

10 Key Points from Vietnam's New IP Decree No. 65/2023/ND-CP

In line with new regulations under the amended 2022 Intellectual Property Law (IP Law), on August 23, 2023, the Government issued Decree No. 65/2023/ND-CP (**Decree**) to detailing a number of articles and measures to implement the IP Law on industrial property, protection of industrial property rights, rights to plant varieties and state management of intellectual property. This Decree supersedes Decree No. 103/2006/ND-CP and some parts of Decree No. 105/2006/ND-CP as amended and supplemented.

KENFOX would like to provide 10 salient aspects of the Decree, shedding light on the changes and new mechanisms so that industrial property rights holders should grasp and adjust their strategies to effectively safeguard their intellectual property assets in Vietnam.

1. New applications and forms for industrial property subject matters in Vietnam

Applications for registration of trademarks, inventions, industrial designs and layout designs have been changed according to the new forms specified and guided in Appendix I, II, IV of the Decree.

In addition, for the first time, the "*application for confirmation of the delay of the initial drug marketing registration procedure*" and the "*application for claim for compensation due to the delay in issuing the initial marketing authorization for pharmaceutical products manufactured under patent*" are issued. These applications empower patent holders to petition the Vietnamese competent bodies for compensation relating to delays in the issuance of marketing authorizations for pharmaceutical products, in accordance with the provisions stipulated in Article 131a of the IP Law.

The change in the trademark application is also noteworthy when the sound mark, a non-traditional trademark, is protected as a trademark for the first time under the IP Law.

2. Security control of inventions

Procedures and scope of patent security control in Vietnam, especially inventions in the technical field that pose a risk of affecting national defense and security are specified in Article 14 and Appendix VII of the Decree. These procedures establish rigorous procedures for the identification and control of inventions that have the potential to impact national defense and security. The involvement of the Ministry of Defense and the Ministry of Public Security ensures a comprehensive patent review process, safeguarding national security interests, and preventing the disclosure of harmful technologies. The applicant's responsibility to adhere to laws regarding the safeguarding of state secrets underscores the necessity of executing prescribed procedures in harmony with national security priorities. In addition, Furthermore, the regulations uphold the right to pursue a patent internationally if the applicant can substantiate that the subject of registration is not a state secret.

However, this stringent evaluation can, to some extent, result in delays within the patent application process, creating complexity and unpredictability for applicants, particularly those unfamiliar with the procedures to protect state secrets. In addition, the potential for a patent application being destroyed could deter an applicant from seeking a patent within sensitive areas. As a result, balancing these security concerns with the need to innovate and protect intellectual property rights remains a challenge.

3. Amendment and supplementation of IP applications

The procedures for amending and supplementing an industrial property right registration application in Vietnam in the Decree create flexible conditions for the applicant in modifying specific details without necessitating extensive prerequisites (instead of filing an application, unlike initiating an entirely distinct application process), provided such modifications are initiated before the application receives formal acceptance. This mechanism simplifies the application modification process, reduces the administrative burden, and speeds up the process of recording amendments for the applicant, thereby potentially encouraging the applicant to make amendments to their application in a timely and accurate manner.

4. Dividing IP applications

Division of IP applications allows the applicant to separate different aspects (parts) of the original application into new divisional applications. This mechanism aims at creating favourable conditions for applicants when one or some aspects (parts) of the application do not meet the protection conditions, or are challenged or in consistence with the applicant's own strategy in protecting their intellectual property. Division of IP applications also helps streamline the application examination process. If some parts of the application have met the

requirement of protection while other parts have not or encountered obstacles, division of the application will ensure that the parts that have met the protection requirement can continue to be processed according to the favourable process without waiting for the entire application to be processed. The division of application retains the filing date or priority date of the original application, maintaining the status of the application for examination purposes.

Article 17 of the Decree establishes a process for the division of IP applications, providing flexibility and strategic advantages to the applicant, while ensuring the proper handling and protection of IP rights.

