



**ROUSE**

IP Guide: Participating  
in Online E-Commerce  
Shopping Platforms  
in South East Asia

**Vietnam**

## TABLE OF CONTENTS

<b>1. Status of online shopping platforms in Vietnam in 2020</b> .....	2
1.1 Status of online shopping platforms .....	2
1.2 Status of Korean companies in shopping malls and their sales status in Vietnam.....	4
<b>2. IP Policies of major online shopping platforms in Vietnam</b> .....	6
2.1 Shopee .....	6
2.2 Tiki .....	7
2.3 Sendo .....	10
2.4 Lazada .....	12
<b>3. IP guide when opening and operating business on online shopping platforms</b> .....	14
3.1 IP guide when opening business on online shopping platforms .....	14
3.2 IP guide when operating a business on online shopping platforms.....	19
<b>4. Major cases and precedents</b> .....	25

# IP GUIDE: PARTICIPATING IN ONLINE E-COMMERCE SHOPPING PLATFORMS IN SOUTH EAST ASIA - VIETNAM

## 1. Status of online shopping platforms in Vietnam in 2020

### 1.1 Status of online shopping platforms

Vietnam is truly a land of opportunity for domestic and foreign e-commerce companies<sup>1</sup> because of its digitally savvy young population, high Internet penetration rate (ranked 14th in the world<sup>2</sup>) and rising smartphone penetration rates.

According to surveys carried out by the Vietnam E-Commerce Association (“VECOM”), the growth rate of e-commerce reached over 32% in 2019<sup>3</sup>. 2019’s scale of e-commercial retail sales and consumer services was around 11.5 billion USD<sup>4</sup>. The Southeast Asia E-commerce Report in 2019 by Google, Temasek and Bain&Company also predicts that the Compound Annual Growth Rate from 2015 to 2025 will reach 29%. By that time, the scale of Vietnam’s e-commerce will reach USD\$43 billion, ranking the third in ASEAN<sup>5</sup>.

Over the last four years, approximately US\$1 billion in funding has been invested into Vietnam’s e-commerce sector, reaching a record high in 2019. The period 2018-2019 also witnessed the emergence of Vietnam-origin e-commerce players, such as Tiki, Thegioididong and Sendo, which are among the most successful e-commerce platforms in the region<sup>6</sup>. In 2019, Shopee raised to become the market leader with monthly traffic of over 40.7 million, dramatically increasing by 71% compared to its performance in 2018<sup>7</sup>.

E-commerce has become much more popular, and a frequent shopping channel of a large number of customers, especially the 9X generation clients in Ha Noi and Ho Chi Minh City<sup>8</sup>. Despite accounting for only 18% of the population, in 2019, Ha Noi and Ho Chi Minh City contributed more than 70% of the total e-commerce transactions of the whole country<sup>9</sup>.

B2C E-commerce in Vietnam is classified into four different types<sup>10</sup>:

- E-commerce website

<sup>1</sup> <https://www.retailnews.asia/e-commerce-boom-in-vietnam-the-rising-tiger/>

<sup>2</sup> Based on statistics of Internet World Stats (Data as of Q1 2020)

<https://www.internetworldstats.com/top20.htm>

<sup>3</sup> REPORT ON VIETNAM E-BUSINESS INDEX 2020 by VECOM

<sup>4</sup> Idem

<sup>5</sup> Idem

<sup>6</sup> Vietnam’s Booming E-Commerce Market by Dang Hoang Linh , published on ISEAS Perspective 2020, No. 4

<https://www.ssi.com.vn/index.php/en/individual-customer/economic/news/518713>

<sup>7</sup> <https://e27.co/ecommerce-wars-in-vietnam-intensify-heres-all-you-need-to-know-20200312/>

<sup>8</sup> REPORT ON VIETNAM E-BUSINESS INDEX 2020 by VECOM

<sup>9</sup> REPORT ON VIETNAM E-BUSINESS INDEX 2020 by VECOM

<sup>10</sup> Article 3, Degree 52/2013/NĐ-CP on E-commerce (“Degree 52”)

- E-commerce trading floor
- Online auction website
- Online promotion website

E-commerce trading floor (“E-commerce platforms”) carries the majority of E-commerce activities in Vietnam with the four major players: Shopee, Tiki, Lazada and Sendo.

Vietnamese consumers are shopping online through two other means: social media platforms and mobile apps. While social media platforms are quite popular among Vietnamese consumers, mobile commerce is still an emerging trend<sup>11</sup>. The most popular social media platforms in Vietnam are Facebook, Zalo, Tiktok and Instagram. Facebook is also one of the popular channels for online shopping, especially for small retailers due to lower requirements of technical capacity<sup>12</sup>. However, E-commerce platforms are still the most popular online shopping channel among Vietnamese consumers (91 percent) compared to 43 percent who shop on social networks<sup>13</sup>.

Top 10 most e-commerce websites in first six months of 2020<sup>14</sup>

Website	Monthly Traffic
Shopee	95,650,000
The Gioi Di Dong	53,693,500
Tiki	45,137,600
Lazada	38,287,800
Sendo	32,147,500
Dien May Xanh	26,591,500
FPT Shop	16,008,200
Dien May Cho Lon	12,707,900
CellphoneS	9,120,700
Hoang Ha Mobile	8,335,300

Shopee continues to lead the ranking in website traffic throughout the year.

