

Should you abandon a trademark application temporarily refused registration in Vietnam?

Not a few trademark applications in Vietnam, whether directly submitted to the Intellectual Property Office of Vietnam (IP VIETNAM) or designated through the Madrid system, are [temporarily refused](#) for registration. The situation will be more challenging and daunting in case such a temporarily refused trademark has been commercialized in Vietnam for several years. The temporary refusal of their trademark application raises a critical and complex question: whether to continue the pursuit of registration or to consider abandoning the application?

Various trademark applicants when facing a temporary refusal issued by IP VIETNAM contemplate to abandon their trademark application, stating that they have been selling the trademarked products in Vietnam for several years without any problem and do not want to risk an adverse ruling from IP VIETNAM or risk putting the cited trademark owner on notice that they are using a mark that potentially infringes on the cited mark or this may evade immediate legal confrontations.

Then, what are potential downsides when abandoning a trademark application in Vietnam, due to a temporary refusal and waiting to see if the conflicting mark is renewed or expired? Is it advisable to abandon a trademark application temporarily refused registration in Vietnam and continue using such an unregistered mark? What strategies can be employed to mitigate legal risks while using a temporarily refused mark in Vietnam?

Potential downsides when abandoning a trademark application in Vietnam while still using the mark: What are they?

Loss of priority date

If a trademark applicant abandons his current application and decides to reapply later, he may lose the original priority date. There is a risk that another party could file for a similar trademark in the interim, potentially complicating the future registration process. Additionally, there could still be a risk of opposition or cancellation actions from other parties who might argue that they have been using a similar mark during the period your client waited.

Risk of infringement

Use of an unregistered mark, especially in the context there exist a valid prior conflicting mark will carry a significant risk of trademark infringement. Under Vietnam IP Law, a trademark owner may request the intervention of Vietnamese enforcement authorities to handle an alleged trademark infringement under (i) administrative avenue and/or (ii) civil avenue, or (iii) criminal proceeding.

Although a later-filed trademark applicant aims not to put the prior trademark owner on notice, abandoning the application and opting to wait might not entirely eliminate the risk of the prior trademark owner knowing about such use of the later-filed mark. Given the competitive nature of the market and the possibility of third-party notifications, there remains a tangible risk that the prior owner will be informed of the usage.

In Vietnam, enforcement authorities conduct periodic inspections on the market and are entitled to proactively confiscate goods suspected of trademark infringement. Upon such confiscation, the authorities may reach out to the trademark owner to coordinate a response to the alleged infringement involving temporarily seized goods. Even in the absence of a formal complaint from the prior trademark owner, the authorities' active enforcement measures can lead to significant legal challenges for users of unregistered marks. Therefore, it is crucial for businesses to consider strategic approaches to trademark registration and to be mindful of the potential legal implications of using unregistered trademarks, especially in the presence of existing [conflicting marks](#).

Legal uncertainty

Opting to wait for a conflicting mark to expire and not seeking a resolution through the Vietnam trademark office, a later-filed trademark applicant remains in a state of legal uncertainty regarding his

trademark's status. This uncertainty could hinder business decisions, including expansions, partnerships, or enforcement actions against infringers.

If a later-filed mark is not successfully registered, but the trademark applicant determines to still use such a mark, it could be more challenging to enforce his rights against third parties that may infringe upon his mark, taking into account that rights conferred to a trademark in Vietnam is through registration process, except for well-known mark. A lack of formal protection means a later applicant may be limited in his ability to enforce his trademark rights against third parties who might use similar marks.

In addition, continuously using a mark that is similar to another could affect the later applicant's brand perception among consumers. If consumers associate such a later branded products with a prior brand of other, it could lead to confusion that might affect the later applicant's brand value negatively.

Abandoning a trademark application temporarily refused registration in Vietnam and continue using such an unregistered mark: Advisable or not?

Given the complexities and potential legal risks associated with using a temporarily refused trademark, it is generally not recommended to hastily abandon the trademark application. Persisting in the pursuit of trademark registration can be strategically advantageous, as it may provide a legal basis to defend the use of the mark while it remains unregistered. In Vietnam, both administrative enforcement authorities and courts have been inclined to suspend infringement proceedings in the presence of ongoing trademark disputes.

In administrative enforcement proceeding, Article 28.1(a) of Decree No. 99/2013/NĐ-CP, which addresses sanctions for administrative violations in the realm of industrial property, mandates that competent authorities shall refuse to handle IPR infringements in the case where a request for handling IPR infringement is filed while there is a dispute over related industrial property rights.

