

How to effectively handle conflicts between trademarks and copyrights in Vietnam as per Article 73.7 of Vietnam IP Law?

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 applied 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. The struggle between protecting creativity and combating the abuse of intellectual property rights (IP) is becoming a major challenge, requiring drastic action from both the international community and individual countries, including Vietnam.

As amended in 2022, Vietnam IP Law adds an important provision in Article 73 which stipulate about "Signs ineligible for protection as marks". Under Article 73.7 in details, "Signs containing copies of works unless it is permitted by owners of such works" shall be not eligible for the protection as marks. Accordingly, IP practitioners in Vietnam and genuine IPR holders strongly hope that this new provision will help not only prevent the such trademark squatting, abuse and exploitation of IP rights, but also aim to protect IPR fairly and transparently in Vietnam. Then, this begs more extensive questions: How is Article 73.7 actually bringing benefits to IPR holders? What are the unresolved challenges? and What can be the strategies an IPR holder can take in order to deal with trademark squatting in Vietnam?

1. How is Article 73.7 actually bringing benefits to IPR holders?

Balancing two principles: "first to file" and "first to use"

Vietnam IP Law concerning trademarks operates on a dual principle system, the "First-To-File" and "First-To-Use" principles. This dual system is relatively unique in the IP landscape, posing both opportunities and challenges for rights holders. The First-To-File principle, dominant in Vietnam, prioritizes those who first register their IP, often leading to conflicts with entities who may have used the IP first but haven't registered it.

"First-To-Use" principle was always underestimated or in other words, the entities who are genuine IPR holders and commercialized their branded products in Vietnam would still lose in the battle with those who first filed the trademark applications. In the past practice, without explicit regulations on respecting copyright under Vietnam's IP Law, examiners at the IP Office of Vietnam (**IP VIETNAM**) hesitated to apply earlier rights, such as copyright from applied-art works to refuse registration of trademarks although such applied-for trademarks were apparently stealing copies of the earlier copyright work. Some examiners stated that if a logo which qualifies for protection in form of copyright, and can be used to refuse registration of a trademark, then there is no need to register a trademark and if they refuse registration of the mark based on unregistered rights from a so-called "works of applied-art", then this is not different from the fact that they grant protections to such "works of applied-art".

Article 73.7 is an official recognition of legitimacy of of earlier IP rights established without registrations and, to some extent, serves as a balance of two different principles of establishing intellectual property rights in Vietnam: "First-To-File Principle" and "First-To-Use Principle". The provision that "*Signs containing copies of works*" are not eligible for protection as marks serves as a multifaceted mechanism by providing (i) a legal ground for IP VIETNAM to refuse a trademark which contains copies of works of others, (ii) it a basis for genuine IPR holders to oppose registration of a trademark containing a copy of their works, and (iii) a foundation to petition IP VIETNAM to invalidate a trademark registration which contains a copyrighted work under Article 96.2(b) of Vietnam IP Law. This effectively opens what might appear to be a closed avenue for legitimate IPR holders. Clearly, this provision aims to address the limitations of the first-to-file principle, where rights are awarded to the initial applicant, while also offering meaningful protection and advantages to genuine IPR holders for their intellectual assets.

Preventing abuse of IP rights

Not only is it important in ensuring balance between the above principles, Article 73.7 also contributes to preventing abuse (misuse) of IPR under the "first to file" principle. This provision prohibits the

registration of trademarks that directly copy existing works —be it logos, artistic designs, or other creative expressions—without the permission of the original creators. By disallowing the registration of signs that mimic existing works, the law prevents individuals or entities from stealing or appropriating existing creations for their commercial advantage.

