

Handling Trademark Infringement in Vietnam: 8 Key Considerations

Even with a registered trademark and a favorable opinion from the Vietnam Intellectual Property Research Institute (VIPRI), winning a trademark infringement case is not guaranteed. IP disputes in Vietnam are becoming increasingly sophisticated and unpredictable, meaning there's always a risk of failure, even when the odds seem in your favor.

To navigate this complexity, it's essential to develop a comprehensive IP protection and enforcement strategy that considers all potential risks. This approach helps minimize legal exposure and improves your chances of successfully combating IP infringement.

With 15 years of experience handling complex IP cases, KENFOX IP & Law Office offers valuable analysis and insights, helping rights holders accurately assess issues from both legal and practical perspectives. This enables clients to make informed, timely decisions for effective enforcement and anti-infringement measures.

1. Determining the Scope of Trademark Protection

The "scope of trademark protection" defines the boundaries within which a trademark is legally protected. Trademark protection applies only to the specific goods/services listed in the Trademark Registration Certificate [Article 77.2 of Decree 65/2023/ND-CP]. Therefore, determining whether a third party's action constitutes infringement requires assessing if it falls within this scope.

If a third party uses a similar or identical trademark on goods or services that **differ** in nature, function, or target audience from those listed, it does not constitute infringement. However, if the use is on similar goods/services and is likely to confuse consumers about the origin, it may be considered infringement.

For instance, in the "HOA SEN" dispute, IDEA Company's use of an identical sign on "**printed calendars**" was not deemed infringement because the product was distinct from HOA SEN Company's registered services, namely, "*services of presentation/displaying of **goods** on communication media for sales*"

Misunderstanding the scope of protection can lead to incorrect conclusions about infringement. Trademarks with "weak distinctiveness" or "disclaimed elements" require careful assessment of the "**commercial impression**" to determine if infringement has occurred.

While descriptive signs generally aren't protected as trademarks, exceptions exist. For example, despite being seemingly descriptive, the trademark "**NHÀ AN TOÀN**" (**SAFE HOUSE**) is protected in Vietnam for services related to home safety devices.

The scope of trademark protection acts as a "protective boundary." If a third party's action falls within this boundary - due to similarity in trademarks, goods/services, and a likelihood of confusion - it may constitute infringement. Therefore, before pursuing legal action, it's crucial to clearly define your trademark's scope of protection and assess whether the third party's actions infringe upon it. Keep in mind that the scope can vary depending on the type of trademark and the specifics of each case.

2. Determining the Elements Infringing Upon Trademark Rights

Trademark infringement occurs when signs used in connection with goods, packaging, services, or advertising are identical or similar to a protected trademark, leading to consumer confusion. [Article 77.1, Decree 65/2023/NĐ-CP].

Key Elements of Infringement:

- *Similarity to the Protected Trademark:* The sign must be similar or identical in appearance, structure, meaning, or pronunciation, causing confusion with the registered trademark.
- *Use for Identical or Similar Goods/Services:* The sign is used for goods or services that are the same or similar to those covered by the trademark. Use for different goods/services typically does not constitute infringement.
- *Likelihood of Confusion:* This is the critical factor. If consumers are likely to confuse the origin of the goods or services, the sign may be considered infringing.

Does Similarity Always Mean Infringement?

- *Not Necessarily*: Not all similarities result in infringement. Even a highly similar sign may not infringe if used on goods with different purposes, functions, or target consumers. Each case requires a thorough analysis of factors like similarity degree, product type, target market, and consumer base.
- *Exceptions*: Some similarities are permissible, such as when a [trade name](#) or company name was in use before the trademark was registered.

3. Statute of Limitations

While most trademark infringement cases are resolved without issues related to the statute of limitations, adhering to these time limits is crucial for enforcing trademark rights. If a trademark owner discovers an infringement but only issues a warning without taking further action, the window for legal recourse may close.

Administrative Measures:

To pursue administrative action, the trademark owner must request the relevant Vietnamese state agency to address the infringement within **02 years** from the date the infringing act ended (*for completed infringements*) or from when it was discovered (*for ongoing infringements*).

Civil Remedies:

The statute of limitations for civil remedies varies:

- **3 Years**: For lawsuits seeking "[compensation for damages](#)" under Article 588 of the Civil Code, the statute of limitations is 3 years from the date the IP right holder knew or should have known about the infringement.
- **No Time Limit**: There is no statute of limitations for civil lawsuits requesting the protection of "ownership rights" under Article 155.2 of the Civil Code.

To effectively enforce your trademark rights, be vigilant about the statute of limitations. Actions like sending a Cease and Desist Letter or notarizing evidence will be ineffective if you don't take legal action within the prescribed time. Missing these deadlines means losing your right to seek remedies or initiate a lawsuit for trademark infringement.

4. How Disputes Can Stall IP Infringement Lawsuits

You may initiate a lawsuit or enforcement action against an infringer without realizing that their mark has already been filed for or granted protection as an Industrial Design. This often comes to light when the alleged infringer presents their evidence under Article 25.3(a) of Decree 99/2013/NĐ-CP.

In such situations, administrative enforcement agencies often "suspend" or "refuse" to handle the infringement in accordance with the provisions of Articles 27 and 28 of Decree 99/2013/NĐ-CP. Similarly, [the court](#) may also temporarily suspend the resolution of the case under Article 214.1(d) of the Civil Procedure Code, awaiting the outcome of the IP rights dispute.

