INTELLECTUAL PROPERTY RIGHTS ENFORCEMENT MANUAL FOR VIETNAM
BBGV INTRODUCTION

The British Business Group Vietnam (“BBGV”), started as a luncheon club in 1991 and was first licensed in 1998 as the first foreign business group to obtain formal recognition in Vietnam. The BBGV now boasts more than 450 members. BBGV’s main objective is to promote members’ business interests in Vietnam, through various business and social events. BBGV Business Centre aims to facilitate better trade ties between British and Vietnamese companies via trade services.

This Manual was developed under the Financial Sector and Intellectual Property (FSiP) programme, a component of the ASEAN Economic Reform Programme funded by the United Kingdom’s cross government Prosperity Fund 1. The Manual was created and coordinated by Rouse & Co International, in conjunction with PwC, the FSiP Programme manager. The Manual is for informational purposes only and the views recommendations and contents of this Manual do not necessarily represent and are not necessarily endorsed by BBGV, PwC or Rouse. So, users of this Manual should take local legal advice on specific cases.

This Manual was drafted by Rouse & Co International under the United Kingdom Foreign & Commonwealth Office Prosperity Fund Financial Sector and Intellectual Property Programme. The authors are Yen Vu, Trung Tran, Da Lam Nguyen, Van Anh Pham, Bao Nguyen, Nicholas Redfearn and Anushka A.

# TABLE OF CONTENTS

**BBGV INTRODUCTION**

**TABLE OF CONTENTS**

1. **INTRODUCTION** .......................................................................................................................... 1

2. **OVERVIEW OF VIETNAM’S LEGAL AND IP SYSTEM** .............................................................. 2

3. **IP ENFORCEMENT MANUAL – VIETNAM** .................................................................................. 6
   3.1. The IP Enforcement System under TRIPS .................................................................................. 6
   3.2. Trade Mark And Copyright Protection ....................................................................................... 6
   3.3. Criminal IP Enforcement .......................................................................................................... 9
   3.4. Civil IP Enforcement ................................................................................................................. 18
   3.5. Online IP Infringement for Trade Mark and Copyright ........................................................... 23
   3.6. Customs IP Border Enforcement .............................................................................................. 25
   3.7. Administrative IP Enforcement ................................................................................................ 29
   3.8. Other Enforcement Issues ........................................................................................................ 31

4. **GENDER EQUALITY SOCIAL INCLUSION (GESI) AND IP ENFORCEMENT** ......................... 33
1. INTRODUCTION

The South-East Asia Financial Sector and Intellectual Property (FSIP) Programme was launched in 2018, under the UK ASEAN Economic Reform Prosperity Fund Programme. The FSIP Programme aims to address market inefficiencies and weaknesses that impede South-East Asia’s (SE Asia) inclusive economic growth. The key objectives of the project are to strengthen the overall business environment as a key enabler for inclusive economic growth which can provide significant positive impact on poverty and inequality across six SE Asian countries including Vietnam. Overall, the project aims to address barriers to growth by improving the global business environment, strengthening government institutions, and encouraging greater global private investment, particularly in developing SE Asian countries. Stronger, more productive SE Asian economies provide greater trade opportunities for international and UK businesses.

One of the work streams under the FSIP Programme is the IP work stream. In many developing countries, market weaknesses typically manifest in a range of obstacles for IP. These include low quantities or low quality of IP creation as well as weak legal systems to protect and enforce IP (e.g. through civil, administrative and criminal IP protection systems). IP system transparency is a challenge in any developing country when the IP systems are not well-tested, clear and robust. Fragile IP systems are often a symptom of a large informal economy.

Through the FSIP Programme, the UK Government is working with the Government of Vietnam in strengthening legal certainty for its IP owners, ensuring that IP acts as a catalyst for innovation and creativity to support economic growth by providing technical advice and capacity building in relation to legal, practical and enforcement issues. The FSIP Programme can help build trade links through IP with UK, other businesses and IP organisations.

Intellectual property (IP) enforcement remains a business concern in Vietnam. The inadequacy of IP enforcement information and resulting lack of transparency is a barrier for foreign investors. This Manual on IP enforcement in Vietnam has been developed for businesses operating or planning to expand in Vietnam. The Manual is published by the British Business Group Vietnam and aims to provide foreign businesses with a picture of how the IP enforcement system works. It includes details of the laws and regulations as well as the IP enforcement procedures in Vietnam. It uses a definition of enforcement that parallels the World Trade Organisation’s Trade Related Aspects of Intellectual Property (TRIPS) Agreement. This means it focuses on trade mark and copyright enforcement procedures – which in common parlance means trade mark counterfeiting and copyright piracy. The types of enforcement systems most commonly used to deal with these two issues are administrative systems (including customs), the criminal and the civil courts. Other forms of IP exist (e.g. patents, designs) but their enforcement is not as straightforward and therefore, is not subject to the scope of this Manual.

FSIP has a parallel focus on Gender and Social Inclusion, so it considers how IP and IP enforcement interacts with this. This Manual includes analysis and data on this relatively novel issue.

The Manual is up to date as of April 30th, 2020. The Manual is for informational purposes only so users of this Manual should take local legal advice on specific cases.
2. OVERVIEW OF VIETNAM’S LEGAL AND IP SYSTEM

IP rights are important assets for all businesses. It is crucial to ensure these rights are properly protected in a modern economy. It is also a key business goal to be able to make effective use of them commercially as well as to enforce those rights against infringement when necessary.

IP protection in Vietnam operates under a ‘first-to-file’ system (except for copyright and related rights that are protected automatically under international treaties). Trade marks, industrial designs and inventions must be registered at the National Office of Intellectual Property (“IP Vietnam”). The registration system in Vietnam is relatively well-established and straightforward, although delay can be an issue. However, to enforce IP rights, the right holders must use a rather complex and practically challenging system. To effectively enforce IP, a combined strategy of self-protection measures (for small scale infringers), administrative actions (to halt the infringing acts and apply for customs border protection), civil remedies (to claim damages and put a stop to infringement) and criminal remedies (to stop large scale counterfeiting) are required.

It can be difficult for businesses, especially foreign investors, to understand an unfamiliar legal system and its IP protection and enforcement subset. The first step is to understand the basic characteristics of a country’s legal system before looking at its IP protection and enforcement procedures.

Vietnam’s legal system has all characteristics of a civil law jurisdiction, in which, its sources of law comprise of written legislations commonly known as laws and regulations. The legal system is organised in a hierarchy in which the higher-ranking legal instruments set out general rules and lower-ranking legal instruments provide the details. The Constitution stands at the top of this legal hierarchy and forms the foundation of the entire legal system. Under the Constitution are laws, decrees, decisions, circulars and other subordinate legal documents dealing with different regulatory aspects.

Parliament makes all the laws. These are based on policies set by the Communist Party that can form a legislation. Government and Ministries make regulations and subsidiary guidelines. These laws and regulations are enacted by state bodies which are binding on citizens and enforceable by the state authorities. The courts are technically lower ranked than the legislature, so it cannot be said there is a complete rule of law in the English sense. The People’s Supreme Court is the highest court, followed by the high courts, the province-level courts and district-level courts in that order.

Lawyers can be engaged to handle legal issues. The legal profession is governed by the Vietnam Law on Lawyers and administered by the Vietnam Bar Federation (VBF).2

The World Justice Project Rule of Law index ranks Vietnam 85/113 countries.3 The Civil Justice system among others was identified as one area of legal weakness. There has been a great deal of effort from the government to improve and upgrade the legal system in recent years.

2 https://www.liendoanluatsu.org.vn/
IP system

IP is a technical area of law. While many general lawyers do practice IP law, in many countries there is a separate IP profession. IP agents can represent foreign business to register IP rights before IP Vietnam and the Copyright Office (“COV”). IP Lawyers are qualified lawyers specialising in IP who generally advise on IP matters and represent clients before the courts for IP disputes.

The IP system can be broken into three components:

- Registration and protection system. The system is operated by IP Vietnam (which sits under the Ministry of Science and Technology) and the COV (which is under the Ministry of Culture, Sport and Tourism). Businesses can register their trade marks, designs and patents at IP Vietnam and their copyright and related rights at the Copyright Office.

- Commercialisation of IP. This typically means IP contracts such as licenses, assignments, and other commercial agreement involving IP.

- Enforcement through administrative, civil or criminal routes.

In addition to managing the registration systems, IP Vietnam also advises enforcement authorities, including the courts, through technical opinions required during the process of enforcement.

Vietnam’s laws and regulations on IP protection are currently under review and expected to be amended in accordance with the EU-Vietnam Free Trade Agreement (EVFTA) to which Vietnam is a signatory. It has an IP chapter and requires Vietnam to provide greater IP protection to right holders.

A feature of Vietnam’s enforcement system, which is similar to that of China, is the use of an administrative enforcement system, whereby legal complaints are filed to a government department that inspects, investigates and reaches a decision on IP disputes. In most other SE Asian countries this is rare or non-existent. An administrative enforcement function is a common feature in many current and former centrally planned socialist economies.

IP Vietnam’s Annual Report 2018\(^4\) highlighted that Vietnam has made progress in handling trade mark infringement over the years. In particular, there was an increase in the number of administrative IP cases in the last 5 years (2014 – 2018), from 1082 cases in 2014 to 1717 cases in 2018. The total monetary fines recorded against infringers in these two years were VND 15,223,701,000 in total and VND 23,697,375,000 respectively.

IP challenges

Vietnam remained on the US Government’s Priority Watch List in 2020 as per the USTR Special 301 Report 2020\(^5\). It reported that despite positive developments in IP enforcement, some concerns that remained were mainly around:

- lack of coordination among the enforcement agencies
- limited institutional capacity and stretched resources related to IP enforcement

high level of counterfeiting and copyright piracy

The EU Commission Report on IP protection and enforcement in third countries in 2020⁶ added Vietnam into its list of countries to be closely monitored as a result of Vietnam entering the EVFTA. According to the report, the main concerns on IP enforcement include:

- widespread counterfeiting and copyright piracy
- insufficient deterrence effect of sanctions against IP infringements
- a shortage of well-trained IP officials including customs authorities
- complex IP enforcement systems with multiple agencies and overlapping jurisdictions.

A key challenge for Vietnam is the effectiveness of IP enforcement measures. Due to its reliance on administrative systems, the limited institutional capacity for IP matters at many state agencies has an impact on the effectiveness of the IP enforcement system.

Counterfeit and pirated goods are a major concern for most right holders in Vietnam. Organisation for Economic Cooperation and Development (OECD) data suggest that Vietnam is a source of fake jewellery, foodstuff, clothing, footwear, as well as optical, photographic and medical equipment⁷. But domestic fake manufacturing is limited. Pirated (copyright protected) hard goods are declining as content goes online, but fake DVDs and book piracy are still widely available.

