law, the applicant must submit:

- ✓ a magnetic recording of the sound trademark on a medium that allows for easily replaying. Currently, the most common media are CDs, DVDs and MP3 recordings; and
- ✓ a graphical representation of that sound mark (i.e a sound mark in Vietnam must be represented in a graphic form) for examination on distinctiveness and availability of the sound for registration.

In order to have a strict protection mechanism for sound trademarks and to avoid overlapping rights of sound trademarks with copyright for works related to sound, clause 7 of article 73 (*Signs are not eligible for protection under trademark*) was added to the 2022 IP Law to provide one more case as a legal basis for refusal of a sound trademark, that is, “a sign containing a copy of a work, unless otherwise permitted by the owner of that work”. This is an open-established provision and can be applied in many trademark cases other than those involving sound marks.

Kindly note that a lengthy piece of musical notation, such as the complete score of an orchestral or piano piece, is unlikely to meet registrability requirements.

## 6. Handling of cases where a prior trademark has expired but is still cited to refuse registration of a later-filed trademark

*To amend and supplement Point h of Article 74.2 as follows:*

*Article 74. Distinctiveness of marks: 2. A mark shall be deemed to be indistinctive if it is a sign falling into one of the following categories: "h) A sign identical with or confusingly similar to another person/organization's mark which has been registered for identical or similar goods or services, the registration certificate of which has been invalidated for no more than 03 years, except where the ground for such invalidation under the provisions of this Law was non-use of the mark in 05 consecutive years without reasonable reasons.*

This is a very progressive amendment that has been long awaited by trademark registrants in Vietnam. Previously, according to Vietnam's 2005 IP Law, a trademark that has expired for less than 05 years can still be cited as a citation to refuse protection for a similar/identical trademark with a later filing date. The purpose of this provision is to avoid the risk of causing confusion to consumers. Legislators presumed that relevant consumers and the public needed a minimum period of 05 years to forget the existence/appearance of that mark or to erase it from their thoughts. Article 74.2h under the 2005 IP Law is a closed provision. Therefore, the later applicant must wait 05 years after the expiry date of the earlier mark in order for his mark to supplant the expired cited mark. IP VIETNAM had no express legal basis to give a protective title to a later-filed trademark, notwithstanding the applicant's submission of a market investigation report demonstrating that the cited expired mark had not been used in Vietnam for 05 consecutive years.

However, with the amendment and supplement of Article 74.2h of the IP Law of 2022, the opportunity to register a trademark that is identical or similar to a trademark that has expired becomes clearer, more certain, and easier to apply than it was previously. Two points can be derived from the new regulation.:

- (i) The waiting period for a trademark that has expired has been reduced from five to three years. The shortening of this time is reasonable for the following reasons: **(a)** as the number of marks increases due to the rapid development of the market economy and various types of advertising, the time for a mark that has been withdrawn from the market to remain in the public's mind becomes shorter; **(b)** as the number of trademarks increases, the availability of trademark resources decreases, so it is necessary to create a mechanism to withdraw trademarks that are no longer in use due to non-renewal of validity, renunciation of protection, etc.) and gives the opportunity for later filed identical/similar trademarks to be mature into registration.
- (ii) There is a clear and solid foundation for canceling the cited mark that has expired within the last 3 years. Specifically, if a trademark registration which has been invalidated for no more than 3 years is cited as a citation to refuse a later-filed trademark, you need only have a market investigation result confirming that the expired trademark has not been used for 5 years, then file a request for cancellation of that mark based on the five-year non-use ground so that the cited mark is overcome and supplement the result of cited trademark cancellation to request IP VIETNAM to grant a protection title for your trademark.

## **7. Marks that are identical or confusingly similar to the names of plant varieties already protected in Vietnam shall not be eligible for protection under trademarks**

*To add point o to Article 74.2 as follows:*

*Article 74. Distinctiveness of marks: 2. A mark shall be deemed to be indistinctive if it is a sign falling into one of the following categories: "o) A sign is identical with or confusingly similar to the name of a plant variety that has been protected in Vietnam if such sign is applied for the goods being a plant variety of the same or similar species or a product harvested from the plant variety.*

Point o) has been introduced to Article 74.2 of the IP Law of 2022 to examine the distinctiveness of trademarks in relation to plant variety names. Therefore, if the applied-for trademark is identical or confusingly similar to the name of a plant variety already registered for protection in Vietnam, and if the trademark is applied for goods consisting of a plant variety of the same species or a similar species, or products harvested from the plant variety, the applied-for trademark will be deemed indistinctive and ineligible for protection. This regulation is intended to prevent the plant variety patent holder or any third party from using an identical/confusingly similar plant variety name to register as an exclusive mark.