Lazada made an 11% jump in web traffic in Q4, an eventful shopping season in Vietnam.

Sendo, a local player, rose to #2 from #4 after 2 consecutive quarters of improved web traffic.

On average, the top 10 e-commerce websites in Vietnam improved their web traffic by 11% from Q1 to Q4.

*Remarkable statistics of e-commerce platforms in 2019<sup>1</sup>*

<sup>11</sup> <http://www.ukabc.org.uk/wp-content/uploads/2018/09/EVBN-Report-E-commerce-Final-Update-180622.pdf>

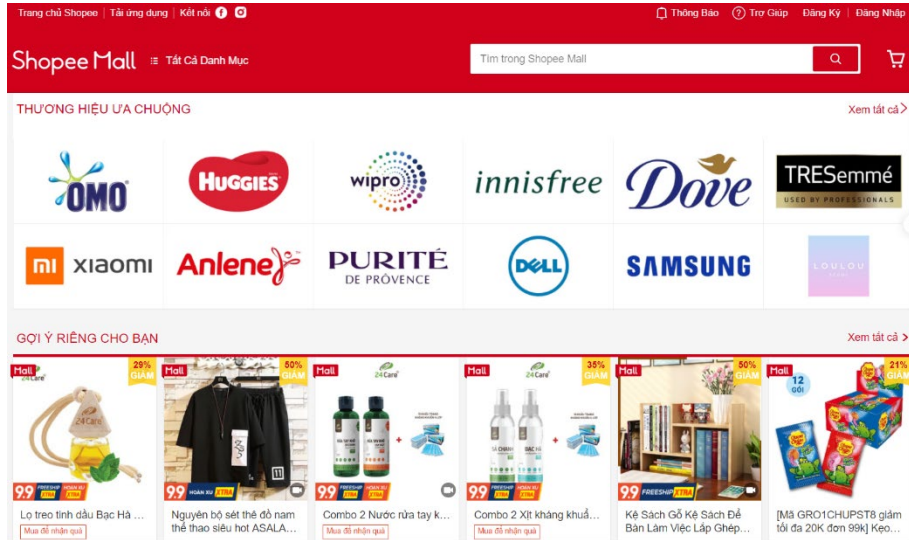
<sup>12</sup> <https://e27.co/ecommerce-wars-in-vietnam-intensify-heres-all-you-need-to-know-20200312/>

<sup>13</sup> <https://e.vnexpress.net/news/business/data-speaks/vietnamese-prefer-facebook-shopping-for-fashion-products-3977939.html>

<sup>14</sup> Statistics from The Map of E-commerce in Vietnam by Iprice Group <https://iprice.vn/insights/mapofecommerce/en/>

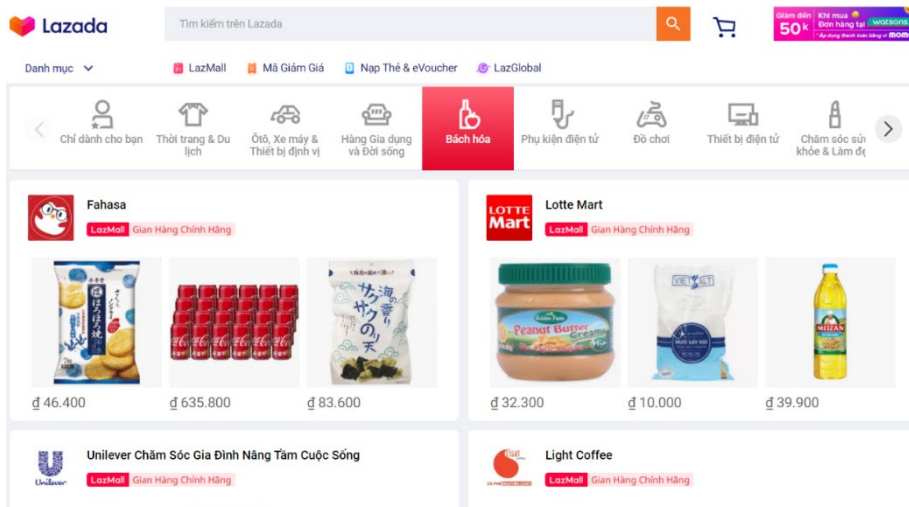
## 1.2 Status of Korean companies in shopping malls and their sales status in Vietnam

### 1.2.1 Shopee



Shopee Mall offers an exclusive marketplace for official shops, i.e. brand owners and authorised distributors, to sell authentic and quality products. It offers a wide range of products and a competitive refund policy to consumers. Some well-known Korean brands are listed in the most favorite brands category, including Innisfree, Samsung, LOULOU, Lock & Lock, LG and KOKOFit.

### 1.2.2 Lazada



Similarly, LazMall in Lazada is an exclusive platform for brand owners and authorised distributors to offer a wide range of authentic and quality products directly to consumers. Korean brands are quite popular on this platform, including Lotte Mart in the department store section, Lock & Lock in the household goods section, Laneige and Innisfree in the care and beauty section, and Samsung in the mobile phone section.