**IP Laws and Regulations – WTO TRIPS Compliance**

Vietnam adopted its first Law on IP in 2005, which was designed to comply with TRIPS in preparation for WTO accession. The law raised the IP framework to a basic international standard. The IP laws were amended in 2009 and 2019 to further comply with international commitments and provide higher level of IP protection.

New IP standards was set through more recent international treaties. This includes the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which entered into force on 14 January 2019 for Vietnam, with transition periods for various components including IP. The EVFTA was ratified by the European Parliament and is pending ratification from Vietnam before it officially comes into force. The accession to CPTPP and EVFTA are both an opportunity to modernise IP laws as well as a challenge to deliver results for businesses.

**IP reforms**

Vietnam has been steadily making progress in IP reform over the last decade. Most recently, the Vietnam IP Law was amended and supplemented on 14 June 2019. Around the same time, the Prime Minister issued Decision No. 1068/QĐ-TTg dated, 22 August 2019 on the National IP Strategy (NIPS) till 2030. One of the primary missions under NIPS is to enhance the IP enforcement system and regulations. Also, given the increasing number of online infringements, Vietnam will also focus on developing comprehensive regulations and practice to tackle IP infringement in the digital environment. With additional higher IP standards required under the CPTPP and EVFTA the IP laws are expected to be further amended and improvised.

Through this Manual FSIP aims to provide businesses with an overview of the IP enforcement regime in Vietnam, including details on its IP enforcement regulations and practices that businesses need to rely on while investing in Vietnam.

Several further IP enforcement initiatives under way through the FSIP Programme include:

---

▪ Helping the Vietnam government create a national IP enforcement coordination function
▪ ASEAN’s IP Action plan 2016-2025 - an initiative to help ASEAN countries including Vietnam to collect and publish IP enforcement case data.
3. IP ENFORCEMENT MANUAL – VIETNAM

3.1. The IP Enforcement System under TRIPS

Vietnam is a civil law country; therefore, written laws set out all the rules and procedures for IP enforcement. As a WTO TRIPS member Vietnam commits to providing enforcement measures. These comprise of:
- civil remedies, comprising judicial procedures, evidence rules, injunctions, damages, other remedies, information to rights holder and rights of indemnifications to defendants, as well as provisional measures (preliminary injunctions and search and seizure orders);
- customs interceptions of infringements;
- criminal remedies, at least for wilful trade mark counterfeiting or copyright piracy on a commercial scale;
- administrative remedies for handling administrative offences.

This Manual sets out how these apply to counterfeiting (trade mark infringements) and piracy (copyright and related rights infringements).

Commentary: The TRIPS Agreement covers many forms of IP; however, the most commonly used IP enforcement procedures are for trade marks and copyrights. The common illegal acts that trade mark and copyright enforcement procedures cover are called counterfeiting and piracy respectively. Trade mark and copyright enforcement procedures generally include criminal, civil, customs and administrative remedies.

3.2. Trade Mark And Copyright Protection

Vietnam’s Law on Intellectual Property (“IP Law”) stipulates trade mark rights, copyright and related rights, among others, and protection of such rights. The law sets out general trade mark and copyright/related rights infringing acts. IP Law also specifies infringing acts that constitute IP administrative offences.

3.2.1. Rights establishment

Under Article 6.3a of IP Law, trade marks must be registered at the Intellectual Property Office of Vietnam (“IP Vietnam”) to be protected; rights to well-known trade marks are established based on trade mark use. Under the Madrid Agreement and Madrid Protocol, Vietnam accepts applications under the international registration system.

The IP Law protects literary, artistic and scientific works under copyrights, with the work types specified in Article 14.1 of IP Law. Copyright and related rights are established automatically upon creation and fixation of the works, without registration required (Articles 6.1, 6.2 and 49.2 of the IP Law). However, holders of registration certificates shall not bear the burden of proving their ownership of the copyrights and related rights in a dispute, unless there is otherwise evidence (Article 49.3 of the IP Law). Copyrights under the IP Law include economic rights and moral rights.

---

8 Part III of TRIPS - Articles 41-61
10 Copyrights are established at the moment a work is created and fixed in a certain material form, irrespective of its content, quality, form, mode and language and irrespective of whether or not such work has been published or registered (Article 6.1 of IP Law 2005). Related rights shall arise at the moment a performance, audio and visual fixation, broadcast or satellite signal carrying coded programmes is fixed or displayed without causing loss or damage to copyright (Article 6.2 of IP Law 2005).
Commentary: In general, the trade mark rules are in compliance with the TRIPS standards. However, there can be delays in the registration of trade mark applications sometimes (due to backlog at IP Vietnam). The recognition of well-known trade marks is subject to debate. Under the CPTPP’s higher IP protection requirements, Vietnam will be required to protect sound marks and perhaps scent marks as well.

The law on copyright and related rights is TRIPS compliant as well. It has been reported that Vietnam has been preparing to join several international treaties on copyright and related rights, including the World Intellectual Property Organization (WIPO) Copyright Treaty and the WIPO Performances and Phonograms Treaty. A common question is whether to register copyright. Many copyright owners cannot register due to the complicated procedural requirements involved, but registering a copyright does make enforcement actions easier.

3.2.2. IP infringement acts

3.2.2.1. Trade mark rights infringement acts

According to Article 129.1 of the IP Law, trade mark infringement occurs when an infringer, without consent of the trade mark holder:

- uses a sign, identical to a registered trade mark, for identical goods/services; or
- uses a sign, identical to a registered trade mark, for similar or related goods/services, if the use may cause confusion as to the origin of the goods/services; or
- uses a sign, similar to a registered trade mark, for identical, similar or related goods/services, if the use may cause confusion as to the origin of the goods/services; or
- uses a sign, identical or similar to a well-known trade mark, including signs in the form of translation or transliteration of the well-known trade mark, for goods or services of any kind, including unidentical, dissimilar or unrelated goods/services, if the use may cause confusion as to the origin of the goods/services or mislead about relationships between the infringer and the well-known trade mark’s holder.

Commentary: In practice, enforcement authorities are generally reluctant to immediately conclude that trade mark infringement has occurred, especially for complex cases where similarity of marks is not obvious due to limited IP expertise. Right holders can seek an opinion from a third-party expert organization and submit it as a source of reference to the enforcement authorities. Vietnam Intellectual Property Research Institute (VIPRI), an agency under management of the Ministry of Science and Technology (MoST), is the only agency authorized for conducting trade mark infringement assessment.

Although, non-binding on the enforcement authorities, favourable opinions from VIPRI increase the chance of success in persuading the enforcement authorities to accept cases and act against the alleged infringer. VIPRI mainly handles assessments for trade mark infringement cases rather than identical counterfeits, as such cases are generally straightforward and do not require technical IP expertise.

For well-known trade mark infringement, it is practically challenging to prove the well-known status of a mark. Although there are specific criteria, which are in line with international standards, but right holders still find it difficult to collect this evidence and prove the well-known status of their trade marks in Vietnam due to lack of detailed guidelines on how to assess or interpret such criteria. Therefore, the recognition of well-

---

11 “Use” of a trade mark is defined in Article 124.5 of the IP Law 2015 as follows:

- Affixing the mark on goods, goods packages, business facilities, means of service provision or transaction documents in business activities; or
- Circulating, offering, advertising for sale or stocking for sale goods bearing the mark; or
- Importing goods or services bearing the mark.
known trade marks is on a case-by-case basis, depending on the subjective viewpoint of the officer in charge. Once a mark is recognized as well-known, such a decision serves as an influential but non-binding precedent for other cases.

*Note: If the goods bear trade marks or have packaging with trade marks indistinguishably similar to others’ protected trade marks without consent of trade mark/right holders, such goods will be considered as trade mark counterfeits in accordance to Article 213 of IP Law. In practice, since the scope of trade mark counterfeits and trade mark infringements appears to overlap and the law has not clearly distinguished between these two infringements, there are still different viewpoints from enforcement authorities on whether an act would constitute trademark infringement or counterfeiting, and they often require more evidence/information to conclude the cases.

### 3.2.2.2. Copyright infringement acts

Article 28 of the IP Law set out the following acts that infringe copyright:

- Appropriating the copyright in works
- Impersonating the author
- Publishing, distributing a work without the author’s consent
- Publishing, distributing a work subject to joint authorship without a co-author’s consent
- Editing, modifying or distorting a work in any way that prejudices the honour and reputation of the author
- Reproducing a work without consent of the author or copyright holder
- Making a derivative work without consent of the author or copyright holder of the work used for making such derivative work
- Using a work without consent of the copyright holder and without paying royalties, remuneration or other material benefits in accordance with IP Law
- Renting a work without paying royalties, remuneration or other material benefits to the author or copyright holder
- Duplicating, producing copies of, distributing, displaying a work or communicating a work to the public via a communications network or digital means without consent of the copyright holder
- Publishing a work without consent of the copyright holder
- Deliberately destroying or deactivating technical protection measures applied by the copyright holder to protect copyright
- Deliberately deleting or modifying electronic copyright management information in a work
- Manufacturing, assembling, transforming, distributing, importing, exporting, selling or renting equipment knowing, or having grounds to know, that such equipment may deactivate technical protection measures applied by the copyright holder to protect copyright
- Making and selling a work with a forged signature of the author
- Exporting, importing or distributing copies of a work without consent of the copyright holder

### 3.2.2.3. Related rights infringement acts

Article 35 of the IP Law sets out the following acts that infringe related rights:

---

12 Except for cases according to Article 25.1a and 25.1dd of the Amended IP Law 2009, i.e. reproduction for scientific research or teaching purposes without commercial purposes and reproduction by libraries for archival and research purposes.
13 Except for transcribing a work into braille or into characters of other languages for the blind (Article 25.1i of the Amended IP Law 2009).
14 The exceptions and limitations are set out in Article 25.1 of the Amended IP Law 2009.
- Appropriating rights of performers, producers of audio/visual recordings, or broadcasting organizations
- Impersonating performers, producers of audio/visual recordings, or broadcasting organizations
- Publishing, producing and distributing a fixed performance, audio and visual recording or broadcast without consent of the performer, producer of the audio/visual recording or broadcasting organization
- Modifying, editing or distorting a performance in any way which prejudices the honor and reputation of the performer
- Copying or extracting from a fixed performance, audio/visual recording or broadcast without consent of the performer, producer of the audio/visual recording or broadcasting organization
- Deliberately deleting or modifying electronic related right management information without consent of the related right holder
- Deliberately destroying or deactivating the technical protection measures applied by the related right holder
- Publishing, distributing or importing for public distribution of performances, copies of fixed performances or audio/visual recordings knowing, or having grounds to know, that the electronic related right management information has been deleted or modified without consent of the related right holder
- Manufacturing, assembling, transforming, distributing, importing, exporting, selling or renting equipment knowing, or having grounds to know, that such equipment helps illegally decode satellite signals carrying coded programs
- Deliberately receiving or relaying satellite signals carrying coded programs without consent of the legal distributor

Commentary: Enforcement authorities are experienced at handling straightforward cases such as book and software piracy, but not so much for complex cases requiring a qualitative infringement decision. In an effort to support them, the Expertise Center for Copyright, Related Rights (ECCR) was established on 3rd June 2016 under the management of the COV that is under the Ministry of Culture, Sports and Tourism (MoCST). ECCR is authorized to issue non-binding, expert opinion on the possibility of copyright and related rights infringement. However, ECCR’s practice so far has not been systemized and its experience of dealing with complicated copyright infringement cases is still limited. Evidence of copyright registration i.e. certificate of copyright registration is required to file a petition for assessment from ECCR. Right holders are advised to have preliminary consultations with ECCR’s officials before filing petitions.