Copyright means rights of organizations and individuals to “works” they have created or own as defined under Article 4.2 of Vietnam IP Law. “Work” means a creation of the mind in the literary, artistic or scientific domain, whatever may be the mode or form of its expression as per under Article 4.7. Of 11 types of works eligible for copyright protection, it is noticeable that “Works of applied art” is one category protectable under copyright law of Vietnam. “Works of applied art” or applied-art works referred to at Point g, Clause 1, Article 14 of the Law on Intellectual Property mean “*works presented by lines, colors, three-dimensional configurations or layouts with useful features, which can be associated with useful objects and produced by hand or on an industrial scale, including graphic designs (expression of logo, identity system and packaging of products; expression of characters); fashion designs; fine-art designs associated with product designs; and fine-art interior designs and interior and exterior decorations. Applied-art works are presented in the form of fine-art product designs, cannot be easily created by persons with average knowledge in the relevant field, and exclude exterior designs which are compulsory for products to function properly*”. Per Article 6.1 of Vietnam IP Law which provides for “Grounds for the generation and establishment of intellectual property rights”, copyright shall arise at the moment a work is created and fixed in a certain material form, irrespective of its content, quality, form, mode and language and irrespective of whether or not such work has been published or registered. The aforesaid legislation means that a work is automatically protected in Vietnam without having to register it with Vietnamese competent authority.

Since Vietnam is a signatory to Berne Convention on copyright, copyright establishment and protection may be subject to both Vietnamese laws and Berne Convention. Under Berne Convention, each member state recognises the copyright of authors from other member states in the same way as the copyright of its own nationals. As the Berne Convention requires its member countries to provide the author of any Berne-qualifying work the same treatment as it provides its own nationals with regard to their works, Vietnam must protect works created and protected in a Bern Convention member country like the works created and protected in Vietnam. In such sense, if a work (e.g., a works of applied art was created in China), despite not registration in Vietnam, statutorily, it must also be protected under copyright law as if it was created in Vietnam.

Owning a copyrighted work means that the holder holds the right to enjoy rights statutorily granted to him or her including moral rights and economic rights under Articles 19 and 20 of Vietnam IP Law as well as rights to use, license to use and prevent others from using the protected works. Differently from trademarks, which rights conferred to the specific goods or services registered thereunder, rights to copyrighted work do not limit for any goods or services. The copyright laws of Vietnam do not prohibit the copyright holder from affixing on his copyrighted works onto products or services for sales. At this juncture, a copyrighted work functions with no difference than a trademark which can be seen essentially as a source-indicating identifier. As such, under the deliver of Article 73.7, an owner to a copyrighted work in Vietnam can challenge other’s trademark (*via opposition, third party observation, or invalidation proceeding*) regardless of the goods or services for which the contested trademark is intended to be used based on his copyrighted work. Or in other words, the opposition is not limited as such on the type of products or services associated with the trademark but based on the unauthorized use of the copyright holder’s copyrighted work. What does this mean? It means quite a lot. Apparently, ownership of the copyrighted works (*e.g., logo/other-qualifying copyright protection*) provides a wider scope of protection than a trademark if considered in a context of commercialization of goods or services affixing the copyrighted works which is protected for any kind of goods/services affixed with such works as compared to the limited goods/services registered under the mark.

Hence, the provision that “*Signs containing copies of works*” are not eligible for protection as marks may be a good remedy to prevent trademark squatting, a practice where entities register trademarks similar to existing popular brands to exploit the first-to-file system, which discourage investors doing business in Vietnam.

2. What are the unresolved challenges?

Examination in practice

While Article 73.7 provides a mechanism to refuse or challenge registration of trademarks that contain copyrighted works, the effectiveness of this mechanism can be inconsistent and variable, primarily due to the subjective nature of the examination process.

Territoriality in trademark rights

On one hand, the above provision serves as a deterrent against trademark squatting, but on the other hands, this complexity raises a critical question: if an examiner recognizes that a logo (*for instance, a composite mark consisting of a word and a figurative element*) is eligible for copyright protection as applied-art, does this imply that the logo, which has been previously registered within other Berne Convention countries (of which Vietnam is a signatory), should automatically be given protection in Vietnam? This consideration leads to two pivotal issues. Firstly, it suggests that there may be no necessity for separate trademark registration for logos already protected under general copyright legislation as applied-art. Secondly, it poses a potential challenge to the fundamental principle of territoriality in trademark rights, which stipulates that trademarks are protected exclusively in the jurisdictions where they are registered.