## **8. Handling the issue of overlapping intellectual property rights, the conflict between trademarks and copyrights**

*Add point p to Article 74.2 as follows:*

*Article 74. Distinctiveness of marks: 2. A mark shall be deemed to be indistinctive if it is a sign falling into one of the following categories: "p) A sign contains a copy of the work, a sign is identical with or confusingly*

*similar to names and images of characters and images in works covered by other person's copyrights that were widely known before the filing date, except with the permission of the owner of that work;*

Conflicts between trademarks and copyrights are widespread in many jurisdictions throughout the world and are becoming an issue in Vietnam. There has been an increase in instances of intellectual property theft (copying of copyrighted works) for trademark registration. It is no longer a rare occurrence for trademark squatters to register the logo or work of art of a particular individual as their own trademark. Many IPR holders have been forced to sit at the negotiating table with trademark squatters to negotiate and accept to buy back their trademarks at exorbitant fees. In the light of applicable law, according to Article 17 of Decree 103/2006/ND-CP on "Respecting the right to be earlier registered" stipulates that [**Industrial property rights can be invalidated or banned from use if they conflict with the earlier registered intellectual property rights of other organizations and individuals**]. Thus, if there are sufficient documents and evidence to prove that the rights to the copyright-protected work were established before the filing date of the trademark application, you can request IP VIETNAM to invalidate the registered trademarks. However, in practice, this provision is only contained in a by-law without detailed guidance, and in the vast majority of cases, opposition or invalidation of a trademark based on this ground is not permitted because all grounds for refusal or cancellation of trademarks must be legally specified in the IP Law.

Article 74.2p of the amended IP Law of 2022 can be viewed as a solution to the problem of overlapping intellectual property rights, specifically the conflict between trademarks and copyrights. This is probably the provision most awaited by IP rights holders. Thus, according to the 2022 IP Law, if an applied-for trademark "contains a copy of a work" which has been protected as a copyright, the trademark will be deemed indistinctive, thus ineligible for protection, and protection will be denied.

With this new provision, it can be interpreted that, if a work meets the standard of protection in the form of copyright and the right of that protected work arises or is established prior to the filing date of the trademark application, it can be used as a ground for refusing the trademark application. This provision is an important legal basis to effectively prevent theft of intellectual property, registration of trademark in bad faith, and at the same time, to create more favorable conditions for intellectual property owners to regain their intellectual property rights by using procedures of opposition, third party's observation and/or cancellation against the trademark application/certificate.

## 9. Validity of the international registration of marks under the Madrid Protocol and Agreement

*To add Clause 8 to Article 93 as follows:*

*"8. International trademark registration under the Madrid Protocol and Agreement on international trademark registration designating Vietnam takes effect from the date on which the state management agency in charge of industrial property rights issues a decision on grant of protection for the mark in that international registration or from the date after the expiry date of 12-month term computed from the date on which the International Bureau issues the notice of international trademark registration designating Vietnam. The validity period of an international trademark registration is calculated according to the provisions of the Madrid Protocol and Agreement.*

According to Article 93.8 of the 2022 IP Law, there are two bases on which validity of a trademark registered under the Madrid system designating in Vietnam is determined, namely:

- (i) from the date on which IP Vietnam issues the decision on grant of protection, and
- (ii) from the date after the expiry date of 12-month term computed from the date the International Bureau issues the notice of international trademark registration designating Vietnam

The introduction of a provision on the validity of international trademark registration under the Madrid Protocol and Agreement plays an important role in determining the precise "**grace period**" during which the trademark owner has no obligation to use the mark after registration, and a third party cannot invalidate the trademark on the grounds of non-use. Thus, the determination of the effective time of international trademark registration under the Madrid Protocol and Agreement serves two purposes, (i) to help the trademark owners clearly know the timeline to use the mark for avoiding the situation that a third party may file a request for invalidation on the non-use grounds, and (ii) to assist the third party in determining a timeline to prove that the mark registered under the Madrid system is not used within a certain time for taking non-use cancellation.

## 10. Two additional grounds for terminating the validity of a registered trademark

<i> Trademarks may be invalidated due to misuse

*Point h is added to Clause 1 of Article 95 (Termination of validity of a protection title) as follows:*

*Article 95. Termination of validity of a protection title: 1. A protection title shall be terminated in whole or in part in the following cases: h) The use of the protected mark for goods or services by the trademark owner or a person authorized by the owner to mislead consumers as to the nature, quality or geographical origin of such goods or services.*

Article 95.1h of the 2022 IP Law has added a significant legal ground for terminating a protection title's validity. Accordingly, a third party may request IP VIETNAM to terminate the validity of another person/entity's registered trademark if the use of such the mark by the trademark owner or the person authorized to use the mark (*licensee*) misleads the consumers regarding **the nature, quality** or **geographical origin** of such goods or services. This regulation comes from the requirement for codification to meet the Vietnam's obligations as stated in Clause 3, Article 12.22 of Chapter 12 on Intellectual Property of the EVFTA, that is, *[Any use of a registered trademark by the owner or with the owner's consent for the goods or services for which the mark has been registered may cause confusion to the public, especially as to the nature, quality or geographical origin of the goods or services, the validity of the registered mark is likely to be cancelled or the registered mark may be prohibited according to the relevant national law].*