3.2.2.4. Collective Management Organization (CMO) offences

The following acts by CMO, among others, constitute offences and cause the CMO to suffer administrative sanctions:

- Carry out activities outside of the scope of the written licensing agreement with the copyright and related right holders.
- Carry out activities without written licensing agreements with copyright and related right holders.
- Carry out activities beyond the spheres permitted by the State.
- Impersonate a CMO to operate.

15 Article 5, Decree 131/2013/ND-CP on Sanctioning of Administrative Violations in Copyright and Related Rights issued by the Government on 16 October 2013 (“Decree 131”)
3.3. Criminal IP Enforcement

The 2015 Criminal Code specifies factors for IP infringing acts to constitute criminal offences, and criminal penalties.

Commentary: The number of criminal IP cases has increased recently. As a matter of practice, criminal enforcement authorities usually prioritise cases where counterfeits pose serious harm to consumers and public health (e.g. fake pharmaceutical products, gasoline, and consumer goods). This can be seen from a rise in the number of criminal convictions in recent years.

3.3.1. Criminal Infringement against trade mark rights

Trade mark Infringement (Article 226 of the Criminal Code (amended under Article 1.53 of the 2017 Law on Amendments to the Criminal Code):

- Criminal charges on a person will be triggered in case he or she deliberately conducts an act of trade mark infringement involving trade mark counterfeits:
  - with a commercial scale; or
  - to earn an illegal profit from VND 100 million; or
  - causing a loss from VND 200 million to the trade mark holder; or
  - with the infringing goods worth from VND 200 million.

- Criminal charges on a legal entity will be triggered in case it deliberately conducts an act of trade mark infringement involving trade mark counterfeits:
  - with a commercial scale; or
  - to earn an illegal profit from VND 200 million; or
  - with a loss from VND 300 million caused to the trade mark holder; or
  - with infringing goods worth from VND 300 million.

- In case the infringing legal entity has suffered administrative sanctions before or unspent convictions for trade mark infringement, an infringing act to earn a profit from VND 100 million, or with a loss from VND 100 million caused to the trade mark holder, or with infringing goods worth from VND 100 million may also trigger criminal charges.

Counterfeit Manufacturing and Trading (Article 192 of the 2015 Criminal Code (amended under Article 1.42a of the 2017 Law on Amendments to the Criminal Code))

- Criminal charges on a person or a legal entity will be triggered in case such person/ entity manufactures and/or sells counterfeits with:
  - the counterfeits worth from VND 30 million, or the counterfeits worth below VND 30 million but the infringer has suffered administrative sanctions before or unspent convictions for certain economic crimes; or
  - injury or health damage caused to others with a 31% - 60% whole person impairment; or
  - an illegal profit worth from VND 50 million earned; or
  - a property loss worth from VND 100 million caused.

---

17 For example: http://spkomododragon.blogspot.com/2013/07/anatomy-of-criminal-counterfeiting-case.html
18 Law No. 12/2017/QH14 on Amendments to the 2015 Criminal Code issued by the National Assembly on 20 June 2017.
19 The economic crimes in this respect include Smuggling; illegal transport of goods or money across the border, manufacturing and trading of banned goods; Possession and transport of banned goods; Manufacturing and trading of counterfeit goods; Manufacturing and trading of counterfeit food or food additives; Manufacturing and trading of counterfeit animal feeds, fertilizers, veterinary medicines, pesticides, plant varieties, animal breeds; Speculation; Tax evasion (Articles 188, 189, 190, 191, 192, 193, 194, 195 and 200 of the 2015 Criminal Code).
In case the counterfeits are food, food additives and medicines, the criminal charges on a person or a legal entity will be triggered if that person/entity manufactures and/or sells such counterfeits.\textsuperscript{20}

According to Article 213 of the IP Law, trade mark counterfeits are goods bearing trade mark s or having packaging with trade marks indistinguishably similar to others’ protected trade marks without consent of trade mark holders. However, in practice, to enforce according to Article 192 of the 2015 Criminal Code above, authorities usually require genuine goods for comparison with their counterfeit counterparts in terms of technical features, functions, quality, etc. (please refer to sub-Section 3.3.2.5 – Defences to trade mark infringement below for more details).

**Commentary:** Criminal enforcement has the toughest sanctions with strict penalties against infringers, compared to other enforcement actions. In practice, criminal proceedings are normally used against the producers of counterfeits rather than mere similar trade mark infringements, which can be appropriately pursued by civil actions.

Criminal trade mark infringement ought to be clear, but the law does not clearly define the concept of “commercial scale”. This creates a challenge for the administrative authorities whether a case should be escalated for criminal proceedings to determine whether to impose the higher end of the penalty scale.

The requirement for providing genuine goods corresponding to the suspected counterfeit goods is not clearly regulated and can be troublesome for right holders in practice, especially where the exact same item is not available. There are different approaches taken by different officials as to whether genuine counterparts are required.

### 3.3.2. Criminal procedure for trade mark infringement

- **Trade mark Infringement:** According to Article 155 of the 2015 Criminal Procedure Code, criminal proceedings are initiated against the act of trade mark infringement only upon the victim’s petition. If the victim withdraws the petition, the proceedings must be suspended, and the victim does not have the right to refile a new petition, unless such withdrawal results from coercion or duress. The petition may be filed with the economic police (EP) or people’s procuracies.

- **Counterfeit Manufacturing and Trading:** Criminal proceedings against counterfeit manufacturing and trading may be initiated upon ascertainment of the crimes based on criminal information from any sources.\textsuperscript{21}

**Commentary:** Trade mark infringement (Article 226) is a complaint-based crime. This hinders the ability of police and prosecutors to conduct ex-officio criminal enforcement actions. A common workaround for the police is to conduct an administrative ex-officio raid action against the infringers. If the threshold for criminal charges is met, the police will seek the trade mark owner’s formal complaint to initiate criminal proceedings. Administrative enforcement authorities can also transfer the case to the criminal enforcement authorities if they believe that the case constitutes a criminal offense.

Counterfeiting cases can be initiated without a formal complaint from the trade mark holder. Nevertheless, enforcement authorities need support from the right holder to provide counterfeit identification, including information on genuine counterparts of the counterfeit products and other information necessary for the investigation and prosecution process.

---

\textsuperscript{20} Article 193 and 194 of the 2015 Criminal Code.
\textsuperscript{21} According to Article 143 of the 2015 Criminal Procedure Code, the sources may include individuals’ denunciations, reports from agencies, organizations and individuals, reports on the mass media, requisitions from state agencies, direct detection of signs of crimes by the authorities that conduct the proceedings, or the criminals’ confessions.
### 3.3.2.1. Economic Police


EP is formed at three levels. Each level of EP would conduct investigations into corresponding scales of infringements:

<table>
<thead>
<tr>
<th>Level of EP</th>
<th>Scale of infringement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central level - EP Department, under the Ministry of Public Security</td>
<td>Extremely serious or complicated crimes occurring in more than one province and/or centrally run city; transnational crimes.</td>
</tr>
<tr>
<td>Provincial level – EP Division, under the provincial Public Security Department</td>
<td>Infringing acts occurring in more than one district within the province/centrally run city at issue.</td>
</tr>
<tr>
<td>District level – EP Team, under the district-level Public Security Section</td>
<td>Infringing acts occurring within a district.</td>
</tr>
</tbody>
</table>

The EP has the main authorities to:
- directly inspect and verify the initial information regarding the criminal acts;
- conduct searches at houses, workplaces, locations or vehicles that are alleged to have documents, items, property and any other materials in relation to the criminal acts;
- seize the infringing goods, materials and other documents in relation to the criminal acts;
- file charges against the suspects; summon and interrogate the suspects;
- cooperate with relevant authorities to arrest and detain the suspects;
- request testimony of person related to the criminal acts;
- request expert assessment and property valuation;
- close the investigation if there is no sufficient evidence proving the criminal acts.

**Commentary:** It was reported that in 2018, the EP conducted a total of 467 investigations into counterfeiting activities in which 65 cases were escalated for criminal proceedings. In practice, the EP usually prioritises serious criminal offenses, such as large quantities of counterfeit stock, cases involving a network of infringers, infringing acts or products that pose a danger to the consuming public (for example, pharmaceutical cases) and repeat infringers. The EP may also co-operate with other enforcement bodies in investigating complicated infringement cases.

Activities of the enforcement authorities are covered by the state budget. However, there are regulations²⁵ allowing various forms of support (including financial contributions) from right holders to the EP to tackle infringing acts. The idea behind this contribution is that it will help enforcement authorities deal with infringements more effectively as the state budget is limited. However, this contribution is made voluntarily.

---

²² Article 6, 12, 19 Circular No. 56/2017/TT-BCA issued on 16 November 2017 by the Minister of Public Security Ministry, stipulating the authority for criminal investigation of the Vietnam People's Public Security and investigation teams of the investigating police offices under the district-level Public Security Sections (“Circular 56”).

²³ Circular No. 26/2018/TT-BCA on amendments and supplementations to several provisions of Circular 56 issued by the Minister of Public Security Ministry on 10 August 2018.

²⁴ Article 19, 20, 21 Law No. 99/2015/QH13 on Organization of Criminal Investigation Bodies issued on 26 November 2015 by the National Assembly.

²⁵ Circular No. 11/2015/TT-BKHCN, issued on 26 June 2015 by the Minister of Science and Technology (Circular 11), provides “IPR holders may propose technical assistance, including information, documents, means of transport, technical equipment and manpower for competent agencies to investigate, verify and collect evidence and dispose of material evidence and means used in infringements. The financial contribution shall be regarded as reasonable expenses for the protection of industrial property rights and accounted as production costs ....”.
and should not be seen as an obligation nor as an official fee for requesting the enforcement authorities to handle an infringement.

3.3.2.2. Criminal prosecution of trade mark crimes

According to Article 34 of the 2015 Criminal Procedure Code, authorities that conduct criminal proceedings include investigation agencies (EP in IP criminal cases), People’s Procuracies and Courts.