### 1.2.3 Tiki

The screenshot shows the Tiki website interface. At the top, there's a blue navigation bar with the Tiki logo, a search bar, and various utility icons like 'Theo dõi đơn hàng', 'Thông báo của tôi', and 'Đăng nhập Tài khoản'. Below this is a secondary navigation bar with 'DANH MỤC SẢN PHẨM', location services, and promotional banners for 'TIKINOW' and 'TIKINGON'. The main content area features three large red promotional banners: 'TRẢ GÓP 0%', 'CAM KẾT HÀNG CHÍNH HÃNG MỖI 100%', and 'TRUNG TÂM BẢO HÀNH CHÍNH HÃNG'. Below these are seven product category tiles: 'MÁY LẠNH MÁY ĐIỀU HÒA', 'TIVI', 'MÀN HÌNH MÁY TÍNH', 'LAPTOP', 'MÁY GIẶT', 'TỦ LẠNH', and 'LOA SOUNDBAR'.

Tiki does not provide any centralised platform similar to Shopee Mall and LazMall, however, brand owners and authorized distributors may set up their own exclusive virtual shops to offer their authentic and quality products. Some well-known authentic shops of Korean brands are Samsung, LG, Lock & Lock, Laneige, Innisfree, Hyundai, etc.

## 2. IP Policies of major online shopping platforms in Vietnam

The shopping platforms mostly follow the regulations of the Government and Ministry of Industry and Trade on e-commerce, including prohibition in trading IPR-infringing goods of the platforms' users and the responsibilities of the online platforms in dealing with IPR-infringing goods offered for sale on the platforms.

Decree 52/2013/ND-CP on E-commerce (Decree 52) sets out that: –

- It is prohibited to take advantage of e-commerce to trade in counterfeit goods or IPR-infringing goods/services.
- The e-commerce platform has the obligation to timely handle illegal trading acts on such platform upon detection or receipt of reports about such act.

### 2.1 Shopee

Shopee does not have a specific IP policy. IP related rules are set out in its several policies, including: –

- Operation Regulations: <https://shopee.vn/docs/5259>;
- Terms of Service: <https://shopee.vn/docs/3602>;
- Policy on Prohibited and Restricted Products: <https://shopee.vn/docs/3604>

#### Definition of IPR-infringing goods

In its Operation Regulations, Shopee defines IPR-infringing goods as “lookalike, counterfeit, pirated copies of a product or item that may infringe the intellectual property rights of any third parties”<sup>15</sup>.

According to Policy on Prohibited and Restricted Products, one of the prohibited products on Shopee is “copyrighted infringing items<sup>16</sup>”, which are lookalike, counterfeit, pirated copies of a product or item that may infringe copyright, trademark rights or other IPR of third parties.

Shopee refers to Article 3.8 of Decree 185/2013/ND-CP<sup>17</sup> for lookalike and counterfeit products which include, among others, IPR-infringing products in accordance to Article 213 of IP Law (i.e. trademark counterfeit, geography indication counterfeit and pirated goods) on its answer to [Frequent Asked Questions](#) regarding the removal of posts on lookalike and counterfeit products.

---

<sup>15</sup> Section VIII, Article 1.1, point a

<sup>16</sup> Direct translation from the term “hàng vi phạm bản quyền”

<sup>17</sup> 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 issue by the Government on 15 November 2013 (“Decree 185”).

## Obligation of platform users

Shopee's Operation Regulations set out that the platform prohibits the sale of IPR-infringing goods<sup>18</sup> and acts of advertising that violate the IP regulations<sup>19</sup>. Sellers must comply with laws on IPR protection when conducting trading acts on the platform<sup>20</sup>.

Shopee's Terms of Service further set out the obligation for the platform users, in which they shall not provide goods infringing copyright, trademark or other IPR of third parties; or use the platform's service to infringe other parties' IPR<sup>21</sup>.

## The platform's actions against IPR-infringing acts on its websites/app

It is stated on the Operation Regulations that Shopee has the responsibility to timely handle the illegal trading acts on the platform when such acts are discovered or the platform receives complaints on such acts; [...] remove from the website/app information on the sale of counterfeit, lookalike, smuggled goods, IPR-infringing goods and other illegal goods/services when the platform discovers or receives grounded complaints on such information<sup>22</sup>.

By agreeing with Shopee's Terms of Service, the users also accept that Shopee has the right to remove any information when it receives complaint on IPR infringement or other legal request to remove such information<sup>23</sup>.

## Takedown request from IPR holder

IPR holders and their authorised representatives could send a complaint form provided by Shopee with corresponding documents informing Shopee of the IPR infringement for its handling<sup>24</sup>. Please refer to Section III Part 2 for more detail on the takedown procedure.

