Delegation and Decentralization of IP Rights in Vietnam - What Right Holders Must Know Under Decree 133/2025/ND-CP?

Decree 133/2025/ND-CP (issued on June 12, 2025) marks a significant administrative reform in the field of science and technology, including intellectual property (IP). This Decree stipulates the **delegation** and **decentralization** of certain state management tasks concerning IP from the central level (Ministry of Science and Technology/IP Office of Vietnam) to the provincial-level People's Committees (PCs). The Decree takes effect from July 1, 2025, and will be piloted until March 1, 2027 (unless extended or replaced by new regulations).

KENFOX IP & Law Office provides in-depth analysis and comprehensive insights into Decree 133/2025/ND-CP, assisting IP right holders in thoroughly understanding the mechanisms of "delegation" and "decentralization", identifying which tasks are transferred. This understanding enables them to seize opportunities, recognize risks, and adjust their strategies, procedures, and organizational structures in alignment with Vietnam's new administrative framework.

Delegation of Authority from Central to Local Levels

Prior to the entry into force of Decree No. 133/2025/ND-CP, numerous <u>state management tasks in the field</u> <u>of intellectual property</u> (IP)—notably procedures relating to the issuance and reissuance of protection titles, organization of professional examinations, and recording of information changes were exclusively performed by the Intellectual Property Office of Vietnam (IP Vietnam) under the Ministry of Science and Technology. The promulgation of this Decree has created a clear shift in authority, decentralizing specific tasks to the provincial-level People's Committees (PCs).

Distinction Between "Delegation" and "Decentralization" Under Decree No. 133/2025/ND-CP

What is "Delegation"?

In state management, "*delegation*" refers to a governance mechanism <u>under which authority is transferred</u> <u>from central government bodies to local administrative units</u>, enabling them to autonomously perform tasks within their respective territorial jurisdictions. It is considered a robust form of authority transfer, whereby a superior state agency transfers full decision-making authority and accountability for the outcome of a specific task to a subordinate agency.

This means that the local government is granted complete discretion to formulate, implement, and evaluate policies and actions without requiring approval or detailed intervention from central authorities. Under Decree No. 133/2025/ND-CP, a total of 16 tasks are classified as falling within the scope of delegation, thereby conferring the highest degree of autonomy upon local authorities in executing the assigned state management functions.

In Contrast: What is "Decentralization"?

Unlike *delegation*, "*decentralization*" refers to <u>the arrangement whereby a superior state authority assigns</u> certain tasks to a subordinate authority, but retains the power to direct, inspect, supervise, and, if necessary, <u>revoke such delegated authority</u>. In this case, local authorities are tasked with implementation but must adhere to regulations, guidelines, and oversight from the Ministry of Science and Technology.

Decree No. 133/2025/ND-CP specifies a total of 62 tasks subject to decentralization.

The significant disparity between the number of decentralized tasks (62) and delegated tasks (16) reflects a cautious approach in the full transfer of authority. While the Government promotes the policy of "empowering local authorities", the fact that most tasks remain within the scope of decentralization illustrates a deliberate balance between enhancing local autonomy and ensuring national-level consistency and administrative coherence. This approach may stem from varying capacities among localities to implement such responsibilities or from the strategic nature of certain sectors requiring strict central oversight. Such a model is necessary to maintain effective governance, prevent fragmentation, and still foster innovation and initiative at the local level.

Details of Tasks Delegated to Local Authorities in the Field of Intellectual Property (IP):

• [Article 5]: Recognition of Organizations Meeting the Conditions for Practicing as Industrial Property Representatives

Local authorities are empowered to recognize organizations that meet the statutory requirements to provide industrial property representation services, thereby facilitating the development of IP support services at the provincial level.

 [Article 6]: Recognition of Individuals Qualified to Practice as Industrial Property Representatives
 Similar to organizations, individuals who meet the conditions for practicing as industrial property

Similar to organizations, individuals who meet the conditions for practicing as industrial property representatives may be recognized by local authorities, supporting the management and development of locally based professional human resources in the IP sector.