Jurisdiction according to court level:

- Cases involving IP crimes classified as “less serious crime”, “serious crime” or “very serious crime” are heard by district-level courts.
- Cases involving IP crimes classified as “extremely serious crime”, or IP crimes committed outside of Vietnam, or IP crimes with defendants, victims, litigants (i.e. civil plaintiffs, civil defendants, and persons with relevant interests and obligations) located outside of Vietnam are heard by provincial-level courts.
- Cases involving complicated facts, with natures difficult to assess and agree on, or involving multiple of authority levels and industries; cases where defendants are judges, procurators, investigators, primary governmental leaders at district and provincial levels, religious dignitary or persons with high prestige in minority communities are heard by provincial-level courts.

Jurisdiction according to territory:

- The Court at the place where the crime is committed has the jurisdiction to hear the case. In case the crime is committed in multiple or unidentifiable places, the Court at the place where the investigation is completed has the jurisdiction to hear the case.
- In case the defendant committed the crime abroad, the provincial-level court at the last residential place of the defendant has the jurisdiction to hear the case. In case the last residential place of the defendant is unidentifiable, Chief Justice of the Supreme People’s Court, as the case may be, will assign the Hanoi, Ho Chi Minh City or Da Nang People’s Courts to hear the case.

3.3.2.3. Criminal prosecution procedure

The criminal procedure for trade mark infringement is shown by way of a flowchart in Annex 1 of this Chapter.

3.3.2.4. Criminal penalties for trade mark infringement

Trade mark Infringement (Article 226 of the 2015 Criminal Code (amended under Article 1.53 of the 2017 Law on Amendments to the Criminal Code)):

---

26 Article 268 of the 2015 Criminal Procedure Code.
27 According to Article 268.2b of the 2015 Criminal Code, criminal cases with defendants, victims, litigants (i.e. civil plaintiffs, civil defendants, and persons with interests and obligations related to the criminal case) are heard by provincial-level courts. However, for the acts of manufacturing and trading counterfeits (Article 192 of the 2015 Criminal Code), it is not clear by law whether IP holders are considered as “litigants” in criminal cases. Therefore, in practice, there have been counterfeiting cases with foreign IP holders designated to district-level courts for handling.
28 Article 269 of the 2015 Criminal Procedure Code
## Intellectual Property Rights Enforcement Manual for Vietnam

<table>
<thead>
<tr>
<th></th>
<th>Individual Infringer</th>
<th>Corporate Infringer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual Infringer</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Corporate Infringer</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Minimum fine/penalty</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ VND 50 million</td>
<td></td>
<td>▪ VND 500 million</td>
</tr>
<tr>
<td>▪ Up to three years’ community sentence</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Factors raising fine/penalty</strong></td>
<td>Greater illegal profits reaped, greater loss caused, greater values of infringing goods, infringements committed on an organisational basis, infringements committed more than once.</td>
<td></td>
</tr>
<tr>
<td><strong>Maximum fine/penalty</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ VND 1 billion</td>
<td></td>
<td>▪ VND 5 billion (approx. GBP 172,117,039)</td>
</tr>
<tr>
<td>▪ 3 years’ imprisonment</td>
<td></td>
<td>▪ Up to 2 years’ suspension of operations</td>
</tr>
<tr>
<td><strong>Possible supplemental penalties</strong></td>
<td>Fine up to VND 200 million</td>
<td>▪ Fine up to VND 500 million</td>
</tr>
<tr>
<td></td>
<td>▪ Bans from holding positions, practicing certain jobs or doing certain works in a period from 1 to 5 years</td>
<td>▪ Bans from business activities, operations in certain fields or fundraising in a period from 1 to 3 years</td>
</tr>
</tbody>
</table>

**Commentary:** The Criminal Code provides for substantial maximum fines and prison sentences against criminal offenders. The penalty of counterfeiting is higher than that of trade mark infringement and therefore, the enforcement authorities often lean towards pressing charges for counterfeiting against infringers for better deterring effect. In practice, when they cannot establish a case of counterfeiting (commonly because of a lack of genuine samples or the product is not deemed as counterfeit), it can then be changed to a trade mark infringement crime.
3.3.2.5. Defences to trade mark infringement

According to Article 125 of the IP Law, the trade mark holders shall not have the right to prevent others from circulating, importing, exploiting utilities of the goods that were lawfully put on the market, including overseas markets.

Therefore, if the goods were put on the overseas markets by the trade mark owners or their licensees, the acts of circulating, importing, exploiting utilities of such goods do not trigger trade mark infringement.

In addition, the prosecutor must prove that the accused has carried out the infringing acts deliberately.

**Counterfeit Manufacturing and Trading** (Article 192 of the 2015 Criminal Code (amended under Article 1.42a of the 2017 Law on Amendments to the Criminal Code):

- The prosecutor must present evidence regarding the quality of the suspected counterfeit goods in order to prove that the goods are either substandard, falsified or without use value. Such evidence requires genuine products for comparison and analysis.
- This evidence requirement is based on the broad definition of counterfeit under Article 3.8 of Decree 185/2013/ND-CP29, which covers the trade mark counterfeit goods, the falsely labelled goods30 and the counterfeits in quality/use value. The counterfeits in quality include:
  - substandard forged goods31
  - falsified forged goods32
  - goods that have no use value or utility (or the use value does not match the goods’ nature, their names or announced/registered use value).

3.3.3. Criminal Infringement against Copyright and Related Right

**Copyright and Related Right Infringement** (Article 225 of the 2015 Criminal Code (amended under Article 1.52a of the 2017 Law on Amendments to the Criminal Code):

- Criminal charges on a person will be triggered in case he or she, without the copyright/related right holder’s consent, deliberately conducts an act of (i) reproducing copyrighted works or audio/visual recordings, or (ii) distributing to the public copies of copyrighted works or audio/visual recordings:
  - with a commercial scale; or
  - to earn an illegal profit from VND 50 million or
  - causing a loss from VND 100 million to the copyright/related right holder; or
  - with the infringing goods worth from VND 100 million.

- Criminal charges on a corporate entity will be triggered in case it deliberately conducts an act of copyright infringement:
  - with a commercial scale; or
  - to earn an illegal profit from VND 200 million; or
  - causing a loss from VND 300 million to the copyright/related right holder; or
  - with the infringing goods worth from VND 300 million.

---

29 Decree 185/2013/ND-CP on Providing the Penalties on Administrative Violations in Commercial Activities, Production of, Trading in Counterfeit or Banned Goods and Protection of Consumer Rights issued by the Government on 15 November 2013 (“Decree 185”).
30 Goods with counterfeit packaging of other businesses, or with labels or packaging that falsely claimed name or address of an entrepreneur, trade name, product name, circulation registration code, bar codes, the indication of the goods’ origin, places of manufacturing, packaging and assembly (Article 3.8dd and 3.8e of the Decree 185).
31 Goods with at least one quality standard or basic technical characteristic creating the goods’ use value of 70% or lower comparing with the quality or technical standard applied for the genuine products (Article 3.8b of the Decree 185).
32 Applying for medicine and plant protection products that having insufficient substance content (for medicine) or active ingredients (for plant protection products) to the registered substance content (or active ingredients); or having substances additional (or active ingredients) to that stated on the labels (Article 3.8c and 3.8d of the Decree 185).
In case the infringing corporate entity has suffered administrative sanctions before or unspent convictions for copyright/related right infringement, an infringing act to earn a profit from VND 100 million or with a loss from VND 100 million caused to the copyright/related right holder, or with infringing goods worth from VND 100 million may trigger criminal charges.

**Counterfeit Manufacturing and Trading** (Article 192 of the 2015 Criminal Code (amended under Article 1.42a of the 2017 Law on Amendments to the Criminal Code))

According to Article 213 of the IP Law, copyright and related right counterfeits are copies manufactured without the copyright/related right holders’ consent. The factors that trigger criminal charges of manufacturing and trading in copyright and related right counterfeits according to this Article are similar to those in the case of trade mark counterfeit manufacturing and trading.

**Commentary:** Vietnam’s Penal Code criminalises the act of unauthorized reproduction and distribution of copyrighted works and audio/visual recordings, regardless of whether such act takes place physically or digitally. Therefore, these regulations can arguably be used for online piracy, although in practice it is very rare that enforcement authorities prosecute copyright and related rights infringement acts criminally. Other infringing acts which are not considered as a criminal offense include acts that infringe right holder’s moral rights and the unauthorized acts of using, renting, publishing, and communicating the protected works. Such infringing acts will be handled through administrative proceedings or civil litigation.

### 3.3.4. Criminal procedure for copyright and related right crimes

Criminal proceedings against both:
- copyright and related right infringement; and
- copyright and related right counterfeit manufacturing and trading

may be initiated upon ascertainment of the crimes based on criminal information from any sources.

#### 3.3.4.1. Economic Police

For copyright and related rights cases, EP has the same authorities as for trade mark cases. Please refer to sub-Section 3.1.4 above for the details.

#### 3.3.4.2. Criminal prosecution of copyright and related right crimes

Criminal prosecution for copyright and related right crimes is the same as trade mark cases – please refer to Annex 1 below.

#### 3.3.4.3. Criminal Penalties for copyright infringement

**Copyright and Related Right Infringement** (Article 225 of the 2015 Criminal Code (amended under Article 1.52a of the 2017 Law on Amendments to the Criminal Code)):

<table>
<thead>
<tr>
<th></th>
<th>Individual Infringer</th>
<th>Corporate Infringer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Minimum fine/penalty</strong></td>
<td>VND 50 million</td>
<td>VND 300 million</td>
</tr>
<tr>
<td></td>
<td>Up to 3 years’ community sentence</td>
<td></td>
</tr>
<tr>
<td><strong>Factors raising penalty</strong></td>
<td>Greater illegal profits reaped, greater loss caused, higher values of infringing goods, infringements committed on an organisational basis, infringements committed more than once.</td>
<td></td>
</tr>
</tbody>
</table>
### Counterfeit Manufacturing and Trading (Article 192 of the 2015 Criminal Code (amended under Article 1.42a of the 2017 Law on Amendments to the Criminal Code)):

The penalties are the same as those in cases of trade mark counterfeit manufacturing and trading.

**Commentary:** In addition to EP, there is also the Police Department for High-Tech Crime Prevention under the Ministry of Public Security, which aims to tackle complex online copyright infringement. In practice, the number of criminal copyright infringement cases that were followed through and successfully brought before court for prosecution are extremely rare as it is difficult for the enforcement authorities to calculate the illegal profit, damages, or relevant value of the infringing goods due to the lack of official guidance on the issue.

#### 3.3.4.4. Defences/ exceptions: acts not considered as copyright and related right infringement

**Exceptions and limitations to copyright**

Article 25 of the IP Law set out cases where published works may be used without any consent or payment of royalties or remuneration:

- Make a copy of works for personal scientific researching and teaching (this exception is not applied for architectural works, art works or computer programs);
- Reasonable quoting for commentary or illustrative purposes without misrepresenting the authors’ ideas;
- Quoting without misrepresenting the authors’ ideas for writing articles, using in periodicals, radio/television broadcasts, or documentaries;
- Quoting for lecturing without misrepresenting the authors’ ideas and commercial purposes;
- Copying by libraries for archival and researching purposes (this exception is not applied for architectural works, art works or computer programs);
- Performing stage works or other performance arts in cultural and propaganda activities without charging in any form;
- Recording live performances for reporting news or teaching;
- Photographing/ broadcasting art, architectural, photographic, applied-art works displayed in public areas for presentation of images of the works;
- Transcribing works into Braille or other languages for the blind;
- Import copies of others’ works for personal use.