## 2.2 Tiki

### Policy on IPR

Tiki has its Policy on IPR that applies for its staff and sellers on the platforms. The policy sets out types of IPR, including copyright and related rights, trademark rights, industrial designs, patents; infringing acts against these IPR and acts of unfair competition; rights and obligations of Tiki and the sellers on IPR matters. The Policy can be accessed through this link: <https://hocvien.tiki.vn/faq/chinh-sach-so-huu-tri-tue/>.

### Types of IPR and infringing acts

Most of the rules regarding types of IPR (definition and right establishment) and infringing acts in the Policy on IPR is in accordance with regulations in IP Law and other relevant guiding legal documents. A few notable discrepancies between Tiki's Policy on IPR and the State's regulations regarding IPR are:–

---

<sup>18</sup> Section VIII, Article 1.1, point a

<sup>19</sup> Section VIII, Article 1.1, point b

<sup>20</sup> Section XI, Article 1

<sup>21</sup> Article 6.2 (ab)

<sup>22</sup> Section X, Article 1, point (ii)

<sup>23</sup> Article 6.4

<sup>24</sup> Section 8, Shopee Terms of Service



	Tiki's Policy on IPR	IP Law
<b>Work protected under copyright</b>	Books, magazines, videos, photographs, and musical work.	A wider range of work to be protected under copyright is stipulated under Article 14 IP Law.
<b>Grounds of trademark rights</b>	Trademark registration granted by Vietnam Trademark Office (IP Vietnam), or Certificate of international trademark registration issued by IP Vietnam, or Decision to grant protection of international trademark registration issued by IP Vietnam in conjunction with a copy of publication of such decision on WIPO's gazette.  Well-known trademark is not mentioned.	Trademark rights shall be granted on the basis of decisions on granting protection issued by competent authorities; or on the basis of recognition of international registration granted in accordance with international agreement to which Vietnam is a signatory.  Rights of well-known trademarks shall be granted based on their use instead of registration.
<b>Infringing act against copyright and related rights</b>	The use of work without permission of the author or copyright/related right owner If a work contains photos of a person, the use of such work must be permitted by that person as well.	Specific acts infringing copyrights are set out under Article 28 of IP Law, including but not limited to unauthorised use, reproduction, distribution, and communication of the copyrighted work.

The above discrepancies do not necessarily mean that the sellers on Tiki would only abide by this Policy and not the State's regulations regarding IPR. Tiki states that this Policy aims to provide the users with basic rules on IPR and potential infringing acts that could occur on the platforms. The Policy combines and simplifies the State's regulations related to IPR and relevant unfair competition acts so that the sellers can have an overall understanding on IPR and avoid any possible infringing acts when doing business on the platform. If the sellers conduct infringing acts set out in the Policy, they would be subjected to Tiki's policy of handling. The sellers themselves would bear any legal ramifications that may arise from their infringing acts, whether such acts are stipulated in the Policy or not.

### Obligation of platform users

According to Tiki's Operation Regulations, it is forbidden to conduct acts of advertising that violate IP related laws. The sellers must trade in genuine products, and avoid selling counterfeit, smuggled goods and goods of unknown origins.

Tiki has the right (not obligation) to remove information advertising counterfeit, lookalike, smuggled goods and other IPR-infringing products on its platforms.

### Sanctions against IPR-infringing acts on Tiki

Details of Tiki’s sanctions for IPR infringing acts are set out in its policy on types of violations and corresponding sanctions (Sanction Policy), which can be accessed through this link <https://hocvien.tiki.vn/faq/quy-tac-danh-cho-nha-ban-hang-cac-noi-dung-vi-pham-va-hinh-thuc-xu-li-vi-pham/>. Rules related to IPR in the Sanction Policy are as follows –

No	Violation	First time	Second time	Third time
1	Unauthorised use of trademarks protected in Vietnam for the store/account information (store name, logo, banner, etc)	Request for change	A fine of VND500,000 (approx. KRW 25,572); and Temporary account blocking	Permanent account deletion
2	Act of trading in counterfeit, lookalike, used or refurbished products Counterfeit includes – Counterfeit in quality/use value Counterfeit in labels and packaging Trademark counterfeit Pirated copy of copyrighted work	Compensation of 111% of the product value to customers A fine of VND10,000,000 per product (approx. KRW 511,459) Deduction from the Security Deposit <sup>25</sup> Permanent deletion of product link and store account	N/A	N/A
3	Products made upon unauthorised use of patent or industrial design protected in Vietnam	Permanent deletion of infringing product link or all product links of the same brand Deduction from the Security Deposit	N/A	N/A

### Takedown request from IPR holder

There are no specific rules on Tiki for IPR holders to file a complaint against IPR-infringing acts. However, Tiki states on its Policy on IPR that “Tiki will not handle any complaint on products if the claimant could not provide sufficient evidence on its IPRs”, which suggests that Tiki is open for handling complaints on IPRs from the IPR holders.

Therefore, it is advisable to request Tiki to take down infringing listings as a first step to deal with infringement.

<sup>25</sup> When opening the merchants on Tiki, the Sellers, who do not meet some specific requirements such as business capability, scale of warehouse etc., may be requested to pay a deposit to secure the paying capacity when doing business with customers.