- [Article 7]: Removal of Organizations from the Register of Industrial Property Representatives Local authorities are authorized to remove organizations from the register of industrial property representatives if they no longer meet the requisite conditions or are found to be in violation of applicable regulations, thereby ensuring the quality and transparency of the IP service market.
- [Article 8]: Removal of Individuals from the Register of Industrial Property Representatives This authority allows local governments to exercise tighter oversight over individual practitioners in the IP field, enabling prompt action against violations or non-compliance.
- [Article 9]: Processing of Applications for Registration of License Agreements Relating to Industrial Property Objects Empowering local authorities to handle applications for registration of license agreements helps streamline administrative procedures, reduce the burden on central agencies, and facilitate technology transfer and the effective exploitation of intellectual property assets.
- [Article 10]: Issuance of Compulsory License Decisions for Patent Use This is a critical authority that permits local authorities to issue decisions on compulsory licensing of patents in necessary circumstances, such as for public interest purposes or in cases where the patent holder fails to exploit the invention in a reasonable manner.

Tasks Decentralized to Local Authorities in the Field of Intellectual Property (IP):

Decentralization refers to the assignment of tasks to local authorities for implementation, while the Ministry of Science and Technology (MOST) retains supervisory and directive authority. Pursuant to Decree No. 133/2025/ND-CP, a total of 62 tasks have been decentralized to local-level authorities, primarily to provincial-level People's Committees and Chairpersons thereof. In the field of intellectual property, the following tasks have been decentralized to local authorities:

- [Article 36]: Issuance and Reissuance of Certified Copies and Protection Titles Intended to enhance the autonomy of local authorities and shorten processing times for individuals and enterprises within the locality.
- [Article 37]: Issuance and Reissuance of Certificates of Registration for License Agreements Aimed at simplifying procedures for registering and reissuing documents related to the licensing of industrial property rights at the local level.
- [Article 38]: Organization of Professional Examinations for Industrial Property Representatives

To strengthen administrative capacity and foster the development of local pools of qualified industrial property representatives.

- [Article 39]: Issuance, Reissuance, and Revocation of Practicing Certificates for Industrial Property Representation Services Designed to improve quality control and uphold professional ethics among industrial property representatives at the provincial level.
- [Article 40]: Recording of Changes to Information of Organizations Providing Representation Services
 Facilitates simplified administrative updates and promotes efficient service operations for industrial
- property representation organizations.
 [Article 41]: Termination of Patent Use Rights Under Compulsory Licensing Decisions Ensures uniform enforcement of compulsory licensing decisions at the local level.
- [Article 42]: Recording of Amendments, Extensions, or Early Terminations of License Agreements

Facilitates administrative management and legal certainty in the modification and execution of licensing agreements.

- [Article 43]: Organization of Professional Examinations for Industrial Property Examiners Supports the development of competent local industrial property examiner personnel.
- [Article 44]: Issuance, Reissuance, and Revocation of Examiner Cards for Industrial Property Examiners

Enhances local responsiveness in managing non-compliance or disqualification cases among IP examiners.

These provisions on delegation and decentralization serve an important function: bringing public services in the field of IP closer to local communities, reducing application processing time and related costs for individuals and businesses, and improving access to IP administrative procedures at the provincial and municipal levels.

Decree No. 133/2025/ND-CP also ensures that, even under decentralized arrangements, the Ministry of <u>Science and Technology maintains</u> a macro-level supervisory role - through the issuance of regulatory frameworks, technical guidelines, and monitoring mechanisms - to preserve nationwide consistency and uniformity in IP governance.