The application of the above exceptions must not affect the normal exploitation of the works, prejudice the rights of the authors and copyright holders, and must be subject to citation of the authors’ names and sources/origins of the works.

Article 26 of the IP Law set out cases where published works may be used without consent, but royalties and remunerations must be paid to the copyright holders, i.e. where broadcasting organisations use published
works for broadcasting with or without sponsorship, advertising or charges. This exception is not applied for cinematographic works.

The application of the above limitations must not affect the normal exploitation of the works, prejudice the rights of the authors and copyright holders, and must be subject to citation of the authors’ names and sources/origins of the works.

Exceptions and limitations to related rights

Article 32 of the IP Law sets out cases where related rights may be used without any consent or payment of royalties or remuneration:

- Making a copy for personal scientific researching and teaching;
- Making a copy for teaching purposes (this exception is not applied in cases of performances, audio-visual recordings, broadcasts have been published for teaching);
- Reasonably quoting for providing information;

3.4. Civil IP Enforcement

Vietnam’s civil court system includes:

- The Supreme People’s Court;
- Superior People’s Courts;
- Provincial-level People’s Courts;
- District-level People’s Courts.

3.4.1. Jurisdiction

Jurisdiction according to court level:

- IP (trade mark, copyright and related right) disputes that do not involve commercial purposes are under the jurisdiction of district-level civil courts, except for those involving parties or properties in foreign countries or requiring overseas judicial entrustment – which are under the jurisdiction of Provincial-level Civil Courts.
- IP disputes that involve a commercial purpose are under the jurisdiction of Provincial-level Economic Courts.

---

33 The highest judicial body of Vietnam, reviewing legally effective judgments and decisions of courts, which are protested against, under cassation or re-opening procedures.
34 Hearing appeals of trial decisions, judgments of People’s Courts of provinces or cities under directly central authority within their territorial jurisdiction which have not yet taken legal effect and are appealed or protested against; Reviewing under cassation or re-opening procedure legally effective judgments or decisions of People’s Courts of provinces, municipalities, rural districts, urban districts, towns, cities or the equivalents within their territorial jurisdiction which are protested against.
35 Hearing first-instance cases in accordance with the law; hearing appeals from People’s Courts of rural districts, urban districts, towns, cities or the equivalents which have not been legally effective and are appealed or protested against in accordance with the law; reviewing legally effective judgments, decisions of People’s Courts of rural districts, urban districts, towns, cities and the equivalent, and request Chief Judge of High People’s Court or Chief Justice of the Supreme People’s Court to consider, protest against such judgments, decision if there are violations of the law or new facts.
36 Hearing first-instance cases in accordance with the laws.
37 District-level Civil Courts handle civil, business, commercial and labour matters that fall into district-level courts’ jurisdiction (Article 35.1a and 36.1, Civil Procedure Code No. 92/2015/QH13 issued by the National Assembly on 25 November 2015 (“2015 Civil Procedure Code”).
38 Provincial-level Civil Courts handle civil matters that fall into provincial-level courts’ jurisdiction (Article 35.3 of the 2015 Civil Procedure Code).
39 Provincial-level Economic Courts handle business and commercial matters that fall into provincial-level courts’ jurisdiction (Article 37.1a and 38.1 of the 2015 Civil Procedure Code).
Jurisdiction according to territory:

IP disputes are handled by the court where the defendant resides or is domiciled. However, the parties have the right to agree in writing that the disputes are handled by the court where the plaintiff resides or is domiciled.\(^{40}\)

The plaintiff has the right to petition\(^{41}\):

- the court of the area where the defendant last resided or was domiciled, in case the current area where the defendant resides or is domiciled cannot be identified;
- the court of the area where the defendant has offices or branches, in case the dispute arises from the operation of the branch;
- the court of the area where the plaintiff resides or is domiciled, in case the defendant does not have a domicile in Vietnam;
- the court of the area where the dispute arises, in case the dispute is about compensation for non-contractual damage;
- the court of the area where the contract is performed, in case the dispute arises from a contractual relation.
- the court of the area where one of the defendants resides or is domiciled, in case the defendants reside or are domiciled in different areas.

3.4.2. Trade mark, copyright and related rights civil case rules

Civil IP cases are governed by the following groups of rules:

- Specific provisions for handling IP infringement and disputes with civil measures are set out under in the IP Law (including civil measures the Court may apply, litigants’ rights and obligations to prove, principles for determination of damage, grounds for determination of levels of damages, preliminary injunctions);
- Civil procedures for handling IP infringement and disputes in the Civil Procedure Code.

3.4.3. Trade mark infringement

3.4.3.1. Registered trade mark infringement

According to Article 198.1b, d of the IP Law, right holders (including trade mark holders) are entitled to:

- request the infringer to terminate the infringeents, make a public apology or rectification, and pay damages;
- initiate a lawsuit to protect their legitimate rights and interests.

According to Article 202 of the IP Law, the court may apply the following remedies against IP (including trade mark) infringers:

- Termination of infringing acts.
- Public apology and rectification.
- Implementation of civil obligations.
- Payment of damages.

\(^{40}\) Article 39.1 of the 2015 Civil Procedure Code.

\(^{41}\) Article 40.1 of the 2015 Civil Procedure Code.
• Destruction, distribution or use for non-commercial purposes of goods, raw materials, materials and means used mainly for the manufacturing or trading of infringing goods, on the condition that the exploitation of rights by right holders will not be affected.

**Commentary:** The number of IP infringement cases decided by courts is still relatively limited compared to other disputes. The system is there and seems to work but few cases are heard by judges. There is not yet a large pool of judges who can hear IP cases. Delays can occur too, but overall civil litigation is a good way to claim damages from infringers and to send a strong deterrent message. Expert opinions are often used in civil cases.

### 3.4.3.2. Well-known trade mark infringement

Well-known trade mark holders’ entitlements in protection of their marks and remedies applied by the court against infringers are the same as those in cases of registered trade marks – please refer to Section 3.4.3.1 above.

**Commentary:** The courts and enforcement authorities often consult IP Vietnam and rely heavily on IP Vietnam’s opinion in considering a trade mark’s well-known status. If a mark is recognized as well-known by the court, it should be recorded in a List of Well-known Trade Marks by IP Vietnam for reference in future. However, the List of Well-known Trade Marks has not been made available yet.

### 3.4.3.3. Copyright and related right infringement

Please refer to Section 3.4.3.1 above for copyright and related right holders’ entitlements in protection of their rights and remedies applied by the court against infringers.

**Commentary:** Civil litigation is more common in copyright. In the period 2006-2016, 83.5% of IP lawsuits before the civil courts were about copyright and most of them were filed by Vietnamese IP owners, involving disputes over authorship and economic rights. Similar to trade mark disputes, the Court will rely on expert opinions on the infringement.

### 3.4.4. Civil IP remedies in trade mark and copyright cases

#### 3.4.4.1 Preliminary injunctions

According to Article 206 of the 2005 IP Law, when or after initiating a lawsuit, the right holder is entitled to request that the Court apply the preliminary injunctions to goods suspected as infringing IP and raw materials, materials and means for manufacturing and trading such goods if (i) there is a threat of irreparable damage suffered by the right holders; or (ii) there is a threat of dispersal or destruction of suspected infringing goods and related evidence if they are not protected in time. The preliminary injunctions include retention, seizure, sealing, prohibiting any alteration of the original state, prohibiting any movement, prohibiting transfer of ownership of the infringing goods, raw materials, materials and means.

---


43 Article 42.4, Circular 01/2007/TB-BKHCN, amended under Article 1.35b, Circular 16/2016/TB-BKHCN


45 For example [http://ipkomododragon.blogspot.com/2019/03/vietnam-civil-copyright-decision.html](http://ipkomododragon.blogspot.com/2019/03/vietnam-civil-copyright-decision.html)
According to Article 208 of the IP Law, the plaintiffs bear the burden of proving the rights to the preliminary injunctions request by providing documents evidencing that they are the right holders. Detailed procedures for preliminary injunctions request are stipulated under Chapter VIII of the 2015 Civil Procedure Code. The request must include information about the plaintiff, a summary of the dispute/infringement, reasons for application of the preliminary injunctions, types of injunctions applied and specific requirements. When receiving the request for preliminary injunctions enclosed with the petition and evidence, the Chief Justice shall immediately assign a Judge to handle the request. Within 48 hours since receiving the request, the Judge must issue a decision to apply preliminary injunctions; if the request is rejected, the Judge must issue a notification setting out the refusal grounds.

3.4.4.2. Other remedies

Other remedies on IP infringement are regulated under provisions on administrative enforcement (please refer to Section 3.7. below).

3.4.4.3. Damages

Damage under the IP Law includes material damage and spiritual damage. Material damage include property losses, decreases in income and profit, loss of business opportunities, reasonable expenses for prevention and remediing of such damages. Spiritual damage includes damages to the honor, dignity, prestige, reputation of the authors and performers. The level of damages is calculated based on the actual loss that the right holder suffers due to the infringement.

Once the plaintiff manages to prove the infringement has caused the plaintiff material damage, the plaintiff may request the Court to decide the damages based on:

- Total material damages in money plus the profit gained by the defendant by the infringement, if the decrease in profit of the plaintiff has not been included in the total material damages; or
- The licensing price on the assumption that the defendant was licensed by the plaintiff to use the IP under a license contract within a scope corresponding to the infringement; or
- Other ways of calculation right holder proposed in accordance with laws.

Where the damages cannot be calculated based on the above methods, the Court may decide the amount of damages based on the extent of the losses, but the amount will not surpass VND 500 million.

Once the plaintiff manages to prove that the infringement has caused the plaintiff spiritual damages, the plaintiff is entitled to request the Court to decide the damages depending on the extent of loss, with the range from VND 5 million to VND 50 million.

The plaintiff is also entitled to request the Court to compel the infringer to pay reasonable costs for lawyers.

---

46 According to Article 203 of the 2005 IP Law, the evidentiary documents may be copies of trade mark, copyright or related right registration certificates, or an extract of the registration information from the National Register of Copyright and Related Rights/National Register of Industrial Property, evidence on rights to well-known trademarks, copies of IP licensing agreements, etc.

47 Article 204.1a of the 2005 IP Law

48 Article 204.1b of the 2005 IP Law

49 Article 204.2 of the 2005 IP Law

50 Article 205.1 of the 2005 IP Law, amended under Article 2.11 of the 2019 Amended IP Law
Commentary: Vietnam’s IP Laws require calculation of damages based on the acts of trade mark and copyright infringement. In practice, it is difficult for right holders to prove actual losses arising from the act of IP infringement of the adverse party. In some cases, the IP owner can still recover expenses such as attorney’s fees and related fees e.g. fees for seeking expert opinions, etc. from infringers in court decisions.