## 2.3 Sendo

Sendo does not have a specific IP policy. IP related rules are set out in its several policies, including: –

- Operation Regulations: <https://www.sendo.vn/quy-che-hoat-dong/>;
- Product Control Policy and its annexes: [https://ban.sendo.vn/chinh-sach-nguoi-ban/36-3-quy-dinh-kiem-duyet](https://ban.sendo.vn/chinh-sach-nguoi-ban/36-3-quy-dinh-kiem-duyet;);
- Complaint Policy: <https://ban.sendo.vn/chinh-sach-nguoi-ban/40-7-quy-dinh-ve-khieu-nai/120-quy-dinh-khieu-nai-ve-hinh-anh-va-thuong-hieu>;
- Violation Handling Policy: <https://ban.sendo.vn/chinh-sach-nguoi-ban/45-8-che-tai-xu-ly-vi-pham>.

### Definition of IPR-infringing goods

According to Sendo's Product Control Policy, IPR-infringing goods are lookalike, counterfeit, pirated copies of a product or item that may infringe copyright, trademark rights or other IPR of third parties.

### Obligation of platform users

According to Sendo's Product Control Policy, it is prohibited to advertise IPR-infringing products. Any infringing acts in this regard shall be subjected to Sendo's handling.

### The platform's actions against IPR-infringing acts on its websites/app

It is set out in Sendo's Violation Handling Policy that depending on the scope of infringements, Sendo may apply sanctions to the sellers conducting acts of trading in prohibited products (including IPR-infringing ones) as follows: –

- Warning: verbal/written warning is served via phone calls/email;
- Temporary account blocking: accounts of infringing sellers are temporarily blocked for 3 days (Level 1 Sanction) or 7 days (Level 2 Sanction) depending on the scope of infringements;
- Account deletion (Level 3 Sanction): seller accounts are deleted and non-recoverable.

In addition to the above sanction, Sendo will remove the links to prohibited products.

Details of sanctions against IPR-infringing acts covered by Sendo's Violation Handling Policy are set out in the table below.

No	Violation	Product removal	Warning	Level 1 Temporary account blocking for 3 days	Level 2 Temporary account blocking for 7 days	Level 3 Account deletion
1	Unauthorised use of trademark for store information			x		
2	Trading in prohibited products	x				x
3	Unauthorised use of trademark on product name and photos	x		x		
4	Product information inconsistent with actual products (selling counterfeit)	x	X			

Sendo has an escalated sanctions policy for repeated infringers as follows: –

- Infringer receiving three warnings within 30 days would be subjected to a Level 1 Sanction;
- Repeated infringement or infringement of other regulations within the next 30 days would result in a higher-level sanction compared to the previously applied sanctions;
- Serious infringement (deliberate acts, large quantity of order and products, etc) would result in a higher-level sanction.

#### Takedown request from IPR holder

According to its Complaint Policy, Sendo agrees to handle complaints against trademarks and copyright infringements, namely counterfeit and the use of trademarks without the permission of the right holders, including the following cases:–

- Counterfeit goods in quality/use value;
- Counterfeit goods in labels and packaging;
- Counterfeit labels and packaging;
- IPR counterfeit: goods affixed with mark that is identical or confusingly similar to trademark/geography indication protected for the same goods without the permission of corresponding right holders; or pirated copy of work protected under copyright/related rights.

Please refer to Section III Part 2 for more detail on the takedown procedure.

## 2.4 Lazada

Lazada has a dedicated IPR infringement policy<sup>26</sup>. Its Operation Regulations<sup>27</sup> and Terms of Product Trading<sup>28</sup> (a part of Lazada's Terms of Use) also set out several rules on IPR and IPR-infringing acts.

### Types of prohibited IPR-infringing act

Lazada's IPR infringement policy provides a non-exhaustive list of IPR infringement types that are prohibited on the platform. Details are set out below.

- a. The act of listing counterfeit goods or services, including:–
  - The use of one or several signs identical or similar to a registered trademark, on certain goods/service that is in relation to the registered goods/service or to those closely connected to the registered goods/service, to indicate its origin without explicit or implied consent from the right holder. For similar marks, likelihood of confusion to customers on origin of the goods/service is required.
  - The act of reproducing, publishing, or distributing copyrighted works and offering such works for sale on the platform without explicit or implied consent of the copyright holder.
- b. Infringing content
  - The unauthorised use of one or several marks identical or similar to a registered trademark, in the product/service descriptions that pose likelihood of confusion to consumers on the origin or connection of such goods/service with the registered goods/services;
  - The unauthorised reproduction of copyrighted work and those pirated copies being offered for sale on the platform.
- c. Any other type of IPR infringement recognised under the law of the country where the notice of infringement is filed, including but not limited to patents, industrial designs, or any other type of intellectual property right recognised under law or by the final decisions issued by the competent courts.

### Obligation of platform users

Lazada's Terms of Product Trading states that:–

- Lazada refuses to trade in any goods that violates Vietnam laws (including but not limited to illegally manufactured products, counterfeit, lookalike and goods with unknown origins).
- Sellers on Lazada platform are required to comply with the state's regulations on product quality and origin and bear all responsibilities that may arise from their infringing acts.
- Lazada is entitled to, in their own discretion, apply sanctions and/or remedies against sellers' infringing acts.