These disputes can lead to delays or suspensions of trademark infringement proceedings. Even with an undertaking provided by the trademark owner under Article 27.1(b) of Decree 99/2013/NĐ-CP, Vietnamese enforcement agencies are often cautious and may still suspend the proceedings until it is determined whether the alleged infringer's sign will be granted protection or if the trademark owner's mark will be cancelled or invalidated.

A lawsuit can also be temporarily suspended or rejected if the registered trademark is alleged to have been obtained in "bad faith," and the accused infringer requests the Intellectual Property Office of Vietnam (VNIPO) to cancel the trademark under Article 96 of the IP Law. Vietnam's IP Law includes measures to prevent the "abuse of intellectual property rights," allowing defendants to recover reasonable costs and damages if the court finds no infringement and the plaintiff's actions caused harm (Articles 198.4 and 198.5).

These disputes create uncertainty for enforcement agencies, as they risk state compensation liability if they act prematurely by confiscating, penalizing, or destroying goods suspected of infringement.

5. Should You Issue A Warning Or Apply Decisive Legal Measures Immediately Upon Detecting Infringement?

Many businesses underestimate minor or low-visibility infringements, opting for a lenient approach like sending a warning letter. However, the IP infringement landscape in Vietnam is rapidly evolving and often more pervasive than it appears. What seems minor may be just the tip of the iceberg, with the infringing party potentially using the trademark illegally across various platforms, including websites, e-commerce, business names, or domain names.

A [Cease and Desist Letter](#) may not only be ineffective but could also backfire. The infringer might solidify their position or even successfully register the trademarks in question. Even with opposition and expert opinions in favor of the trademark owner, VNIPO might still grant protection to the allegedly infringing mark.

Given these risks, consider taking decisive legal action from the outset. This approach allows you to gather valuable evidence, protect the integrity of your trademark, and create favorable precedents for future enforcement. As your trademark gains reputation, it becomes more vulnerable to imitation, making successful enforcement actions crucial. These victories can serve as powerful tools to oppose third-party trademark applications at VNIPO and make future enforcement easier.

6. Challenges in Trademark Protection: The Exploitation of IP Registration in Vietnam

Due to the low cost of trademark registration in Vietnam, some third parties attempt to [register trademarks similar](#) to well-known brands to exploit their reputation for financial gain. These "parasitic" trademarks undermine the distinctiveness of the original mark and create significant challenges for the legitimate owner in enforcing their rights.

While Vietnam's IP Law allows for trademark cancellation, once a parasitic trademark is granted protection, challenging it is difficult and has a low success rate. Typically, trademarks undergo a 12-18 month substantive examination. If VNIPO cancels a registered trademark, it may imply errors in the initial examination and could lead to state compensation if the infringer has commercialized products under that trademark.

Judges in IP cases often lack specialized knowledge, relying heavily on expert opinions from bodies like VNIPO or VIPRI. As a result, court decisions rarely contradict VNIPO's determinations, making it challenging to revoke a trademark even when errors are evident.

7. Conflicting Views on Likelihood of Confusion: VIPRI vs. VNIPO

In practice, there are instances where discrepancies arise between the conclusions regarding trademark matters reached by VIPRI and VNIPO.

Trademark owners often file requests for expert opinions from VIPRI to support their claims of infringement. However, even when [VIPRI concludes](#) that there are elements of infringement (i.e., likelihood of confusion exists), VNIPO may issue a contrary decision, granting protection to the allegedly infringing trademark.

This discrepancy, although explained as a result of "differing perspectives in evaluation", raises significant questions about the consistency and objectivity in the application of IP law. Consequently, even with a favorable expert opinion from VIPRI, you cannot be entirely confident in your ability to protect your rights.

8. Thorough Investigation: Key to Effective Enforcement of IP Rights in Vietnam

Many trademark owners, hesitant to invest in investigation costs, underestimate or downplay the importance of investigating infringements. As a result, they only obtain limited information from their non-specialized investigative staff. Consequently, trademark owners often conclude that the infringement is insignificant and unlikely to have a negative impact on their brand.

In reality, the scope and extent of the infringement can be far more serious and widespread than initially apparent, often involving an entire network with hidden supply chains, warehouses, and distribution channels. The profits from selling infringing products, even for a single season, can sustain the infringer for an entire year or even longer. Therefore, upon discovering suspected infringing products, it's crucial to assess the potential harm and risks at a high level, never underestimating or dismissing them. Our practical experience shows that even seemingly minor infringements warrant a comprehensive investigation, encompassing both on-the-ground and online inquiries, examining everything from business facilities to products, from product origins (domestic or imported) to distribution channels. Only through a thorough [investigation](#) can the full picture of the infringement be revealed. This enables you to make swift, informed decisions, minimizing the damage to your intellectual property.

Closing thoughts

Undeniably, addressing IP infringements, particularly trademark violations, in Vietnam can be fraught with challenges. These challenges range from determining the scope of protection and identifying infringing elements to navigating issues related to statutes of limitations and disputes. All of these require a deep understanding of the law and an effective enforcement strategy. The exploitation of IP registration processes and inconsistencies in assessments among relevant authorities have created significant difficulties for trademark owners. However, this does not mean that positive outcomes are unattainable.

Combating [trademark infringement](#) is not a single battle but a long-term journey. It demands that trademark owners develop a **comprehensive enforcement strategy**, possess a **deep understanding of the law**, and have the ability to **identify** and **manage legal risks**. These are the key factors for **successful enforcement** and **protection** of IP rights in Vietnam.

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