3.4.4.4. Right of Information

Article 203.5 of the IP Law stipulates that where a party in an IP infringement lawsuit can prove that appropriate evidence proving such party’s claim is under the control of the other party and is therefore inaccessible, the former party shall have the right to request the court to compel the latter party to provide such evidence.

Article 70.7 of the 2015 Civil Procedure Law provides for the right of parties in the litigation to petition the Court to request other involved parties to present materials and evidences they are keeping, petition the Court to issue the decision to request the agencies, organizations and individuals that are keeping and managing materials/evidences to supply such materials and evidences.

3.4.4.5. Indemnification of Defendant

According to Article 208 of the IP Law, the plaintiffs must pay compensation for loss caused to the person suffering the preliminary measures in case such person is found not to infringe the IP. The plaintiff must deposit a bond in forms of money (a sum of money equal to 20 per cent of the value of the goods subject to the application of provisional urgent measures, or at least VND 20 million where it is impossible to value such goods) or a deed of guarantee issued by a bank/credit institution.

According to Article 198.4 of the IP Law (as amended in 2019), the defendant, if receive acquittal from the Court, is entitled to request the Court to order the plaintiff to reimburse for their reasonable expenses such as the cost of hiring a lawyer or other expenses in accordance with laws.

3.4.4.6. Provisional measures

Apart from preliminary injunctions described in sub-Section 3.4.5.1 above, other provisional measures under Article 114 of the 2015 Civil Procedure Code may also be applied if they are relevant, including freezing accounts at banks or other credit institutions, state treasury; freezing properties at places of their deposit; prohibiting involved parties from performing, or forcing them to perform certain acts; etc.

- A broadcasting organization making provisional copies of a work for broadcasting when such organization has the right to broadcast.

The application of the above exceptions must not affect the normal exploitation of the performances, audio-visual recordings, broadcasts, and prejudice the rights of the performers, producers of the audio-visual recordings, broadcasting organizations.

Article 33 of the IP Law sets out cases where published audio-visual recordings may be used without consent, but royalties or remuneration must be paid to authors, copyright holders, performers, producers of audio-visual recordings, broadcasting organisations:

- Directly or indirectly using the audio-visual recordings published for commercial purposes to broadcast with or without sponsorship, advertising or charges in any forms;
- Using published audio-visual recordings in business and commercial activities.
3.5. Online IP Infringement for Trade Mark and Copyright

3.5.1. Trade mark violations

- Article 4 of Decree 52/2013/ND-CP on E-commerce⁵¹ (“Decree 52”) prohibits acts of taking advantage of e-commerce to trading in counterfeits and goods/services infringing IP (including trade marks, copyright and related rights).
- Under Article 83.4a of the Decree 185 on administrative sanctions against violations in commercial activities, failure to apply measures against legal violations on the platforms upon self-discovery or upon the receipt of consumer’s reports may cause the platforms to suffer a monetary fine of VND 30 million to 40 million.
- However, both Decree 52 and Decree 185 provide no guidance on the measures that the platforms should take (including whether and how the platforms must establish notice and take mechanism).
- According to Article 11.15 of Decree No. 99/2013/ND-CP on administrative sanctions of violations in the field of Industrial property (Decree 99), a fine of between VND 10 million and 20 million shall be imposed for acts of using signs infringing upon rights to trade marks, geographical indications, trade names on signboards, business transaction papers, means of business or service, goods packages.
- Article 14.15b of Decree 99 provides that a fine of between VND 5 million and 15 million shall be imposed for any of the following acts: Using on transaction papers, means of business, including also means of service, signboards and goods packages, trade indications which mislead as to business entities or activities or trade origin of goods or services or origin, method of production, utilities, quality, quantity or other features of goods or services or conditions for provision of goods or services.
- Article 21 of Circular 11/2015/TT-BKHCN dated 26/6/2015 on detailing and guiding a number of articles of the Government’s Decree No. 99/2013/ND-CP of August 29, 2013, on administrative sanctions of violations in the field of Industrial property provides that means of business shall be understood as any means bearing or containing a protected industrial property subject matter or trade indication and used to serve business activities (for example, websites, introduction documents, name cards, means of transport and utensils and decorations in business establishments).

3.5.2. Copyright and related right violations

Enforcement against online copyright infringements may follow the criminal, civil or administrative procedures set out above. For administrative violations, Decree 131 specifies “Compelled removal of infringing electronic copies of works, performances, audio/visual recordings and broadcasts on the Internet and digital environment” as one of the remedies.

Article 5.3 of Joint Circular No. 07/2012/TTLT-BTTTT-BVHTTDL⁵² requires Intermediary service providers (“ISPs”)⁵³ a duty to remove and delete digital content that violates copyright and related rights, and cut, stop

---

⁵¹ Decree 52/2013/ND-CP on E-commerce issued on 16 May 2013 (“Decree 52”)
⁵² Joint Circular No. 07/2012/TTLT-BTTTT-BVHTTDL Stipulating Duty of Enterprises Providing Intermediary Service in Protection of Copyright and Related Rights in The Internet and Telecommunication Networks Environment jointly issued by Ministry of Information and Communications and Ministry of Culture, Sports and Tourism on 19 June 2012.
⁵³ Article 3.2 of Joint Circular No. 07/2012/TTLT-BTTTT-BVHTTDL provides that enterprises providing intermediary service shall include the following:
  - Enterprise providing internet service,
  - Telecommunication enterprise;
  - Enterprise providing service of leasing digital information storage space including service of leasing website storage space;
  - Enterprise providing service of online social network;
  - Enterprise providing service of digital information search.
or suspend an individual’s internet/telecommunication line under orders of Inspectorates of Ministry of Information and Communications (MoIC) and MoCST.

According to Article 5.5 of the same Joint Circular, ISPs are directly responsible for paying damages due to copyright and related right infringement in the following circumstances:

- ISP acts as the source for the start of the uploading, transmission or provision of digital content via telecommunications and Internet networks without right holders’ consent;
- ISP edits, modifies, copies digital content without right holders’ consent;
- ISP intentionally ruins or disables technical measures for protection of copyright and related rights;
- ISP operates as a source of secondary distribution of digital content obtained through copyright and related right infringement.

**Commentary:** Vietnam does not have a complete or straightforward framework for protection and enforcement of copyright and related rights in the digital environment. Although the laws provide for ISP liability in relation to copyright infringing content available on their system, the concept of “secondary liability” is not clearly established under Vietnam’s legal system. Unlike in many other countries, ISPs are not obliged to take down infringing content upon receipt of a right holder’s notice.

As for e-commerce, there are rules aimed to tackle online infringement of IP rights, but the liability of e-commerce platform/ISPs has not been established in detail. In practice, right holders normally rely on the cooperation and take-down mechanisms available on such platforms instead of any official administrative enforcement or litigation.

Vietnam’s law requires ISPs to block or suspend access to a violating content upon request from competent authorities. In 2018 the Authority for Broadcasting and Electronic Information (ABEI) under the Ministry of Information and Communication worked with local network providers to block access to websites which included pirated content. The process requires a complaint from the right holder to ABEI who can issue warnings to infringing ISPs with a deadline for take-down of the pirated contents. They can also request local network providers to block access to the infringing ISP or content. This exercise has been applied to both local ISPs and foreign ISPs with servers located overseas. Local ISPs have been cooperative with the site-blocking requests. It was reported by ABEI that 49 websites were blocked in 2018 and 2019 for violation of copyright and related rights in films, TV programs and sports broadcasts.  

Further, under a recent Decree 15/2020/ND-CP issued in February 2020 on administrative sanctions on telecommunications, ISPs are liable for IP violations including posting/delivering journalistic, literature, artistic works and other publications online without the right holders’ consent. Such violations are subject to administrative fines ranging from VND 10 million to 70 million depending on the subject of the violations. Additional sanctions include confiscation of means for violation, like forcible taking-down of infringing content, or temporary confiscation of the platform operation license. However, it is unclear how the above sanctions would be practically enforced against foreign companies providing cross-border services accessible to Vietnamese users.

In addition, Cybersecurity Law 2018 also specifies “acts of infringement of copyright and other IP rights in cyberspace” by both domestic and foreign service providers among its cybersecurity violations. The law’s


55 Decree No. 15/2020/ND-CP on administrative sanctions on telecommunication issued on 03 February 2020 (“Decree 15”)
3.6. Customs IP Border Enforcement

Customs measures for protection of IP include:

- Suspension of customs procedures for suspected infringing goods;
- Inspection and supervision for detecting goods with signs of IP infringement.

Customs can act or at the request of right holders to temporarily deter suspected infringing goods coming into the border. If Customs detects IP counterfeits in the suspension, inspection and supervision processes, Customs have the right and obligation to impose administrative sanctions, remedies, preventive measures and measures to ensure enforcement of administrative penalties described in Section 3.7 below.

**Commentary:** The number of seizures by Vietnam Customs is relatively modest compared to the prevalence of counterfeit goods available in the market. However, they do make them regularly for brands recorded with Customs. They have also been holding annual training sessions by IP owners on how to recognize counterfeit goods so that the officials can become more confident in acting against suspected counterfeit goods.

Vietnamese law generally allows for parallel imports where the right holder, or someone with his/her consent, has already put the goods bearing the trade mark in question in the market (including foreign markets). However, Customs do still detain parallel imported goods if the relevant importers are not listed as authorised distributors provided by IP owners to Customs.

3.6.1. Recordal process for trade marks and/or copyright and related rights

According to Article 6, Circular 13/2015/TT-BTC ("Circular 13"):

- Right holders file customs recordals with General Department of Vietnam Customs ("GDVC") with the following documents:
  - Request for supervision and inspection of exported and imported goods in the provided form;
  - Copies of documents evidencing IP protection titles, e.g. registration certificates, licensing recordal certificates;
  - Detailed description of IP counterfeits, with photos and features that help distinguish counterfeits and their genuine counterparts;
  - A list of authorized importers/ exporters of the genuine goods;
  - A list of possible exporters/ importers of infringing goods.

- The customs recordal will be valid for 2 years with a possibility of renewal for another 2 years (Article 74.2d, Customs Law). Renewal request must be filed at least 20 days prior to the expiry day of customs recordal.

---

56 Article 125.2, Vietnam IP Law 2005
58 Laws No. 54/2014/QH13 on Customs issued by the National Assembly on 23 June 2014 ("Customs Law")
Commentary: Requests for Customs Recordal or Renewal of Customs Recordals or Requests for Suspension of Customs procedures can be filed via the e-Customs system. However, the e-filing portal has since March 2020 been suspended while it is being updated. Until then, requests and accompanying documents can be filed directly with the Anti-Smuggling Bureau of the General Department of Customs. The recordal covers around 39 ports, including 15 sea ports, 19 land borders and five airports.