<sup>26</sup> <https://pages.lazada.vn/wow/i/vn/LandingPage/IPR?>

<sup>27</sup> <https://pages.lazada.vn/wow/i/vn/LandingPage/quy-che-ban-hang?>

<sup>28</sup> <https://www.lazada.vn/terms-of-use/>

### **The platform's actions against IPR-infringing act on its websites/app**

According to Lazada's Operation Regulations, Lazada has the obligation to prevent and remove from the website any information offering for sale counterfeit, lookalike, smuggled goods and IPR-infringing goods upon receiving grounded complaint.

### **Takedown request from IPR holder**

There are two options that IPR holders can take to file notice of IPR infringement to Lazada, (i) filing notices via email through [trust@lazada.com](mailto:trust@lazada.com) and (ii) submit notice through Intellectual Property Protection platform (IPP platform), which is the Alibaba Group's platform at <https://ipp.alibabagroup.com/register.htm>.

### 3. IP guide when opening and operating business on online shopping platforms

If Korean companies would like to open and operate merchants on e-commerce platforms in Vietnam, they need to consider the following IP issues:–

- Registration of IPRs in Vietnam
- IP rules related to merchant name
- Liability of providing information as per e-commerce platforms’ requests
- IP enforcement actions against infringers
- Dispute resolution when Korean companies infringe upon other rights

#### 3.1 IP guide when opening business on online shopping platforms

##### 3.1.1 Registration of IPRs in Vietnam

Before conducting business in Vietnam, it is important for Korean companies to secure the IPR portfolio (including the following IP subjects: copyright, patent, design, trademarks, trade secrets, etc.) covering their trading products or services. Vietnam operates under a “first-to-file” system for registered IPRs such as patents, industrial designs, trademarks. Therefore, it is notable to register such IPRs as early as possible. A good IPR prosecution strategy with a sufficient portfolio can help leverage the scope of protection and minimise arising IP infringements or possible conflicts when doing business in Vietnam.

We list out the relevant IP Registrars in the tables below:

IP Subjects	Registrar
Copyrights and Related Rights	National Copyright Office of Vietnam (“COV”) (under the Ministry of Culture, Sports and Tourism)
Patents, Utility Models, Trademarks, Industrial Designs, Geographical Indications	National Office of Intellectual Property (“IP Vietnam”) (under the Ministry of Science and Technology)

#### Copyright

Copyright is a legal term used to describe exclusive rights granted to authors, artists and other creators for their creations. The kinds of work that can be protected by copyright include “literary, artistic and scientific works”, covering<sup>29</sup>:–

- Literary works, scientific works, textbooks, teaching courses
- Lectures, speeches, and press works
- Musical, stage, photographic and cinematographic works

<sup>29</sup> Article 14, Vietnam IP Law 2005

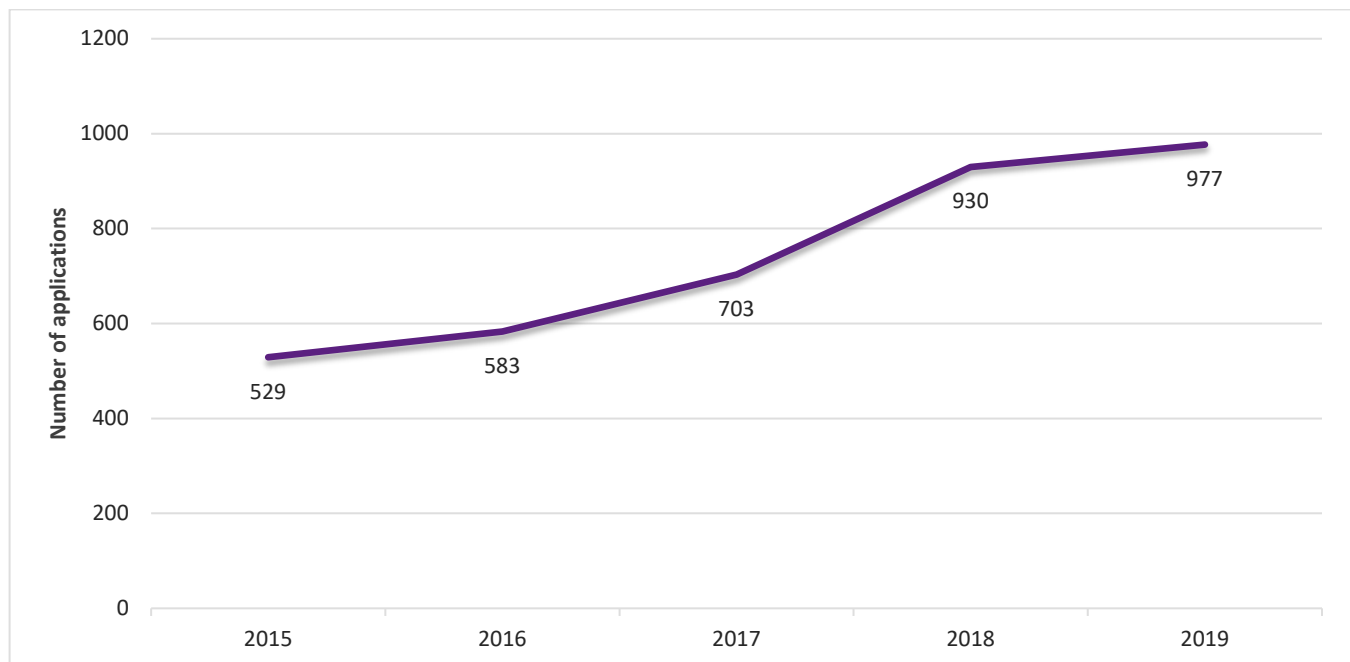
- Plastic art works and applied art works
- Sketches, plans, maps, and architectural works
- Computer programs and data collections

