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Challenges in IPR Protection and Enforcement in Viet Nam

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Ho Chi Minh, June 07 2024



Quynh is a Legal Manager of Piaggio Vietnam, a subsidiary of Piaggio Group which is a global group having head quarter in Europe. She has overseen Intellectual Property of the Company and support for the protection and enforcement IPR of the Group in Vietnam. With many years working in the enforcement of IPR, she has faced with many challenges and gained rich experiences and knowledge about the IP protection and enforcement in Vietnam.

Quynh is also a member of EuroCham Vietnam Intellectual Property Rights Sector Committee (IPRSC), and also a leader of IP Working Group of VAMM, the Vietnamese Association of Motorcycle Manufacturers.

1. IP enforcement status of Vietnam during 2023

1. Challenges that some IPRs owners have been facing with:
 - 2.1 Challenges due to enforcement bodies

 - 2.2 Challenges due to evaluation procedures

(i) Vietnam Directorate of Market Surveillance/Economic Polices

Conducting raid actions on IP infringing activities (mostly trademark infringement) on Ecommerce, livestream warehouse and traditional market. Infringing activities include:

- Violation of advertisement
- Violation of ecommerce
- Selling non-origin products
- Selling fake products
- Selling IP infringing products

Total cases being reported	71,908 cases
Handled	52,352 cases
Contribution to state budget	VND 500 billion (USD21 million)

(ii) Vietnam Customs

Infringing activities include:

- Failure to declare or declare customs inconsistent with the actual goods;
- Concealing the origin and route of shipments;
- Illegally transporting prohibited goods across borders;
- Importing goods that do not meet standard and regulatory conditions.

Handed	14,618 cases
Violated goods value	VND11,522 billion (USD 467 million)
Prosecuted	201 cases
Contribution to state budget	VND 475 billion (USD19 million)



(iii) National Steering Committee 389 on preventing and combating smuggling, trade fraud and counterfeit goods

- Organize a series of training to educate the local agencies about fake and IP infringing products; how to discover fake products and the specific regulations to impose on infringing activities;
- Cooperate with other authorities, organizations to promote propaganda activities.



Local IPRs owners/companies actively, directly or via relevant association, collaborate with these enforcement bodies to enforce our IPRs in Vietnam

2.1. External challenges:

As IPRs owners or local companies of IPRs owner, we actively, directly or via relevant associations, collaborate with enforcement bodies to carry out various activities to strengthen the enforcement of our IPRs in Vietnam such as:

- ❖ Signing MOU with competent authorities;
- ❖ Joining in IP seminar, exhibition to help people distinguish the fake and original products;
- ❖ Conducting propaganda activities to raise people awareness about IP infringing products/activities.

However, there are still some challenges for IPRs owners in enforcement:

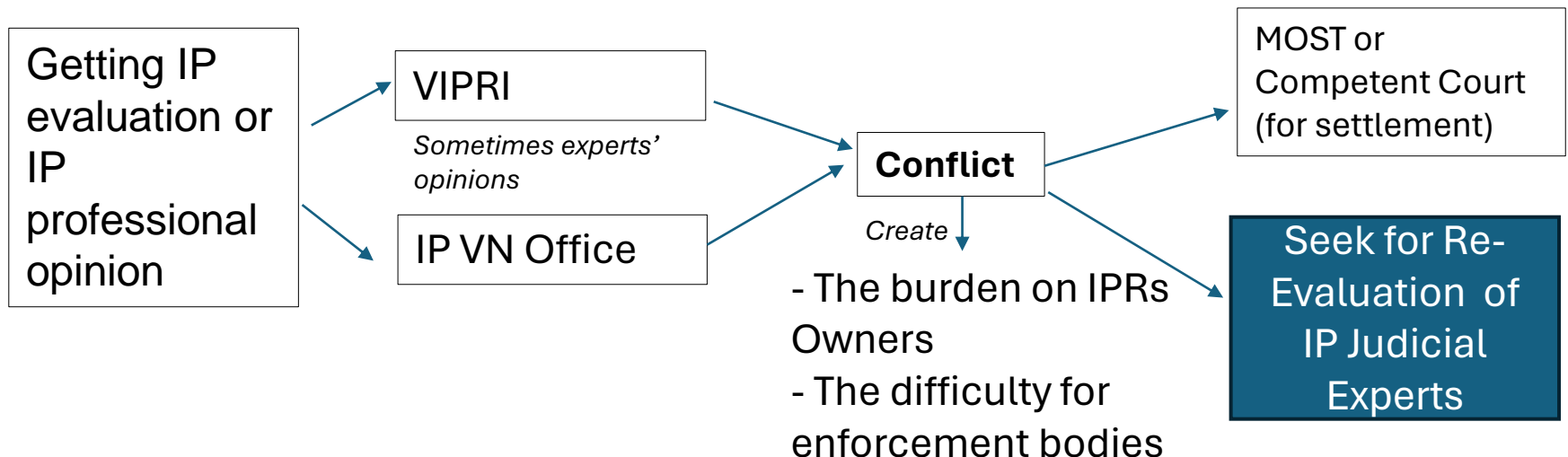
- Enforcement entities do not actively conduct surveys of the market and find out infringement cases;
- Sometimes enforcement bodies are not flexible when getting notice about infringement cases not from IPRs owners → always ask for authorization and other evidence of authorization from IPR owner which may create burden on the claimant → not handle the case promptly.
- The handling and penalty applied sometimes not strict enough to prevent the repeat of infringement.



