Specialized IP Court: A "Revolution" in Resolving IP Disputes in Vietnam

The significant increase in the number and complexity of intellectual property (**IP**) disputes in Vietnam, coupled with the limitations of current administrative and criminal measures, has necessitated the establishment of a specialized judiciary in Vietnam. As of January 1, 2025, Vietnam's law allows for specialized IP courts to be established at the first-instance level. These courts will handle civil, administrative, and commercial IP disputes, fundamentally shifting enforcement from a primarily administrative system toward a judicial one.

The advent of the IP Court promises to revolutionize the way IP disputes are resolved, providing a more efficient, specialized, and predictable legal process for both domestic and foreign IP rights holders.

Current IP landscape in Vietnam: Challenges and Commitments

Vietnam has established a legal framework for the protection of IP rights through various laws and regulations, including the Law on Intellectual Property, the Civil Code, and Decrees and Circulars guiding the implementation of the IP Law, contributing to a comprehensive and detailed legal system in Vietnam. In addition, Vietnam has acceded to international treaties such as the Berne Convention, the Paris Convention, and the TRIPS Agreement, demonstrating its commitment to global IPR standards.

However, despite a relatively comprehensive IPR legal framework, IPR holders still face a concerning reality: lengthy litigation procedures (see article: Novartis AG Triumphs in the Journey to Protect Vildagliptin Patent in Vietnam), inconsistent court rulings (see article: Law vs. Reality: The Hurdles of Pursuing Damages in Vietnamese Copyright Infringement Cases), and a lack of expertise among enforcement agencies, resulting in ineffective handling of IPR infringements. The reality of handling IPR disputes and infringements shows that:

- Administrative measures, although common, do not effectively address IPR infringements due to their low deterrent effect, overlapping jurisdictions, and limitations in enforcement capacity.
- <u>Criminal measures</u> are difficult to apply because most infringements do not meet the elements constituting a crime.
- Civil measures, although the most appropriate means of protecting IPR, have not been effective due
 to complex procedures, difficulties in determining damages, and IPR holders' reluctance to go to court,
 leading them to often opt for administrative remedies.
- The role of the Court remains insignificant: The number of IPR cases resolved in Court is still very small compared to administrative enforcement agencies.
- Multiple Trials, Multiple Levels: Nearly 80% of IPR-related cases require appellate or even cassation
 trials due to the limited expertise of court officials in IPR matters. The court often needs to consult
 specialized agencies, causing difficulties and additional costs for the parties involved.
- The application of provisional urgent measures (injunctive relief) remains ineffective: Legal
 provisions are limited and lack specificity, causing difficulties for rights holders in seeking protection of
 their rights.

To address existing limitations, Vietnam has proactively engaged in deeper international integration, as evidenced by its participation in significant trade agreements such as the CPTPP and EVFTA. These agreements require Vietnam to implement stricter IPR enforcement measures, enhance transparency, and provide more effective remedies for IPR holders. While these commitments represent a positive step forward, their full implementation and actual impact remain to be seen and require ongoing monitoring.

The specialized IP Court: A new era for IPR enforcement in Vietnam

Vietnam now has **two first-instance**, **specialized IP courts** - one seated in **Hà Nội** and one in **Hồ Chí Minh City** - with **territorial jurisdiction** split nationwide. Hà Nội IP Court covers **~20 northern/central provinces**; HCMC IP Court covers the **remaining ~14 provinces/cities**. Guidance on **case transfers and**

pending matters (e.g., Resolution No. 01/2025/NQ-HĐTP) accompanied this rollout. Some matters filed before July 1, 2025 continue under the old venues per transitional rules.

These courts are designed to bring **subject-matter expertise**, **consistency**, **and speed** to civil, commercial, and administrative IP disputes (and technology-transfer-adjacent matters) that were historically fragmented across general courts and administrative channels.