International copyright works enjoy protection in Vietnam under the Berne Convention, which Vietnam joined in October 2004. Although Vietnam has a system of copyright registration, registration is<sup>30</sup> not a pre-condition for enforcing the copyright.

## Patents

Patents in Vietnam cover inventions and utility solutions. Invention means<sup>31</sup> a technical solution in the form of a product or process which is intended to solve a problem by application of natural laws.

To be eligible<sup>32</sup> for patent protection, an invention must be new, involve an inventive step, and be capable of industrial application. Although inventiveness is not required for protection of utility models, such models should not be common general knowledge.



*Patent and utility solution applications originated from Korea from 2015 to 2019*

## Industrial Designs

An industrial design is<sup>33</sup> the outer appearance of a product represented by lines, form and colours, or the combination of such elements, which has new characteristics to the world and may serve as a pattern for the manufacture of industrial products or handicrafts.

<sup>30</sup> Article 49, Vietnam IP Law 2005

<sup>31</sup> Article 4.12, Vietnam IP Law 2005

<sup>32</sup> Article 58, Vietnam IP Law 2005

<sup>33</sup> Article 4.13, Vietnam IP Law 2005



In order for an industrial design to be granted, the design must be new, creative and have an industrial application.

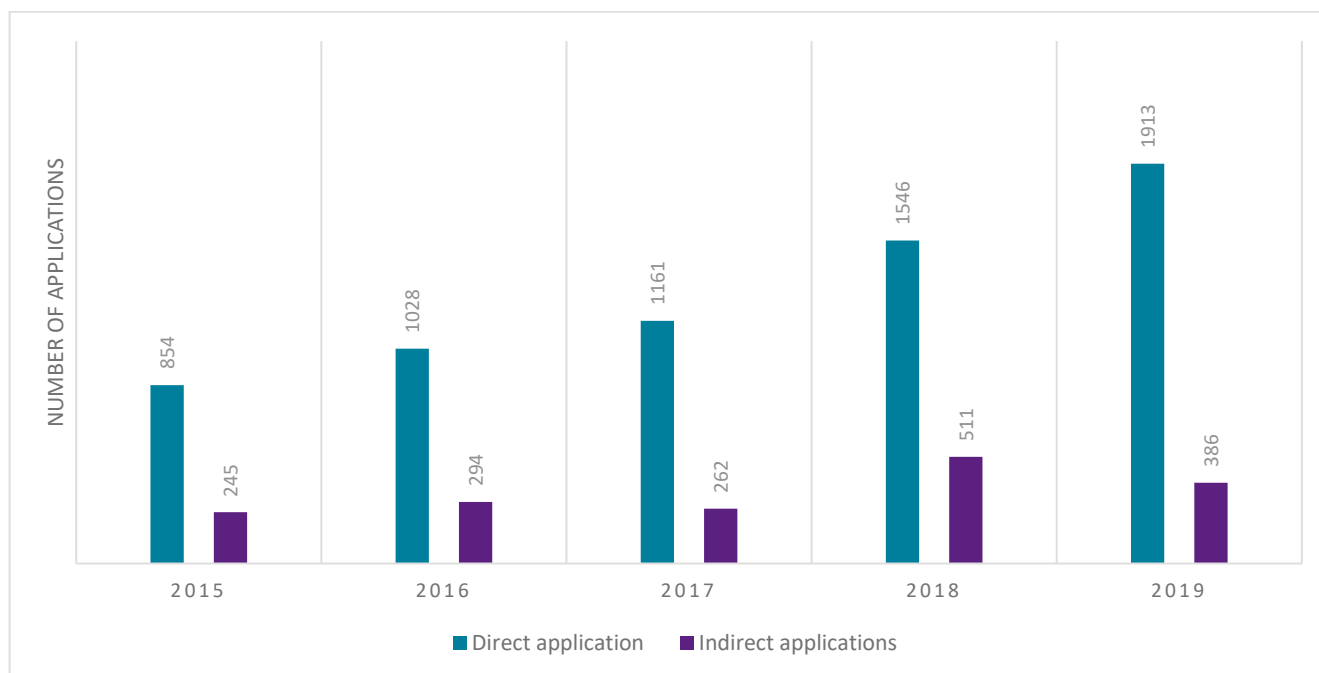
## Trademarks

Trademarks mean<sup>34</sup> any signs used to distinguish goods or services of different organizations or individuals. Trademarks should be registered if they are –

- visible signs in the form of letters, words, drawings or images, including holograms, or a combination thereof, represented in one or more colors.
- capable of distinguishing goods or services of the IP holder from those of other subjects.