❖ First Challenges/Difficulties:

Under Vietnamese laws, to claim the IP infringement (unauthorized use or copy protected IPRs), the owner needs to prove the similarity between the original and the copy. Although there is no legal obligation to seek opinions for enforcement actions and proceedings, IP enforcement and proceeding agencies have traditionally requested formal or professional opinions from IP organizations. We found some problems relating to getting opinions from IP experts:

- (i) The necessity of an expert opinion substantially hampers the effectiveness of enforcement and adjudication processes **as it will take a long time and sometimes the opinion is unpredictability and not perusable.**
- (ii) The opinions sometimes conflict with each other.



Proposed Solution:

- There should be a clear mechanism for IPRs owner to discuss or appeal to VIPRI's opinions.
- Evaluators should base on the same principles and/or regulations stated in relevant laws and regulations to avoid different opinions that create challenges to IPR owners.
- Create convenience conditions for independent IP Judicial Experts to issue their evaluation; increase the number of IP evaluators/ IP Judicial Experts.
- Accelerate the establishment of specialized IP courts.
- Enhance the knowledge, experience of judges in the IP sector to facilitate the exercise of their authority and the performance of their duties by strengthening propaganda and training to enhance the capacity and knowledge of adjudicating and enforcement agencies regarding intellectual property.
- Encourage IPR enforcement agencies to carry out enforcement and adjudication activities in accordance with their jurisdiction and functions, with professional opinions serving as a point of reference only; IPR owners are not obligated to provide additional professional opinions in situations where an infringement is overtly apparent or where analogous cases have occurred in the past.
- Strengthen the voice of IP Vietnam's opinions on IP assessment, particularly, their opinion must be respected and officially recognized same as VIPRI.

❖ **Second challenges (in respect of patents/industrial designs):**

- Currently, some IPRs owners are facing various potential infringement cases in patent/industrial design sector, **but due to the current legal framework of Vietnam, we are unable to prove the infringement and cannot protect/enforce in Vietnam our IPR right relating to patent/industrial design**

- Decree 65/2023/ND-CP has a provision (**Article 76**) that provides guidelines for defining cases that “*products and parts for assembly into complex products with external appearance shall be considered not significantly distinguishable from protected industrial designs*”, however, the applicable in practice is still not effective. IPRs owners still facing challenges when trying to prove the similarity between potential copy products with the original ones as infringers have become smarter by changing a bit on their products to make it “technically distinguish” from original and protected products, but in reality, and/or under customer view its *external appearance is a **copy or in essence is a copy of the protected one.***

→ Application examination conducted by IP experts is viewed from a technical perspective while infringements, if any, will have an impact on consumers who have a non-technical perspective as experts. Therefore, determining whether there is a distinguishable herein should include also ***the evaluations and/or surveys from the perspective of consumers.***

- Further, the assessment of infringement of industrial design should not only be based on the technical aspect, **but also need to consider the bad faith of the manufacturer.** In practice, potential-infringed-manufacturers have been trying to defend for not copying a protected design, but on the other hand, they have advertised on their website, news by naming their products the same as original ones.

Recommendation: To make the enforcement and protection of IPRs in Vietnam more effective, it should be considered **to supplement additional factors** to determine the infringement activities as above mentioned, i.e. consumers’ **perspective/view** and bad faith of manufacturers/traders.

GRAZIE

07 June 2024