However, compared to Clause 3, Article 12.22, Chapter 12 of the EVFTA on Intellectual Property, the extent of application of Article 95.1h of the 2022 IP law is substantially more limited. Specifically, under Article 95.1h, the misuse of the mark can result in the cancellation of a registered trademark in only three circumstances: **(i)** misleading about the nature of the goods/services bearing the mark; **(ii)** misleading about the quality of goods/services bearing the mark and **(iii)** misleading about the geographical origin of goods/services bearing the mark. Meanwhile, the three above-mentioned cases are just typical cases in the spirit of Clause 3, Article 12.22, Chapter 12 on Intellectual Property of the EVFTA. This imperceptibly restricts or deprives the rights of a third party requesting the cancellation of a trademark because the act of confusing and misleading use exists in a variety of forms, including but not limited to activities that misrepresent the nature, quality, or geographical origin of the goods/services.

Despite the aforementioned restrictions, Article 95.1h of the IP Law of 2022 is deemed to have established an important regulation on trademark use obligations and requirements if you wish to maintain the validity of your trademark. Accordingly, the following observations can be made:

- ✓ Improper use of a trademark may put you at risk of losing your trademark rights;
- ✓ The trademark cannot be used in any way you want even though your trademark is registered in Vietnam for two reasons, **(i)** the risk of infringing the intellectual property rights of others and **(ii)** your trademark is terminated;
- ✓ Care must be taken with the use of a trademark after registration so as not to fall into a situation where the use of the mark is misleading as to the nature, quality or geographical origin of the goods or services;
- ✓ Vietnamese law and practice do not have a clear definition of "proper use of trademarks". However, as a party to the Paris Convention, for the proper use of the mark, you can refer to Article 5.C.2 of the Convention, which provides for the use of the mark as follows: *"The use of a mark by the trademark owner in a form which is somehow different as to its components but does not change the distinctiveness of a mark under the registered form in any member country shall not lead to the suspension of the registration and cannot limit the protection afforded to the mark"*. Thus, in principle, it is possible to change a registered trademark when used in practice, but the change must not affect the nature of the mark, that is, *"must not alter the distinctiveness of the mark"*, such use will *"not lead to the suspension of registration and cannot limit the protection afforded to the mark"*. The change to the mark (*if any*) must be subject to elements which are not significantly distinctive and the sign(s) used in practice in relation with the registered trademark must be essentially the same.
- ✓ You should conduct a search for a possibility of trademark conflict or infringement if you plan to use a trademark different from the registered version in Vietnam.
- ✓ Applications for registration of other versions of a registered trademark should be filed with IP Vietnam if such versions are considered significantly different from the registered trademark.

#### **<ii> A trademark may be invalidated if it becomes a generic name of goods or services bearing the registered trademark**

*Point i is added to Clause 1 of Article 95 (Termination of validity of a protection title) as follows:*

*Article 95. Termination of validity of a protection title: 1. A protection title shall be terminated in whole or in part in the following cases: i) A registered trademark has become the generic/common name of the goods or services bearing the registered trademark."*



In line with the practice and Vietnam's commitment when joining the EU-Vietnam Free Trade Agreement (EVFTA), the 2022 IP Law adds more grounds for terminating the validity of trademark protection titles. Specifically, a registered trademark may be invalidated if it becomes the generic/common name of the goods or services bearing the registered trademark. This supplemental provision establishes a legal framework for addressing the situation/possibility in which a registered trademark loses its distinctiveness after a period of use and becomes a common name as a result of its linguistic popularity and changes in public perception. This means that even if a mark has been awarded a protection title, its validity can still be disputed if there are sufficient grounds to demonstrate that the mark has grown common and can no longer serve as a commercial origin indication. "Aspirin" for pain medicines, "Vaseline" for cosmetics, "Thermos" for beverage containers, "Magi" or "Maggi" for sauces, etc., were originally registered trademarks but are now the generic names for the corresponding products on the Vietnamese market.

The party requesting the cancellation bears the burden of establishing that the registered trademark has become generic. However, in order to avoid the consequences of becoming a common name for a registered and well-known mark, the trademark owner may consider:

- ✓ Using trademarks wisely, for example, using registered fonts and colors, the TM or ® symbol in the upper right corner of the mark when applying for a trademark, always using a generic name of the products followed by the registered trademark;
- ✓ Providing detailed guidance through advertisements, leaflets, etc. to educate consumers/supply chains such as agents or distributors the proper use of the registered trademarks;
- ✓ Taking guarantee that your trademark is not used/abused by any third party without your official authorization/permission.

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