Under Circular No.13/2015/TB-BTC, the HS code of the goods for which IP protection is sought, is categorized as an “optional” requirement for Customs Recordal. However, in the new form for Application for Customs Recordal introduced in the new Circular 13/2020/TB-BTC\(^{59}\), the HS code is no longer “optional”. Accordingly, Customs may require the application to include the HS code of the goods.

3.6.2. Suspension of Customs Procedure

- When detecting signs of IP infringement in a consignment, Customs will stop the customs procedures and send a notice on suspected infringing goods to the right holders (Article 14.1, Circular 13).
- Within 3 working days from the date of receipt of the notice on suspected infringing goods, the right holders must submit a request on suspension of customs and a bond in the form of money or a deed of guarantee issued by a bank/credit institution\(^{60}\) (Article 76.1b, Customs Law).
- Within 2 hours from receipt of the suspension request, other required documents in the dossier and the bond from the right holders, Customs will issue a decision on suspension of goods (Article 10.1, Circular 13).
- In case there is no information on requests for IP protection, but Customs detects goods with signs of IP infringements in the process of customs dossier examination/goods check-up, Customs will examine, take samples of or photograph the suspected infringing goods, and cooperate with other IP authorities to suspend the goods if signs of infringement are determined (Article 14.3, Circular 13).
- *The Customs Recordal process is shown by way of a flowchart in Annex 2 of this Chapter.
- When the requester for suspension of customs procedures has fulfilled the obligations specified in Article 217 of this Law, the customs authority shall issue the decision of suspension. The customs authority shall provide the intellectual property rights holder with information on name and address of shipper; exporter, consignee or importer; description of goods; quantity of goods; origin of goods (as the case may be), within 30 days from the date of issuance of the decision to apply administrative measures to handle trade mark counterfeiting and smuggled goods specified in Article 216(4) of this Law.(Article 148.12, Law No. 42/2019/QH14 dated June 14, 2019 amending some articles of Law on Insurance business and Law on Intellectual Property).

Commentary: In practice, a consignment may contain various products, including both suspected infringing goods and non-suspect goods. However, a suspension decision applies to the whole consignment and so non-suspect goods may also be detained. This puts burden on the owner of the goods in storing them during suspension; and an increased risk on IP owners in case suspected goods are concluded as genuine.

---

\(^{59}\) Laws No. 54/2014/QH13 on Customs issued by the National Assembly on 23 June 2014 (“Customs Law”)

\(^{60}\) The amount must be equal to 20% of the value of the suspended consignment, or minimum VND 20 million in case the consignment’s value is unidentifiable, and other fees that may be incurred due to a wrong request for suspension of customs procedures.
3.6.3. Examination of Suspended Goods

The examination is carried out during the suspension period. The time limit for the suspension is 10 working days from the date the suspension decision is issued. In case there are needs for assessment or consultation of technical opinions from IP authorities, the suspension may be extended until receipt of the assessment results or technical opinions (Article 10.2, Circular 13).

While temporarily suspending or applying the preventive measures as prescribed, Sub-department of Customs which decides to temporarily suspend the goods in question may solicit assessment in specialized organizations of customs or other verifying organizations as prescribed in Clause 1, Article 40 of the Government’s Decree 105/2006 / ND-CP dated September 22, 2006 providing instructions on the implementation of a number of articles of the Law on Intellectual property and protection of intellectual property rights and State management of intellectual property or consult the expertise of State management agencies on intellectual property to identify signs of infringement of intellectual property. (Article 10.3b of Circular 13).

3.6.4. Legal action/settlement

According to Article 10.4a, Circular 13, upon expiration of the suspension period, Customs must:

▪ Issue a decision to accept the case according to administrative procedures once confirming the suspended goods infringe IP.
▪ Issue a decision on detention of goods in case there are sufficient grounds to determine the suspended goods as infringing IP.
▪ Impose administrative sanctions and remedies if there are sufficient grounds to determine the suspended goods as infringing IP.

Upon expiration of the suspension period, if the right holders does not initiate a lawsuit, or Customs does not decide to accept the case according to administrative violation handling procedures, Customs will resume the customs procedures for the consignment (Article 76.4 of Customs Law).

3.7. Administrative IP Enforcement

3.7.1. Trade mark, copyright and related rights administrative offences

According to Article 211 of the IP Law (as amended in 2009), the following acts constitute IP administrative offences:

▪ Infringe IPRs causing damage to the authors, owners, consumers or society.
▪ Produce, import, export, transport, or trade in IP counterfeits as defined in Article 213 of the IP Law or assign other people to commit these acts.
▪ Produce, import, transport, trade in or store stamps, labels or other articles bearing a counterfeit trade mark or assign other people to commit these acts.

Specific infringing acts subject to administrative sanctions are stipulated in:

---

61 According to Article 213 of the 2005 IP Law, trade mark counterfeits are goods bearing trade marks or having packaging with trade marks indistinguishably similar to others’ protected trade marks without consent of trade mark holders, copyright and related right counterfeits are copies manufactured without the copyright/related right holders’ consent.
3.7.2. Jurisdiction

Authorities with the jurisdiction to conduct administrative enforcement are described as follows:

- Economic Police (EP)
- Market Management Bureau (MMB)
- Inspectorate of Ministry of Culture, Sport and Tourism (MoCST) and Departments of Culture, Sport & Tourism (DoCST) at the provincial level
- Inspectorate of Ministry of Science and Technology (MoST) and Department of Science and Technology (DoST) at the provincial level
- Inspectorate of Ministry of Information and Communications (MoIC) and Department of Information and Communications (DoIC) at the provincial level
- People’s Committees
- Customs

**Commentary:** Each enforcement authority has the authority over different types of infringement –

**EP:** In addition to taking actions against criminal offenses, the EP may also handle administrative enforcement against trade mark counterfeits. The EP will only undertake serious infringement cases involving large quantities of stock or a network of infringers, or infringing acts or products that pose a danger to consumers. Given the limitation of specialist IP knowledge amongst officers, the EP often hesitates to take on cases involving infringing goods that are not clearly counterfeits. For copyright piracy, the EP will usually cooperate with the MoCST and DoCST Inspectorate to carry out actions.

**MMB:** MMB deals with relatively simple cases involving counterfeits at market level, for example, shops of small to medium size and retailers. Right holder often opt for MMB for quick action against small infringers. MMB and EP regularly collaborate in enforcement actions.

**Inspectorate of MoST and DoST:** The MoST and DoST Inspectorate tend to handle complex cases, i.e. where the infringing mark is alleged to be confusingly similar to the trade mark, or where the use of the alleged infringing mark is on the infringer’s business materials (websites, documents, product, etc). Cases of counterfeiting will be more effectively handled by the EP and MMB.

**Inspectorate of MoCST and DoCST:** The Inspectorate of MoCST and DoCST are responsible for the administrative enforcement of copyright and related rights in Vietnam. They cooperate with the EP and MMB for raid and investigation actions against infringers.

**Inspectorate of MoIC and DoIC:** The Inspectorate of MoIC and DoIC are responsible for cooperating with the Inspectorate of DOST and other relevant agencies in the process of handling domain names that infringe IP rights.

**People’s Committees:** The People’s Committee at city and provincial levels rarely directly deal with IP infringement. They will step in where the likely sanction exceeds the authority of the enforcement authority that is usually responsible for dealing with the matter.
Customs: The key function of the Customs is to control national borders, including prevention of counterfeit goods imports.

There has been some proactive cooperation between the enforcement authorities. However, there are limited formal procedures for cooperation and roles can be unclear which creates delays.

3.8. Administrative Procedure

3.8.1 Trade mark infringement

The administrative procedure for handling trade mark infringements is stipulated in Chapter IV of Decree 99. The procedure for a straightforward case of trade mark infringement is set out below:

- The trade mark holders (or their authorized representatives) shall file written requests for handling of the infringing acts to the competent authorities. The request must be enclosed with documents proving the trade mark holders’ rights to request handling of violations, evidence of the infringing act, goods or services in the form of descriptions or photos, the location where the infringement occurs and other necessary information.

- If the request dossier is considered sufficient, within 30 days since the date of receipt, the competent authority must notify the trade mark holder of the projected handling timeframe, procedure and applied measures; and may request the trade mark holders’ cooperation in the handling process.

- The competent authority can carry out the following activities to verify the infringements:
  - Request the alleged infringer and parties with related rights and interests to provide the information, document, evidence, explanations, arguments or counterarguments
  - Request the trade mark holder to provide document, evidence, clarification on the case, genuine samples for comparison (in case of trade mark counterfeits), confirmation on the counterfeit nature of the infringing goods, etc.
  - Solicit expert assessment to clarify the nature of the infringement
  - Conduct their own investigation into the infringement to collect evidence, verify the facts and the nature of infringement

- In case of trade mark infringement with complicated circumstances or involving several organisations and individuals, the competent authority shall coordinate with other authorities for handling the infringement.

- In case the request is accepted and being handled by the competent authorities, but the involving parties reach an agreement and suggest measures, the competent authorities shall acknowledge such measures and terminate the handling process;

- After the handling process, if the trade mark infringement is established, competent authority shall issue Sanctioning Decision against the infringers.

Commentary: The administrative process for handling trade mark infringements is normally for minor cases in which the volume of infringing goods is low and there is no requirement to claim damages. The processes

---

62 Article 24 of Decree 99
63 Article 25.2 of Decree 99
64 Article 25 of Decree 99
65 Article 29 of Decree 99
66 According to Article 27.2 of the Decree 99, the agreed measures shall be in accordance with law on IP and not affect the legitimate rights and interests of third parties, consumers and the public.
for administrative authorities are generally faster compared to court actions. But administrative authorities are reluctant to handle complex IP cases such as unfair competition e.g. trade dress infringement and instead tend to advise the right holder to initiate a lawsuit.

3.8.2 Copyright and related right infringement

There are no separate regulations on the administrative procedure of handling copyright and related right infringement. The handling of this matter could follow general principles on handling complaints on IP infringements set out in Decree 105. The complaint must be enclosed with evidence on the IPR holders’ status (i.e. copyright registration certificates; originals or copies of the compositions, fixations of the performances, audio/visual recordings, broadcasts, satellite signals carrying encoded programs together with other documents evidencing the creation, publication, dissemination the works, etc.) evidence on the infringement (in the forms of descriptions and specimens of the protected works; specimens, related exhibits, photos or recordings of the examined products; written explanations and comparisons between the examined products and protected works; minutes, testimonies and other documents evidencing acts of infringement). The authority receiving the complaint must handle it (if having jurisdiction) or transfer it/guide the IP holders to transfer it to the competent authority within 30 days upon receipt. In case required documents/materials are missing, the handling authority must request the complainant to supplement within 30 days.

