# Copyright Registration for Product Packaging Design in Vietnam: Can Infringement Be Addressed?

A product's packaging design may be registered as a work of applied art to obtain copyright protection. The proprietor, a Shenzhen-based technology company, proceeded to commercialize its product bearing the aforementioned packaging design following the issuance of a copyright registration certificate. In such circumstances, the packaging design effectively functions as an indicator (i.e., a trademark), enabling the public and consumers to distinguish the origin of the company's oral care products from those of other entities. This raises the question of whether a packaging design registered under copyright law may also be deemed to enjoy intellectual property protection equivalent to that afforded to trademarks. If that is the case, would copyright registration alone suffice, thereby eliminating the need for trademark registration?

KENFOX IP & Law Office provides analysis and commentary on a copyright infringement case adjudicated by a Chinese court, thereby drawing key insights for developing effective intellectual property protection strategies for businesses operating in Vietnam.

## **Background**

A technology company based in Shenzhen, specializing in the research and development of oral care products, has established several well-known and top-selling online brands, including "XXX Shark Toothpaste". The company registered the related packaging design <u>as a copyrighted work</u>. According to the product detail page of the toothpaste branded "XXX Thai", the manufacturer of this product is XXX Diep Company, located in Guangzhou. This company is also the registered proprietor of the "XXX Thai" trademark. Notably, the product listing names prominently feature phrases such as "XXX Shark Toothpaste" for promotional purposes.

The Shenzhen-based technology company alleged that the actions of XXX Diep Company and the distributor, XXX Hoa Trading Firm, constituted an infringement of its copyright. Accordingly, it petitioned the court to issue an order compelling the cessation of the infringing activities. The company further sought punitive damages in the amount of RMB 6 million from XXX Diep Company, and requested that the distributor, XXX Hoa Trading Firm, be held liable for damages in the amount of RMB 30,000.

## **Court ruling**

Upon trial, the First People's Court of Dongguan determined that the defendant, XXX Diep Company, without authorization, had manufactured the allegedly infringing product and displayed and sold it through its online store, thereby infringing upon the plaintiff's rights of reproduction, distribution, and communication to the public via information networks in respect of the copyrighted work. The defendant, XXX Hoa Trading Firm, was likewise found to have infringed the plaintiff's distribution right and right of communication to the public via information networks. The court accordingly ordered XXX Diep Company to pay RMB 6 million in damages to the plaintiff, and XXX Hoa Trading Firm to pay RMB 30,000 in damages.

Furthermore, the court found that XXX Diep Company had willfully <u>engaged in the infringing conduct</u> under aggravating circumstances. The company refused to produce accounting records and documentation relating to the manufacture and sale of the infringing products as requested by the court, thereby constituting an act of obstruction of evidence. In addition, the company repeatedly submitted falsified evidence, failed to truthfully disclose material facts of the case, and showed no intention to rectify its misconduct. Such behavior was deemed to be in breach of the principles of honesty and good faith that govern civil litigation, and was found to have seriously impeded the judicial process. As a result, the court imposed an administrative fine of RMB 200,000 on XXX Diep Company as a punitive measure.

### Some key takeaways

- 1. A product's packaging design may be simultaneously protected under both <u>copyright law</u> (as a work of applied art) and industrial property law (as a trademark), provided that the respective legal requirements for each form of protection are met. A technology company based in Shenzhen invoked its copyright in the packaging design to initiate legal proceedings against XXX Diep Company and the distributor, XXX Hoa Trading Firm, alleging that the defendants had infringed its copyright by affixing and/or using the copyrighted "product packaging design" in question.
- 2. However, the assertion that a "product packaging design," once registered under copyright law, enjoys protection equivalent to that of a trademark is not entirely accurate. Moreover, the proposition that "copyright registration alone renders trademark registration unnecessary" is **legally unfounded**.

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3. Basic differences between copyright and trademark rights

Criteria	Copyright (for applied art works such as packaging designs)	Trademark
Legal Basis	Intellectual Property Law	Intellectual Property Law
Conditions for Protection	The work must be original, possess creativity, and be expressed in a certain form	Must be capable of distinguishing goods/services, and not identical or confusingly similar to existing trademarks
Scope of Protection	Protection covers the specific form of expression of the work (e.g., the actual visual design of the packaging)	Protection covers signs (e.g., words, images, colors) used to distinguish goods/services
Purpose of Protection	To safeguard artistic creativity (the packaging is protected as a work)	To safeguard the function of commercial distinction (the packaging serves as a source identifier)
Burden of Proof in Infringement	Must prove unauthorized copying of the protected work	Must prove likelihood of confusion as to the commercial origin of the goods/services
Term of Protection	The term of economic rights protection for applied art works is 75 years from the first publication date	Unlimited, subject to timely renewal in accordance with statutory requirements

4. How are the scope of protection and the constitutive elements of copyright infringement in relation to product packaging designs determined?

When a packaging design is registered for copyright protection:

- It is protected **as a work of applied art**, with the protection primarily covering its specific form of expression, rather than its commercial source-identifying function.
- If a third party reproduces the design exactly or in a substantially identical manner for the purposes of manufacturing or distribution, such conduct may constitute copyright infringement.
  - However, if the third party makes minor modifications to avoid a finding of "copying", or creates a design that is similar in terms of *commercial impression* but not in specific visual expression, such use **may not be deemed a copyright infringement**. Nevertheless, it may **give rise to a likelihood of confusion** as to the source of goods, which falls within the scope of **trademark** protection.
- 5. Why should packaging designs with source-identifying characteristics be registered as trademarks?

If the packaging serves the function of helping consumers identify the product, then:

- Registering the packaging as a trademark is the only direct means of protecting this function.
- Copyright does not protect the commercial source-identifying function of packaging in other words, if the packaging is registered for copyright protection but not as a <u>trademark</u>, the owner may lose the

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- ability to pursue legal action against parties who use a similar packaging design that creates confusion as to origin but does **not involve direct copying**.
- In practice, many proprietors of well-known brands often seek both copyright and trademark protection for their product packaging designs to ensure more comprehensive protection. The rationale is that a third party might not reproduce the design exactly (thus avoiding copyright infringement), but might use a similar design that causes consumer confusion when used on the same or similar goods, thus constituting trademark infringement. Conversely, in some cases, a party may copy the design for unrelated purposes, not linked to the same class of goods, thereby avoiding trademark infringement, but nonetheless infringing copyright.

In summary, registering copyright for a packaging design is essential for protecting against **unauthorized copying** of the work; however, it does **not substitute** trademark registration where the business's objective is to protect the source-identifying function of the packaging design in the market and to prevent acts that cause confusion among consumers. Conversely, **trademark registration also cannot serve as a complete substitute** for copyright protection. To ensure the most robust and comprehensive protection for packaging designs that possess both artistic creativity and serve as a source identifier, businesses should consider registering **both copyright and trademark rights** in Vietnam.

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