Addressing IP disputes in Vietnam: Declarations of non-infringement and invalidity

Intellectual property disputes, especially those concerning trademarks, are an inevitable part of the dynamic business environment in Vietnam. Instead of passively waiting for the threat of trademark disputes to arise, wise businesses will seek proactive solutions to protect themselves. The question then becomes: how can businesses proactively "stay one step ahead", mitigate legal risks, and confidently explore the market? Declarations of non-infringement and trademark invalidity are two excellent legal mechanisms, empowering third parties to definitively establish legal "boundaries", create a "safe harbor" for their commercial activities.

KENFOX IP & Law Office would like to provide more comprehensive analysis on the mechanism of declaration of non-infringement and invalidity in the context of Vietnam's IP Law.

Declaration of non-infringement: Seeking proactive trademark clarity in Vietnam

While not explicitly codified as a specific procedure in Vietnamese law, a declaration of non-infringement serves as a strategic tool for third parties seeking to proactively address potential trademark concerns. This mechanism proves invaluable when a business faces threats of legal action for alleged <u>infringement</u> or aims to secure a clear legal landscape before introducing a new product or service to the Vietnamese market.

A declaration of non-infringement essentially involves a third party seeking formal confirmation that their actions do not infringe upon a registered intellectual property (IP) right. In practice, there are several pathways to pursue such a declaration:

- Direct request to the IP owner: Fostering amicable resolutions: The most direct approach involves submitting a formal request to the IP right holder. By specifying your activities and demonstrating why you believe they do not constitute infringement, you can seek the IP owner's written confirmation of non-infringement. This route offers the potential for amicable and efficient resolution, fostering positive communication and potentially avoiding costly litigation. However, it relies on the IP owner's willingness to engage and agree with your assessment. Should the IP owner disagree with your non-infringement stance or, perhaps more commonly, fail to respond to your request, further steps may be necessary.
- Escalation to Court or administrative body: Seeking formal declarations: If a direct approach to the IP owner proves unsuccessful, Vietnamese law allows for escalation to the courts or relevant administrative bodies. While not a frequently utilized route for declarations of non-infringement, initiating a lawsuit seeking such a declaration from the court remains a possibility. This is grounded in the general principles of civil procedure in Vietnam, which afford parties the right to seek judicial protection of their lawful rights and interests. Alternatively, approaching a relevant administrative body, such as specialized IP divisions within departments of industry and trade, could be another avenue to explore, although the formal outcome may vary.
- Seeking "Expert Opinions" via administrative enforcement authorities: A practical workaround: A particularly practical approach in Vietnam involves engaging administrative enforcement authorities, such as the Market Management Agency. A third party can request the Agency to seek "expert opinions" from the <u>Vietnam Intellectual Property Research Institute</u> (VIPRI) or the Intellectual Property Office of Vietnam (VNIPO). These expert opinions assess whether a specific branded product constitutes an infringement of registered IP rights. Importantly, these expert opinions are treated as reliable evidence by Vietnamese courts and enforcement bodies when determining if IP infringement has occurred. This method provides a valuable, quasi-official assessment that can significantly strengthen a third party's legal position and proactively mitigate the risk of future infringement claims.

By strategically pursuing a declaration of non-infringement through these pathways, third parties can proactively safeguard their business activities and mitigate the risk of costly and disruptive infringement claims down the line.

Declaration of invalidity: Challenging trademark validity under Article 96 of Vietnam's IP Law

Beyond seeking confirmation of non-infringement, Vietnamese IP law provides a strong mechanism for third parties to directly challenge the validity of a trademark registration through a declaration of invalidity. Article 96 of Vietnam's IP Law explicitly empowers third parties to file a request for invalidation with the VNIPO, aiming to rectify improperly granted IP rights and foster a fairer marketplace.

A request for invalidation under Article 96 can seek *whole* or *partial* invalidation of a trademark registration, depending on the grounds.

- **Bad faith of the applicant:** If the mark registration applicant acted with "bad intentions" this generally refers to dishonest or unethical motives during the application process, such as knowingly attempting to register a mark to block competitors or profit from another's reputation.
- **Non-compliance with legal requirements:** The registration did not adhere to the procedural or substantive requirements stipulated by Vietnamese IP law (*e.g., If the registration owner did not possess the legal right to register the mark, or had not been properly assigned that right; the registered mark failed to meet requirements for distinctiveness; The modifications or supplementations to the trademark application improperly broadened the scope of the mark or altered the fundamental nature of the mark).*

Upon receiving a request for invalidation, the VNIPO undertakes a thorough examination to assess the validity of the provided grounds. If the VNIPO deems the grounds to be legitimate, it can issue a decision declaring the IP right invalid, either in part or in its entirety. This invalidation effectively nullifies the challenged IP right, removing its legal protection and freeing up space for other businesses to operate without fear of infringement related to that specific right.

Proactive strategies and key considerations for declarations in Vietnam

While Vietnam's legal system may differ from common law jurisdictions in its approach to evidence gathering and discovery, it offers practical and effective mechanisms for proactive IP protection through declarations of non-infringement and <u>invalidity</u>. The absence of explicitly codified non-infringement declarations is counterbalanced by the system's inherent flexibility and the availability of alternative routes, including direct negotiation, judicial recourse, and using administrative expert opinions.

For businesses dealing with the Vietnamese IP landscape, particularly in relation to trademarks, several key considerations emerge:

- **Embrace proactivity:** Don't wait for infringement threats. Proactive steps like seeking declarations can provide significant legal and commercial advantages.
- **Explore all available pathways:** Understand the nuances of each route to a non-infringement declaration direct negotiation, court action, and administrative expert opinions and choose the strategy best suited to your situation.
- **Use "expert opinions" strategically:** The practical weight accorded to VNIPO/VIPRI expert opinions makes them a valuable tool for building a strong legal position.

Closing thoughts

While Vietnam's IP legal framework presents unique characteristics compared to common law systems, it provides robust avenues for third parties to proactively manage trademark risks. By strategically utilizing declarations of non-infringement and invalidity, businesses can gain greater certainty, mitigate potential disputes, and confidently operate in the Vietnamese market. Understanding these mechanisms and seeking expert legal guidance are essential steps for any entity looking to secure its IP interests in Vietnam's dynamic legal landscape.

By QUAN, Nguyen Vu | Partner, IP Attorney PHAN, Do Thi | Special Counsel HONG, Hoang Thi Tuyet | Senior Trademark 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