5. Withdrawal of industrial property right registration applications

Article 17.b2 of the Decree additionally stipulates that IP VIETNAM will issue a notice of intention to refuse the withdrawal in case the withdrawal request does not satisfy the requirements so that the applicant is given the opportunity to rectify the deficiencies. More broadly, Article 17 outlines the principles, steps and requirements for withdrawing an application for industrial property registration. This process requires appropriate authorization, timelines to which the applicant or the applicant's representative must comply, and associated outcomes. This provision allows applicants to quickly stop pursuing protection for IP applications they are no longer interested in, thereby providing applicants with flexibility in managing IP portfolios and control of their applications, and at the same time ensure that withdrawal requests are handled appropriately and in accordance with the law.

6. Industrial Design Applications under the Hague Agreement

The Hague System, governed by the Hague Agreement Concerning the International Registration of Industrial Designs, simplifies the process of seeking design protection across different countries. This streamlined approach enables applicants to file a single international application and select multiple member countries where they seek protection, saving time and resources.

The procedures related to international industrial design applications under the Hague Agreement originating from Vietnam and designating Vietnam are regulated in detail from Articles 22 to 24 of the Decree. These articles have provided a clear route for the applicant to protect industrial designs abroad or from foreign countries in Vietnam.

Registering an industrial design under the Hague System while designating Vietnam offers a strategic and efficient path to international protection. Article 24 of Decree No. 65/2023/ND-CP provides a clear roadmap for applicants, encompassing procedures, timelines, and key considerations. By understanding and adhering to this legal framework, designers can secure their intellectual property rights and ensure their creations are safeguarded in a global marketplace.

7. The Madrid applications

For Madrid applications of Vietnamese origin, the Decree introduces a provision that enables individuals of Vietnamese origin holding Madrid Applications and who have received an international registration number to opt for submitting various requests (such as: subsequent designation (expanding the protected territory through designation), amending name, address of owner of international registration, limitation of list of goods and services, renewal of international registration, designation or alteration of a representative, recordal of assignment of international registration, etc.) directly with the International Bureau of WIPO or through the IP VIETNAM and stipulates about what documents must be submitted if applicants choose to submit it through IP VIETNAM.

The above regulations provide applicants with convenience and flexibility in how to choose to interact with the Madrid registration system, having the means to actively manage and adapt their intellectual property rights in accordance with their capacity and business goals. Clear regulations about the documents to be submitted if choosing to carry out relevant procedures through IP VIETNAM helps ensure that the applicant is aware of the documents to be provided, contributing to a smoother and more efficient process.

For the Madrid Application designating Vietnam, Article 27.10 of the Decree clearly stipulates that “the opinion of a third party on the Madrid Application designating Vietnam shall be considered as a source of reference information for handling the application. Thus, according to the Decree, there is no opposition procedure for Madrid-designated applications in Vietnam similar to opposition procedures for national trademark application. This is also Vietnam's commitment to comply with the due period of 12 months for examining the Madrid Application designating Vietnam.

8. Title of Protection can be issued in paper or electronic form

From August 23, 2023, onward, the effective date of the Decree, a protection title in paper format will exclusively be provided to applicants if and only if they explicitly indicate this preference within their IP application. As per Article 29.1 of the Decree, for IP applications submitted after the mentioned date, IP VIETNAM will exclusively generate protection titles in electronic form, unless the applicant explicitly requests and expresses their desire for a paper-based protection title within the application.

This implication underscores a notable shift towards electronic issuance as the default method for protection titles. The move towards electronic formats aligns with modern trends in digitization and efficiency, potentially leading to streamlined administrative processes and reduced paper usage. The applicant's explicit choice to opt for a paper-based protection title serves as a safeguard for those who may have specific requirements or preferences for physical documentation. This shift towards electronic issuance aligns with contemporary practices and can contribute to improved efficiency in the management of intellectual property subjects.