Key Considerations

- 1. Transition from Centralized to Decentralized Management: Compared to Decree No. 65/2023 and the regulatory framework prior to Decree No. 133/2025/ND-CP, Vietnam's intellectual property (IP) management system had been largely centralized. All industrial property-related matters—such as registration, assignment, and representation—were handled exclusively by the Intellectual Property Office of Vietnam under the Ministry of Science and Technology (MOST). Decree No. 133/2025/ND-CP marks a major shift by transferring many of these administrative procedures to provincial authorities. This change aligns with the Government's policy of reorganizing local administrative structures to enhance provincial autonomy, while still ensuring that the overall system remains integrated and avoids institutional fragmentation. The Ministry of Science and Technology retains a strategic oversight role, including issuing regulations, providing technical guidance, and supervising implementation to maintain nationwide consistency in IP governance.
- 2. Adaptation to New Local Procedures: IP rights holders—particularly those accustomed to centralized procedures—will require time to familiarize themselves with the new rules, competent authorities, and administrative workflows at the local level. This includes correctly identifying the appropriate authority in each province or city for the submission and processing of IP-related applications.
- 3. Correct Identification of Competent Receiving Authority: Under the new delegation framework, IP rights holders must now submit applications and carry out procedures before the competent provincial-level People's Committee (typically via the provincial Department of Science and Technology), rather than directly to the IP Office of Vietnam. For instance, the registration of a licensing agreement or a request for a certified copy of a protection title must now be filed at the provincial level in accordance with the new provisions. Accurately identifying the competent local authority will help avoid misfiling, procedural delays, and administrative inefficiencies.
- 4. Engagement with Local IP Representatives in Vietnam: Foreign IP rights holders due to limited familiarity with the provincial administrative structure are advised to act through qualified IP representation organizations in Vietnam. These representatives are well positioned to stay updated on procedural requirements in each locality and to support the preparation and submission of documents in compliance with the new legal framework. It is essential to ensure that such representatives meet the statutory conditions for practicing. Foreign entities should proactively coordinate with local representatives and/or partners to closely monitor provincial-level guidance to ensure efficient and timely processing.
- 5. Monitoring Consistency and the Pilot Implementation Period: The decentralization process may lead to practical differences in implementation across provinces during the pilot phase. Enterprises should pay close attention to province-specific instructions and provide feedback where inconsistencies arise, enabling the Ministry of Science and Technology to make appropriate policy adjustments. Notably, Decree No. 133/2025/ND-CP will be implemented on a pilot basis until March 2027. IP rights holders should therefore anticipate the possibility of amendments or further regulatory changes following this period. Staying informed of regulatory developments and remaining flexible in their compliance strategies will enable rights holders particularly foreign businesses to effectively protect and capitalize on their IP assets under Vietnam's evolving legal and administrative framework.

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Closing thoughts

Decree No. 133/2025/ND-CP marks a significant step forward in in Vietnam's ongoing administrative reform and in the delegation and decentralization of state management in the field of intellectual property (IP). The Decree is expected to positively impact administrative efficiency and enhance access to IP-related public services for stakeholders. Empowering provincial authorities to manage IP affairs has the potential to foster local innovation ecosystems and promote the registration and enforcement of IP rights. By decentralizing these functions, Vietnam aims to improve the user experience, reduce travel time and associated costs for applicants, and potentially increase overall IP registration and compliance rates by simplifying administrative procedures. This constitutes a strategic move to improve accessibility to IP services for IP rights holders and to cultivate a stronger IP culture at the grassroots level.

Decree No. 133/2025/ND-CP is the first legal instrument in the field of science and technology to clearly and distinctly define the concepts of "delegation" (*phân quyền*) and "decentralization" (*phân cấp*). It may be regarded as a policy pilot. Vietnam is adopting a "test-and-learn" approach to evaluate the practical effectiveness of delegation and decentralization prior to issuing longer-term regulations or incorporating these mechanisms into sector-specific legislation. This model provides the flexibility to adjust policy in response to emerging issues or to assess the actual capacity of local authorities. For IP rights holders, this implies that the current regulations may not be permanent and that material changes or adjustments may occur after March 2027.

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