Scope of copyright protection

There remains ambiguity under Article 73.7 of Vietnam IP Law regarding the scope of the its provision “Signs containing copies of works” in the context of trademark protection. Specifically, it is unclear whether this provision applies exclusively to marks that incorporate an “entire” copyrighted work, or if it also extends to marks that include only a “substantial” part of such a work. This distinction is crucial for determining the the boundary of the scope of copyright protection in relation to the trademark applied for registration.

As per Article 4.10 of Vietnam IP Law “Reproduction” includes the creation of copies of “the whole” or “part” of a work. Additionally, Article 66.1(g) of Decree No. 17/2023/ND-CP, which deals with determining copyright infringing elements, states that unauthorized duplication or replication of works, in whole or in part, constitutes copyright infringement. Consequently, this raises an important yet unresolved question: If a third party uses a “substantial” part of a copyrighted work protected in Vietnam for the purpose of trademark registration, would such a mark be subject to refusal under Article 73.7 of Vietnam IP Law? The interpretation of this provision in practical scenarios remains to be fully explored and clarified.

It is almost impossible for parties to design a logo identical to a prior works of applied-art. In daily life, it is easy to infer that such a design is copy of the prior works of applied-art. However, it is unclear if registering such a design may fall within the scope of “bad faith” as provided under Article 117 of the IP Law and Article 34.2 of Decree No. 23/2023/ND-CP of Vietnam.

Examination of trademarks in relation to copyrighted works

Clearly, Article 73.7 establishes a mechanism for IP VIETNAM to refuse protection to an applied-for if the trademark contains a copy of the work without the permission of the copyright owner. This regulation can lead to an interpretation in the following direction: during the process of examining a trademark application, the examiner needs to conduct a search not only on the pre-existing trademark database (at IP VIETNAM), but also need to proactively verify against the copyright database (at the Copyright Office of Vietnam (**COV**)). However, practice shows that there is no cohesive data system linking COV and IP VIETNAM to be able to carry out examination smoothly across these two agencies.





Therefore, the addition of the provision on "signs containing copies of works" as a basis for refusing a trademark raises a challenge in terms of feasibility or the possibility of how the examiner can determine the trademark is a copy of a pre-existing work, what specific actions must the examiner of IP VIETNAM take to prevent the registration of marks containing “copy of the work”, or Article 73.7 can only be considered an officially codified legal basis, but heavily theoretical, for resolving conflicts between trademarks and copyrights.

3. What can be the strategies an IPR holder can take in order to deal with trademark squatting in Vietnam based on Article 73.7?

There is no one-size-fit-all approach. To effectively deal with trademark squatting in Vietnam based on Article 73.7, the below questions should be clearly understood and fully answered:

[1] Is it advisable to register a logo as a trademark or applied-art work in Vietnam?

In practice, rarely IP VIETNAM's examiners accept oppositions or invalidation actions based on copyright arguments or based on earlier copyright. Below is such a rare case:

The adverse party's mark	The prior copyright
<p data-bbox="204 719 507 745">An applied-for trademark:</p> 	<p data-bbox="815 730 935 757">Prior logo:</p> 
<p data-bbox="204 822 1390 936">Musidor B.V., the owner of the famous rock band "The Rolling Stone" who is the copyright owner of the logo  with the common name "Tongue and Lips logo". Musidor B.V. detected that a third party had applied for and used the logo  for a hotel in Hanoi, Vietnam as well as in commercial activities, websites and social networking accounts such as Facebook, Instagram, YouTube, etc. without their permission. Musidor B.V. filed a Notice of Opposition against the third party's trademark based on two grounds, (i) the mark "The Tongue and Lips logo" by Musidor B.V. is a well-known mark, widely used and known trademark, protected by trademarks in more than 50 countries around the world before the time the infringer files a trademark application in Vietnam and (ii) the infringer's trademark contains the "Tongue and Lips logo" almost identical to Musidor B.V.'s logo qualified as a work of applied art and protected as copyright under Berne Convention to which Vietnam is a member. IP VIETNAM accepted Musidor B.V.'s opposition and refused registration of the infringer's mark due to its confusingly similar to the applied art work "The Tongue and Lips logo" by Musidor B.V. according to Article 39.4(g) Circular No. 01/2007/TT-BKHCHN.</p>	

A question often asked by KENFOX clients is that should they register their logo in form of trademarks or copyright. Our advice is that, apart from trademark registration, IPR holders should proactively register their logos or artistic works (e.g., product labels) as [copyrights](#) in Vietnam. This registration provides official documentation of their creative ownership and may be helpfully used as evidence in legal proceedings against trademark squatters.