Furthermore, trademark infringement is categorized as an "intellectual property rights dispute" in civil proceedings. According to Article 214.1(d) of the Civil Procedure Code of Vietnam, the court is empowered to temporarily suspend the adjudication of a civil case under certain conditions, one of which includes the situation where "*The results of the resolution of another related case or matter, which, as mandated by law, must be resolved by other agencies or organizations prior to the cases being adjudicated, are awaited*".

Mitigating legal risks while using a temporarily refused mark in Vietnam: What to do?

A trademark facing a temporary refusal of protection does not automatically result in infringement over someone's rights, even if the refusal is based on relative grounds, such as alleged similarity to a previously registered mark. The assessment that a later-filed trademark is similar to an existing one often reflects the subjective judgment of the examining officer at IP VIETNAM. It is important to recognize that, although two marks may exhibit similarities, those marks may not be so similar to the extent that it is likely to cause confusion to consumers on the commercial origin of goods/services bearing those marks.

In various trademark cases that KENFOX has handled, an applied-for mark was initially refused, but through strategic responses highlighting the dissimilarities between the contested marks, IP VIETNAM subsequently retracted its refusal. Similarly, through the appeals process, the Ministry of Science and Technology of Vietnam has, in several cases, reversed decisions of refusal by IP VIETNAM, ultimately granting protection to the marks that were temporarily refused (refer to the cases: "[Similar trademarks, but whether they reach the threshold of confusion are the key to overcoming trademark refusals in Vietnam](#)" or "[Overcome a provisional refusal against an International Registration Designating Vietnam – difficult but never give up!](#)"). These outcomes indicates that an initial assessment of similarity leading to a temporary refusal does not automatically equate to a definitive risk of infringement.

Given this context, to mitigate legal risks associated with using a mark that has been temporarily refused in Vietnam, applicants of later-filed trademarks should contemplate engaging in the following strategic actions:

[i] Dealing with the refusal: First, analyze the refusal grounds. Understand the specific reasons behind the temporary refusal issued by IP VIETNAM will help in figuring out level of risks (*high, medium or low*) if a later-filed trademark applicant determines to use a temporarily refused mark. Kindly note that risks will be low if a later-filed trademark is temporarily refused registration to a less-than-three-year-expired mark or it is deemed [descriptive](#), but by nature, it is suggestive, rather than descriptive. Second, if a refusal is not grounded (*e.g., two marks are similar but not to the extent of “confusingly similar”*), then submitting a comprehensive response to IP VIETNAM's office action might resolve the refusal. If the temporary refusal evolves into a refusal Decision and the applicant believes the refusal Decision is incorrect, consider appealing the Decision within IP VIETNAM, then, the Minister of Science and Technology, or pursuing legal action in court to challenge the refusal.

[ii] Negotiate with the cited trademark owner: If the refusal is due to a conflict with an existing trademark, consider negotiating with the owner of the cited mark. Options include obtaining consent or a coexistence agreement, which would allow both parties to use their marks under agreed conditions

[iii] Monitor the cited trademark's status: Keep an eye on the status of the conflicting mark, especially if it is close to expiration or non-renewal. If the cited trademark expires or is cancelled, the path for registration of a later-filed mark may become clearer.

[iv] Take 5-year non-use cancellation action against the cited mark registration: A trademark registration in Vietnam is susceptible to 5-year non-use cancellation if it is not used by the trademark owner or his licensee in commerce in Vietnam within 05 years computed from the registration date. To initiate a non-use cancellation action against a trademark registration, the party who files a non-use cancellation is required to show evidence of non-use of the mark. The non-use cancellation action can be proceeded under the following procedures: **(i)** conducting an investigation on the non-use of the subject mark in Vietnam and **(ii)** Filing a 5-year non-use cancellation request with IP VIETNAM.

Final thoughts

Deciding to abandon a provisionally refused trademark application in Vietnam and continue to use the rejected trademark under the belief that the original trademark owner will remain unaware can be a risky approach, causing the applicant to face serious legal consequences and strict administrative, civil or criminal sanctions according to the provisions of Vietnamese law. Remember that even if the trademark registration application is refused, a refusal of the trademark registration application does not signify the end of the road. Opportunities to rectify the situation remain viable. Instead of resorting to immediate, risky measures, understanding and applying the right legal strategies not only helps minimize risks, but also opens up opportunities for successful trademark application owners, even if their trademark initially faces refusal for registration.

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