

Fighting Counterfeits And Trademark Squatting In Vietnam: A perspective from Foellie case

In the 2022 statistics recently published by the Ministry of Planning and Investment of Vietnam, it was revealed that Korea stands as Vietnam's leading foreign investor. With an impressive investment of over 80 billion USD and nearly 9,500 registered projects, Korea's substantial contribution demonstrates remarkable confidence in the Vietnamese market. However, this trust is currently under threat due to a concerning trend: the increasing prevalence of counterfeit products and brand speculation.

To cope with these pressing issues, Korea Trade-Investment Promotion Agency (KOTRA) – held a seminar titled “*Current Situation and Solutions for Identifying Counterfeit Goods and Intellectual Property Violations from the Perspective of Korean Businesses*”. KENFOX IP & Law Office, together with 4 other Vietnamese IP agents, was invited to make a presentation before Korean companies and Vietnamese competent authorities, including the General Department of Market Management, General Department of Vietnam Customs and the Intellectual Property Office of Vietnam. At the same time, the General Department of Market Management took steps to help the public and consumers differentiate between genuine and counterfeit goods by organizing an exhibition showcasing authentic and counterfeit products.

Foellie inner perfume

FOELLIE is the name of the Korean inner perfume brand meticulously researched, developed, and produced by Laorganic Company. This company has invested considerable time and effort in innovating and creating exclusive inner perfume products tailored for women.

Foellie inner perfume places women's health at the forefront, guaranteeing safety while fostering confidence and delivering a positive user experience. These aspects contribute significantly to Foellie product quality. As a result, Foellie has gained popularity not only in Korea but also in discerning markets worldwide, including the United States, Malaysia, Myanmar, Japan, and Thailand.

Since 2018, Foellie inner perfume products have been introduced to the Vietnamese market.

Foellie counterfeits: The more reputable a branded product is, the more susceptible it is to counterfeiting

Korean products are popular in Vietnam not only because of their nice designs, but more importantly, their affordability and high quality. A prevailing trend in recent times is that the more Korean products are loved and trusted by Vietnamese people, the more serious and concerning the problem of counterfeit goods and goods infringing IP rights becomes. Foellie inner perfume is no exception. *The popularity of Foellie inner perfume has led to the proliferation of fake and counterfeit products flooding the market. These products are counterfeited with exceptional sophistication, making it nearly impossible for consumers to distinguish them with the naked eye.*

These counterfeit products are not only available in physical stores, but are also promoted for sale through various online sales channels and e-commerce platforms.

Trademark squatting in Vietnam

trademark squatting or intellectual property theft from foreign businesses has become a negative and dangerous trend in Vietnam. This trend not only hampers efforts to attract foreign investment but also directly impacts foreign businesses and consumers in the country.

Laorganic Company's "Foellie" brand also falls into this spiral. Laorganic Company was taken aback to find that several individuals had swiftly filed applications to register the "Foellie" trademark for cosmetic products with the IP Office of Vietnam earlier, in 2020.

Having been empowered by Laorganic Company, KENFOX IP & Law Office has filed an opposition to the adverse parties' Foellie trademarks based on 4 grounds: (i) Laorganic is the genuine owner of Foellie trademark; (ii) the Foellie trademark filed by the adverse party confusingly similar to Laorganic Company's trademark; (iii) trademark filing in bad faith or with malicious intent; and the adverse party's

trademark filing aims at seeking illegal benefits, negatively affecting reputation and business of the genuine trademark owner.

Fighting counterfeits and trademark Squatting: Need a comprehensive strategy

In a context where trademarks are not yet protected in Vietnam, and are even registered by third parties, addressing the issue of counterfeits and intellectual property infringements being widely advertised and offered for sale poses a complex challenge. KENFOX IP & Law Office advised Laorganic on a series of strategic measures to effectively combat the production and circulation of counterfeit goods and protect their trademark rights. In a similar situation, other rights holders can also consider taking appropriate actions to protect their intellectual property in Vietnam appropriately and effectively.

First, if a trademark (a logo) can meet the criteria for copyright protection, in addition to registering the trademark, the rights holder can consider registering that logo as an applied art work at the Copyright Office of Vietnam. Copyright registration does not replace trademark registration; instead, it fortifies the owner's position and augments protection. This additional layer of safeguarding is particularly valuable given the prolonged trademark examination period, often extending from 1-2 years, or even longer. Laorganic Company applied this strategy for their logo set, reinforcing their intellectual property protection. After thorough review, the Copyright Office of Vietnam issued a Copyright Registration Certificate to Laorganic Company, confirming that the Foellie logo met the criteria for copyright protection in terms of originality and creativity, and is therefore protected under Vietnamese law.

Second, to submit a request to the Examination Center of Copyrights and Related Rights (**ECCR**) to review and provide expert opinions regarding potential signs of infringement. If the rights holder is granted a Copyright Registration Certificate issued by the Copyright Office of Vietnam and suspects copyright infringement, he has the option to request an expert opinion from ECCR. This expert opinion can determine whether the suspicious works constitute copyright infringement. If the expert opinion is favorable, IPR holders can then file a petition with Vietnamese enforcement authorities to address the copyright infringement.

Third, in the context of products being advertised and sold on e-commerce platforms, IPR holders can authorize our firm, KENFOX IP & Law Office, to issue warning letters to the owners of these platforms. These letters serve as a formal request for the removal of links to products infringing intellectual property rights. In the Foellie case, Lazada responded to KENFOX's request by cooperating and taking down nearly 2,000 links leading to online stores that offered products violating IP rights

Final thoughts

Trademark squatting has become a concerning, complex, and escalating trend. This unethical practice involves stealing the intellectual property of other organizations and individuals, making it a grave concern in the field of intellectual property. Such activities substantially undermine the trust of rights holders in the IP protection mechanism.

Fighting counterfeiting and trademark squatting is a never-ending battle, rife with complexities and challenges. However, viable solutions do exist. In the current landscape, where intellectual property rights infringement is growing in complexity and sophistication, rights holders must do more than just allocate adequate resources. They should collaborate closely with experienced IP agents and attorneys possessing profound expertise and practical understanding of intellectual property. This partnership is essential to formulate a strategy for protecting and enforcing IP rights systematically and comprehensively, mitigating risks, and adeptly managing instances of IP infringement.

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