To qualify for copyright protection, a work must be original. Logos, while often safeguarded by trademark laws, can also receive copyright protection as artistic works. Many logos are eligible for both copyright and trademark protections simultaneously. If a logo is an original artistic creation and serves as a company identifier, it can be registered for both copyright and trademark protections concurrently. However, if your logo incorporates pre-existing images or shapes, and you aim to prevent others from imitating your design to avoid confusion, a trademark registration is essential. Trademarks are generally more accessible for logos than copyrights. While every design automatically holds some level of copyright protection, enforcing these rights can be complex. In the case of infringement, the copyright owner bears the burden of proving the complete originality of the artwork. This can often be a challenging and resource-intensive process. For more detail, please see our article titled "[Proving Originality Of An Applied-Art Work Or A Logo - Why Is It Challenging and What To Do](#)"

Therefore, it is advisable to proactively secure both copyright and trademark protections for their logos. This preemptive approach is a best practice to avoid potential legal complications in the future. Not only does it provide a stronger legal basis for protecting your intellectual property, but it also serves as a deterrent against potential infringers.

[2] What to do successfully oppose or invalidate a trademark based on copyright?

Documentation and evidence: Copyright in works, as provided under Article 737, is a basis for an opposition or invalidation of a trademark registration in Vietnam. As such, it is advisable to strengthen opposition or invalidation claims by meticulously documenting the creation process and existence of the copyrighted work. This could include dates of creation, drafts, sketches, or any other evidence showing the work's development and originality. It's crucial to demonstrate that the copyrighted work existed prior to the filing date of the contested trademark.

Copyright registration as a strategic tool: Although copyright in Vietnam is automatically established upon creation, registering the copyright provides formal recognition and a clear date of establishment. This registration can be a powerful tool in legal proceedings, offering concrete evidence of ownership and the scope of the rights held.

Demonstrate bad faith: If applicable, gather evidence to show the applicant's bad faith, such as a history of copying other works or intentionally modifying minimal aspects of existing works to claim originality. This can be particularly persuasive in the context of trademark law.

Monitoring and early action: Regularly monitor new trademark filings, especially in classes relevant to your business. Early detection of potential infringement allows for timely opposition filings, which is often more straightforward than invalidation of an already registered trademark.

Final thoughts

The addition of a statute under Article 73.7 of Vietnam IP Law, stating that signs containing copies of works are ineligible for trademark protection unless permitted by the owners of such works opens up new avenues for resolving conflicts between trademarks and copyrighted works, significantly contributes to curtailing IP theft or the practices of trademark squatting in Vietnam, ensuring a balance between the "first to file" principle and the protection of creators' legitimate rights, and ensuring that the first-to-file principle does not override the legitimate rights of copyright owners.

However, the practical application of the above provision necessitates meticulous supervision and assessment. Courts and IP VIETNAM will play crucial roles in interpreting and enforcing this rule. The effectiveness of this provision will significantly depend on these authorities' ability to delineate the scope of what constitutes a "copy" of a work and establish a "permissible level of copying" so that it will be an effective instrument for protecting intellectual assets while still promoting innovation.

**By Nguyen Vu QUAN
Partner & IP Attorney**

Contact

KENFOX IP & Law Office

Building No. 6, Lane 12/93, Chinh Kinh Street, Nhan Chinh Ward, Thanh Xuan District, Hanoi, Vietnam

Tel: +84 24 3724 5656

Email: info@kenfoxlaw.com / kenfox@kenfoxlaw.com