9. Amendment of titles of protection and trademark assignment

Article 29.3a allows the trademark owner to file an application with IP VIETNAM to amend the “mark image”. The request to amend the trademark image on the Certificate of Trademark Registration is only accepted if 02 conditions are met simultaneously: (i) only removing small details that are disclaimed factors (no separate protection) and (ii) does not alter the distinctiveness of the mark.

As per Article 29.8, the procedure for re-granting or granting a duplicate of the Certificate of registration of the licensing contract is similar to the procedure for re-granting or granting a copy of the titles of protection.

In essence, the provisions of Article 29 establish a structured framework for managing alterations to registered trademarks and the procedures for regranting or duplicating certificates. The clear regulation of the strict conditions that must be met if the trademark owner wishes to modify the trademark image helps safeguard the integrity and distinctiveness of the mark. While trademark owners are granted the flexibility to request amendments, the conditions ensure that such changes are within defined limits. This balance prevents misuse of the alteration process while accommodating legitimate needs for modification.

In essence, these provisions establish a structured framework for managing alterations to registered trademarks and the procedures for regranting or duplicating certificates. This framework aims to strike a balance between accommodating changes and preserving the essential characteristics and legal clarity of the trademark system.

In addition, the Decree introduces 3 new contents that aim at providing guidance for the effective execution of Article 139.4 of the Intellectual Property (IP) Law, which pertains to restrictions on the transfer of trademark rights. Under these provisions, the transfer of a trademark will be denied if: **(i)** the trademark being transferred is identical or sufficiently similar to the mark owned by the assignor; **(ii)** there exists a similarity between the goods or services associated with the mark owned by the assignor and the transferred mark, which could lead to confusion regarding their commercial origin; and **(iii)** The transferred mark includes elements that might cause consumers to mistake or misinterpret the origin, quality, or value of the goods or services.

These specific provisions address the limitations of previous regulations in handling trademark assignment applications. By streamlining the application process, they not only facilitate quicker processing of applications but also offer clear insights to intellectual property rights holders in Vietnam regarding the constraints surrounding the transfer of IP rights in Vietnam.

10. Confidential invention

Confidential invention "is an invention that is determined by a competent state agency to be a state secret according to the law on protection of state secrets". The Decree sets aside five articles from Articles 48-52 detailing confidential inventions. Regulations related to confidential inventions include the requirement that Confidential Patent Applications must be filed in paper form (rather than electronically), documents to be provided, application processing procedures, and time limits for substantive examination with no more than 18 months, a coordination mechanism with the Ministry of Public Security in determining the conformity of information disclosure with the law on protection of state secrets, regulations on non-applicable of appeal procedures for decisions and notices on confidential patent applications and other types of applications related to confidential inventions, regulations on non-disclosure of confidential patent applications and patents, regulations on declassification of confidential inventions when applying for registration and issuance of patent, regulations on registration of confidential inventions abroad, and management of the use of confidential inventions.

The provisions of the Decree on confidential patents are very important for upholding national security, protecting intellectual property, fulfilling international obligations, ensuring transparency, and striking a balance between innovation and security. These regulations provide a framework for effectively managing sensitive information and technologies while still fostering progress and development.

Final thoughts

The recent amendments to the IP Law in 2022 and the issuance of Decree No. 65/2023/ND-CP mark an important step forward in strengthening IP protection in Vietnam in conformity with higher requirements set out in CPTPP, EVFTA, RCEP and the Hague Agreement. Regulations have been established in detail, providing clear guidance to stakeholders, ensuring consistency in application, enabling effective enforcement, fostering innovation, attracting investment, aligning with international standards, boosting confidence, minimizing legal conflicts, enhancing state management on IP. IP rights holders benefit from increased transparency, improved protection and enforcement mechanisms, all of which contribute to creating a more favorable environment for scientific, technological and economic growth.

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