

## Bad Faith – The Secret to Proving Bad Faith and Regaining the Trademark in Vietnam

The filing of a trademark application is generally considered to be automatically made in good faith and creates exclusive rights for the owner. However, if the filing is intended to deprive the genuine trademark owner of the benefits of their existing mark and cause confusion for consumers, it will break the goals and basic principles of the law on intellectual property rights protection. Such trademark filing with the motive described above is considered to be in "bad faith".

KENFOX IP & Law Office provides detailed analysis of the regulations surrounding the issue of 'bad faith' in Article 34.2 of Circular 23/2023/TT-BKHCHN, so that genuine trademark owners better understand how to protect and reclaim their trademark rights from bad faith registrations by third parties.

### 1. Legal Basis: Where is it Regulated?

The provision on "bad faith" serves as a crucial legal basis for various actions in trademark matters in Vietnam. Specifically, "bad faith" is now explicitly recognized as a legal basis, introduced for the first time in the amended IP Law of 2022, specifically in Article 117.1(b) and Article 96.1(a).

Accordingly:

- Any organization or individual has the right to request the Intellectual Property Office of Vietnam (**IP VIETNAM**) to refuse the granting of Protection Certificates for patents, industrial designs, trademarks, and geographical indications through the "opposition" or "third-party observation" procedure. This request can be made if there are grounds to assert that the applicant applied for trademark registration in bad faith (Article 117.1(b)).
- Even if Protection Certificates have been granted for these industrial property objects, the legitimate IP rights holder still has the opportunity to challenge their validity through the "invalidation" procedure (Article 96.1(a))."

### 2. Documents to provide: What are they?

When detecting that a third party has filed an application to register industrial property objects in bad faith, the legitimate IP rights holder needs to provide documents and evidence specified in Article 34.2 of Circular 23/2023/TT-BKHCHN. Specifically, the following documents and information need to be provided in the protest or request for invalidation:

*(a) Documents proving that at the time of filing the application, the applicant knew or had a basis to know that the mark he or she registered was identical or confusingly similar to a mark that is widely used in Vietnam or well-known trademarks in other countries for identical or similar goods or services; and*

*(b) This registration is intended to take advantage of the reputation and prestige of that mark to gain profit; or primarily for the purpose of reselling, licensing or transferring registration rights to the holder of the trademarks mentioned in Point a of this Clause; or aims to prevent the ability of persons with trademarks mentioned in Point a of this Clause to enter the market to limit competition; or other acts contrary to fair trade practices.*

### 3. Proving "Bad Faith": What Criteria Must Be Met?

To establish "bad faith", according to Article 34.2 of Circular 23/2023/TT-BKHCHN, both of the following conditions must be simultaneously satisfied:

#### [i] Knowing or having basis to know:

This criterion emphasizes that the applicant "knows" or "has a basis to know" about the trademark of the legitimate owner. It is fully met when the legitimate owner's trademark is "widely used" in Vietnam or "well-known" in other countries for identical or similar goods/services.

#### [ii] Intention/motive for trademark registration:

This criterion requires [proving the intention and motive](#) to harm the legitimate rights and interests of the genuine trademark owner. It is considered met when the legitimate trademark owner can prove that the intention/motive behind registering a trademark is to carry out one of the following acts: taking advantage of, reselling, licensing, transferring, preventing the ability to enter the market to limit competition, or other acts contrary to fair trade practices.

Therefore, only when both conditions (*awareness or knowledge* and *motive of the trademark applicant*) are met under Article 34.2 of Circular 23/2023/TT-BKHCHN, is there enough basis to conclude that the applicant registered the trademark in “bad faith”. In other words, if only one of the above two criteria can be proven, a trademark opposition or invalidation based on the “bad faith” ground will be considered unfounded and rejected.

The requirement to simultaneously meet two conditions as prescribed in Article 34.2 of Circular 23/2023/TT-BKHCHN makes proving “bad faith” or “malicious intent” more difficult and challenging because the legitimate trademark owner must provide evidence that the applicant not only “knows” or “has reason to know” of the pre-existing trademark but must also prove that the applicant's motive for registering the trademark is improper. Even when it is clear that the applicant was aware of the prior existence of the mark by the legitimate trademark owner, proving the dishonest motive of the applicant is not simple. Although this provision is said to make it difficult to prove “bad faith”, it is intended to distinguish between simply filing an application to register a trademark that is identical or similar to another person's trademark unintentionally as compared to the case of filing a trademark application with actual bad faith.

#### 4. Documents proving "bad faith": What criteria need to be met?

- **Formality:** The provided documents and evidence in support of trademark opposition or invalidation on the basis of "bad faith" must be admissible documents and evidence. Normally, documents can be originals, or notarized copies, or certified at a bailiff's office in Vietnam.
- **Connection:** Documents must demonstrate a link between knowledge of the trademark and the motive behind registering the trademark.
- **Widely used or well-known:** The legitimate trademark owner needs to provide documents proving that his trademark has been [widely used](#) in Vietnam or has become well-known abroad.
- **Time:** Documents proving status of use or prestige, reputation, etc., must demonstrate use or reputation prior to the date of filing the trademark registration application in Vietnam.

#### Final thoughts

Reclaiming a trademark registered in bad faith by a third party requires a meticulous and resource-consuming legal [strategy](#). Collecting and using convincing evidence to simultaneously satisfy both conditions: **(i)** knowing or having a basis to know the trademark of the genuine owner **and (ii)** the applicant's intention and motive behind registering the trademark requires a strategic approach. This includes not only proving the pre-existence and public recognition of the mark by the genuine owner but also linking that recognition to the applicant's dishonest motives. Therefore, the case strategy must be comprehensive, ensuring that all legal aspects are carefully considered, and the evidence provided must be convincing, meeting strict standards for proving bad faith.

Please contact KENFOX IP & Law Office for advice on handling trademarks filed or registered in bad faith, and understand the strategy to successfully reclaim your trademark rights when registered by a third party in bad faith, to optimally protect your legal rights and interests in Vietnam.

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