The Specialized IP Court represents a significant departure from the existing judicial system in Vietnam. Its key features are designed to address the shortcomings of the current IPR enforcement mechanisms and provide a more robust framework for <u>protecting intellectual property rights</u>. Key features:

- Jurisdiction: The Specialized IP Court will have exclusive jurisdiction over first-instance IP cases regarding (i) Civil and commercial IP disputes (patents, utility solutions, industrial designs, trademarks, geographical indications, copyrights, plant varieties, trade secrets, unfair competition related to IP, etc.); (ii) Administrative lawsuits in IP matters (e.g., challenges to administrative decisions by IP authorities) and (iii) Technology transfer-adjacent disputes within the allocation made by the NA Standing Committee.
- Specialized judges: The court will be staffed by judges with specialized knowledge and experience in IP law. This expertise is crucial for understanding the nuances of complex IP disputes and making informed decisions based on relevant legal principles and technical considerations. The presence of specialized judges will ensure that IP cases are handled with the utmost competence and understanding.
- Streamlined procedures: The court is expected to implement streamlined procedures to expedite the
 resolution of IP disputes. This may involve shorter deadlines for filing documents, faster scheduling of
 hearings, and more efficient case management practices. These procedural improvements will not only
 reduce the time and cost associated with IP litigation but also provide IPR holders with a more timely
 and effective means of enforcing their rights.
- Appellate path: Appeals from the IP courts go to the provincial-level courts under the revised hierarchy; cassation/reopening lies with the Superior People's Courts (per the reorganized competencies).
- Note on invalidation authority: It is argued that the new framework strengthens courts' role visà-vis validity questions, including pathways for annulling protection titles in litigation context; however, this hinges on implementing guidance and coordination with the IP Law (Articles 95–96) and remains an area to watch.

Benefits for IPR holders

The establishment of the Specialized IP Court promises significant benefits for IPR holders, both domestic and foreign.

- Venue clarity & concentration of expertise: Rights-holders and defendants now have clear venues
 with judges focused on IP, improving consistency across complex issues (e.g., secondary meaning,
 claim construction, likelihood of confusion, damages methodologies, evidence standards for online
 use).
- Speed & predictability tempered by transition: Expect more predictable timelines once dockets stabilize, but early transition brings case transfers, new internal workflows, and guidance roll-outs that may initially slow matters.

- Appeals map is cleaner: With appeals going to provincial-level courts, practitioners can plan two-tier strategies (trial before IP court; appeal to provincial court) with greater certainty about records and standards of review.
- Administrative vs. judicial enforcement rebalance: Historically, many rights-holders favored administrative raids and penalties over civil suits. The IP courts are intended to re-balance toward judicial enforcement, especially where damages, injunctions, and precedential clarity are needed.
- <u>Damages jurisprudence</u>: Expect clearer damages frameworks (actual loss, unjust enrichment, reasonable royalty proxies), evidence presumptions, and expert testimony practices to evolve critical for brands and patent owners seeking meaningful compensation. (Monitor the Council of Judges' guidance and early appellate decisions.)
- Validity/invalidation pathways: Watch for test cases and guidance clarifying how (and when) validity issues are resolved in court vs. by IPVN; early appellate precedents in 2025–2026 will be pivotal.
- Cross-border and online evidence: The courts' specialization should foster more robust handling
 of foreign-language evidence, online sales/use proofs, chain-of-custody for digital captures, and
 expert opinions historically uneven across forums.

Conclusion

The Specialized IP Court is more than just a judicial reform; it is a strategic investment in Vietnam's future. By providing a fair, efficient, and specialized forum for resolving IP disputes, the court will empower innovators, safeguard investments, and stimulate economic activity. This, in turn, will contribute to Vietnam's continued rise as a regional and global economic powerhouse. It is clear that the transition from administrative handling to judicial resolution of IP disputes is crucial to ensure a more equitable and effective protection of intellectual property rights.

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