Commentary: Enforcement of copyright and related rights through administrative processes is not always straightforward. Administrative proceedings tend to be used for handling simpler infringements such as book and software piracy. Though enforcement authorities have successfully tackled camcording and online streaming, they face a challenge that the fast-moving nature of online infringement is not always suited to bureaucratic procedures and high evidential requirements. For complicated cases of online piracy, right holders can work with the High-Tech Crime Police to identify the infringer and collect evidence sufficient to build a case.

3.8.3 Sanctions

Administrative sanctions as set out in Article 214 of the IP Law may be warning or monetary fines, alongside termination of the infringing acts. Possible supplemental sanctions include confiscation of the counterfeits, and raw materials, materials and means used mainly for production or trading of such counterfeits, and suspension for a definite time of business activities in the area of infringement. Sanction forms, amounts and procedures for each type of infringing acts are stipulated in Decree 99 and Decree 131.

3.8.4 Other Remedies

Beside the above sanctions, the following remedies may be applied according to Article 214.3 of the IP Law (as amended in 2009):

---

68 Article 24, Decree 105, amended by Article 1.4 Decree 119
69 Article 25, Decree 105
70 Article 27, Decree 105
- Destruction or distribution or putting into use for non-commercial purposes of the counterfeits and the raw materials, materials and means used mainly for the production or trading of such counterfeits, provided that the destruction, distribution or putting into use does not affect the normal exploitation of rights by the right holders;
- Ejection of infringing goods in transit or compelled re-export of the counterfeits, and imported means, raw materials and materials used mainly for production or trading of the counterfeits out of Vietnam, after removal of the infringing elements.

More specific remedies are stipulated in Decree 99 and Decree 131. For example, the following remedies may be in copyright and related right cases:
- Compelled removal of infringing electronic copies of works, performances, audio/visual recordings and broadcasts on the Internet and digital environment;
- Refund of royalties, remuneration, or material benefits obtained from the violation to copyright or related right holders.

### 3.8.5 Preventive measures and measures to ensure enforcement of administrative penalties

According to Article 215 of the IP Law, in cases where (i) the IP infringing act is posing a threat of serious damage to consumers or the society, or (ii) there is a threat of dispersal or destruction of evidentiary materials, or a sign that the infringer is evading the liability, the following preventive measures and measures to secure enforcement of administrative penalties may be applied:
- Temporary detention of persons;
- Temporary custody of infringing goods, evidentiary materials and infringing facilities;
- Body search;
- Searches of means of transport and objects; searches of places where infringing goods, evidentiary material and infringing facilities are hidden;
- Other administrative preventive measures in accordance with the law on dealing with administrative breaches.

**Commentary:** In practice, the effectiveness of administrative enforcement depends on the IP expertise and capability of each authority in each province.

The maximum administrative fine for an individual is VND 250 million and for an organization is VND 500 million. This amount has been said to be insufficient deterrent and some infringers may consider the administrative fines as a cost of business (rather than the fine for violation itself). Instead of dealing with counterfeit wholesalers (which become more sophisticated), most actions were against small traders (accounting for the majority of the market).

### 3.9 Other Enforcement Issues

#### 3.9.1 Alternate Dispute Resolution

Article 198.1d of IP Law, right holders could choose to settle the trade mark, copyright and related right infringement disputes through arbitration. The procedure of arbitration is regulated under Arbitration Law. Parties may choose arbitration in advance through contracts or decide on pursuing arbitration after a dispute.

---

**Law No. 54/2010/QH12 on Commercial Arbitration issued by the National Assembly on 17 June 2010 ("Arbitration Law")**
arises. An arbitration award is legally binding on the parties of the dispute and could be enforced through Civil Judgment Enforcement Agency if the parties do not voluntarily comply.

3.9.2 Warning letters and settlements

As a self-protection measure under Article 198.1b, a right holder can send a warning letter to trademark, copyright and related right alleged infringers, asking them to stop the acts of infringement. Persistent follow-ups subsequent to the dispatch of the letter is proved to be efficient to resolve the dispute. A mutual Settlement Agreements or the infringer’s signed Undertakings can be used to settle the disputes.

**Commentary:** Warning letters are a commonly used self-protection measure. A common strategy is to put the infringer on notice, negotiate and settle the case. In practice, sending warning letters to infringers are considered an initial attempt to educate the infringers of the prior rights of the right holders and normally sent out before any official enforcement actions are taken. This depends on the willingness of the infringer to negotiate with right holders. Warning letters should be accompanied by follow-up to ensure that infringers have understood the contents of the letter and are fully aware of the prior rights of the right holders. Proof of sending a warning letter can serve as evidence of right holders’ attempt at amicable settlement should any official dispute resolution proceedings begin.
4 GENDER EQUALITY SOCIAL INCLUSION (GESI) AND IP ENFORCEMENT

The Prosperity Fund aims to promote gender diversity and social inclusion through all of its programmes. Under the FSIP Programme research into the intersection of GESI and IP enforcement has been undertaken. However, IP is a very complex and broad area and IP enforcement is a tiny component of it.

There is a general lack of information and data on how women and other marginalised groups intersect with IP and specifically IP enforcement. This is partly due to a lack of gender and SI-disaggregated data collected by regulatory and monitoring bodies. At a theoretical level, IP itself (which comprises laws/regulations and intangible assets in the form of intellectual property, which are typically used by businesses) ought to be gender neutral. However, the way IP is created, handled and commercialised leads to interaction with humans, which is where gender risks lie. Added to that, IP and the IP system operate in a wider business and legal world where a multitude of other factors contribute to gender disparities, which therefore, impact IP.

The theoretical neutrality of IP might itself be an opportunity for women to innovate and create, own and commercialise more IP. However against this are strong general societal norms such as latent gender bias, gender stereotypes, weak labour force participation, weak ownership of productive assets, more limited management leadership positions.

There is some very limited data to measure women’s contributions in IP, such as trademarks and copyright. In some IP areas women tend to do better – creative, craft, branding and marketing for example. These are sectors where SMEs are prevalent, and women own higher proportions of small businesses. Against this is poor female participation in science, technology, engineering and mathematics (STEM) sectors leading to fewer scientific advances by women and therefore, less patenting. Female scientists and engineers are less than half as likely to obtain a patent for their research as their male colleagues, both in academic and industrial settings. The clear conclusion is that the IP gender disparity is towards technology-based IP such as patents whereas copyright and brands appear to have more female participation.

IP is handled in legal, government and related systems. In theory, a legal system is gender neutral, but in practice it is often not. The general legal system does have an overriding influence over IP handling. Women and other marginalised groups may face particular barriers in accessing IP remedies and the resources to hire IP advisors or work with government authorities.

IP commercialization is the business end, where women work with IP. SMEs and smaller businesses tend to favour women. Female IP creators/entrepreneurs are therefore important role models (WIPO recognised Dr. Hiep Nguyen from Vietnam for her work in the field of medical engineering). Interventions could focus on

75 Gender Inequality Index by UNDP 2018.
77 World Bank (2016).
prioritising IP training and skills for female entrepreneurs. This can lead to IP growth in a country and create role models for others. The concept that more working women drive national economic improvements is well established.\textsuperscript{81}

Social Inclusion is the second area the FSIP Programme supports. IP tends to drive business, employment, and stronger middle-class growth. However, the benefits for the lower socio-economic population are less clear. There are barriers to entry into protecting IP — first understanding it and second, the cost of creating and protecting or securing IP and starting a business to commercialise IP. In effect IP benefits only accrue above a certain social economic level. Government policy can alleviate this by lowering costs and providing grants. But there is still a fundamental education requirement and costs to securing and using IP.

In developing countries poorer citizens don’t have the capital or infrastructure to break into IP; instead the benefits they are able to obtain are through their labour and natural resources. This is exaggerated in countries with physically remote areas like Vietnam. The exception is areas of rich local knowledge\textsuperscript{82}. This includes biological resources, traditional knowledge and cultural expressions. These are often not commercialised or given much value\textsuperscript{83}. Many marginalised groups may face particular barriers in accessing IP remedies and the resources to hire IP advisors or work with government authorities.

It is hoped by publishing the above that improvements can be made in these areas in the future.


\textsuperscript{82} WIPO-UNEP Study on the Role of IPR in the sharing of benefits arising from the use of Biological Resources and Associated Traditional Knowledge, WIPO & UNEP, 2004, \url{https://www.wipo.int/edocs/pubdocs/en/tk/769/wipo_pub_769.pdf}.

ANNEX 1: FLOWCHART FOR CRIMINAL PROCEDURE FOR TRADE MARK AND COPYRIGHTS

Right holders
Economic Police
Procuracy
Court

Complaints by IP Holders
Receive & Check the formality of the Request
Amend evidences and explanations
Request Refusal

Within 30 days if the evidences are insufficient
If the evidences are still not insufficient

Investigating and Verifying by the Economic Police (EP)
Criminal Signs Determined
Issue decision to initiate legal proceedings
Post raid investigation by Investigation authorities to gather more evidences

If the evidences are sufficient

Request for criminal acts

Issue Decision to charge the suspect

If the Procuracy agrees

Conduct investigation activities; issue Investigation report proposing for prosecution

If the Procuracy agrees

Prosecutor issue Bill of Indictment and file Bill of Indictment and Case Dossiers and submitting to the Court

If there are sufficient documents in the case dossier and exhibits (if any), and the indictment has been sent to the accused

Receive the case; issue decision to bring the case to trial; hold First-instance trial; Issue first-instance judgment and ruling

If there are no appeals or protests by the statutory deadline

The First-instance judgment and ruling are VALID; the chief justice issues Decision on enforcement of the ruling

Appellate Courts
ANNEX 2: FLOWCHART ON CUSTOMS RECORDAL PROCESS FOR TRADE MARKS AND/OR COPYRIGHT

1. Submission or Customs Recordal application by the IP holder
   - Customs reviews the application
   - Application rejected. Customs notifies reasons to IP holder
     - Application approved / accepted
       - Customs stops customs procedure and notifies IP holder of suspected counterfeit goods
       - Confirmation by IP holder within 03 days
         - File a suspension request (along with a bond of money or a deed of guarantee issued by a bank)
         - Not to file a suspension request
           - IP holder amends, supplements documents as requested
           - Customs resume the customs procedure
           - IP holder initiates a lawsuit
             - Settlement according to Court’s order
             - Goods confirmed as non-infringing after examination
               - IPR holder does not initiate a lawsuit
                 - Resume the customs procedure
                 - Apply the bond for any expenses and damages
             - Settlement according to Customs Law
               - Goods confirmed as infringing after examination
                 - IP holder initiates a lawsuit
                   - Apply the bond for any expenses and damages
               - Recordation of IP Rights in the Customs Recordation System
                 - Customs suspends and examines suspected goods in 10 working days
<table>
<thead>
<tr>
<th>Country</th>
<th>Contact details</th>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Address: 384-386, Nguyen Trai Street, Thanh Xuan District, Ha Noi, Vietnam</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tel: (+84)24 3858 3069</td>
<td></td>
</tr>
</tbody>
</table>