The law provides several circumstances<sup>35</sup> under which a mark is not eligible for protection, such as when it is identical or confusingly similar to national flags, name of political organisations, or would cause misunderstanding or confusion as to the origin, properties, quality, or other characteristics of the goods or services. It also cannot be identical or confusingly similar to a prior mark registered or used for identical or related goods or services.

In Vietnam, well-known trademarks, in practice, are difficult to be recognised or enforced.



*Trademark applications originated from South Korea from 2015 to 2019  
(including national applications directly filed with IP Viet Nam and international registrations through WIPO International Bureau)*

<sup>34</sup> Article 72, Vietnam IP Law 2005

<sup>35</sup> Article 73 and 74, Vietnam IP Law 2005

## Trade Secrets

Trade Secrets mean<sup>36</sup> information obtained from financial or intellectual investment activities, which has not been disclosed and is applicable in business. Trade secrets are protected upon creation without any registration, provided that reasonable measures have been taken to keep the information secret. A piece of information falls under the definition of a ‘trade secret’ when the information -

- has not been made public, and is not common knowledge
- gives its owner a business advantage
- remains secret because the owner takes necessary measures to protect the confidentiality of the information

Typically trade secrets could include new products or business models, special techniques, customer and supplier lists, technical know-how, etc.

### 3.1.2 IP policies related to merchant name

When setting up a merchant, a company enters a service contract with the e-commerce platform and would need to comply with its terms of service.

A prestige merchant name can help attract more customers and increase sales. Therefore, traders would like to mention brand names or registered trademarks that they are selling, or claiming that they are authorised traders under the merchant name, which could mislead customers about the origin and quality of the products.

The current laws on e-commerce do not specify the liability of traders on e-commerce platforms for naming merchants that infringe upon IPRs. However, each e-commerce has its own rules for merchants operating on the platforms and these include rules on merchant names to avoid any potential conflict.

	Summary of relevant clauses	Source
Tiki	Merchant name shall not include – Domain name Registered trademark or other registered merchant names on Tiki The term “Official Store” or “Authorized Store” in any language without written authorization from the brand owner.	<a href="https://hocvien.tiki.vn/faq/chinh-sach-hoat-dong-sgd-tmdt-tiki/">https://hocvien.tiki.vn/faq/chinh-sach-hoat-dong-sgd-tmdt-tiki/</a>
Lazada	Merchant name shall not include – Trademark without authorisation of the right holder Word indicating such merchant is official/exclusive store without evidence	<a href="https://sellercenter.lazada.vn/seller/helpcenter/chinh-sach-dat-ten-gian-hang-5869.html?">https://sellercenter.lazada.vn/seller/helpcenter/chinh-sach-dat-ten-gian-hang-5869.html?</a>

<sup>36</sup> Article 84, Vietnam IP Law 2005

Shopee	Only the trademark right holder could name its merchant using the registered trademark	<a href="https://banhang.shopee.vn/edu/article/2125">https://banhang.shopee.vn/edu/article/2125</a>
Sendo	Merchant name shall not include – Company name or trademark without authorisation of the right holder The word “Viet Nam” / “Official” / “Authentic” without being trademark right holder or having exclusive authorisation from the brand owner	<a href="https://ban.sendo.vn/chinh-sach-nguoi-ban/35-2-quy-dinh-mo-shop/92-quy-dinh-mo-shop">https://ban.sendo.vn/chinh-sach-nguoi-ban/35-2-quy-dinh-mo-shop/92-quy-dinh-mo-shop</a>

A brand owner that wishes to sell its products on an e-commerce platform could set up a merchant as an Official Store. Shopee, Lazada and Sendo all have curated channels (i.e. Shopee Mall, LazMall and SenMall, respectively) for official brand owners to offer reliable services and good product quality to customers.

Official brand owners can use their trademark and the word “Official Store” in its merchant name on these e-commerce platforms.

Official stores entering curated channels shall be subjected to the specific policy applied for such channels as follows:–

- Shopee Mall: <https://shopee.vn/docs/4758>
- LazMall: <https://www.lazada.vn/terms-of-use/>
- SenMall: <https://ban.sendo.vn/chinh-sach-nguoi-ban/63-11-chinh-sach-senmall>

### 3.1.3 Liability for providing information as per e-commerce platforms’ requests<sup>37</sup>

Whilst trading in products or providing services on e-commerce platforms, the merchants shall be liable to provide:–

- full and accurate information on company registering the merchant including (1) Name and address of the head office, (2) number, date and place of issuance of the Enterprise Registration Certificate, and (3) phone number or online contact information;
- full information on trading products or services including (1) specifications of products or services, (2) price, (3) general trading terms, (4) shipment and delivery terms, (5) payment methods.
- information on business performance upon competent authorities’ requests to support in statistical e-commerce activities;
- Business License granted by competent authorities for trading in or providing conditional products/services (if applicable).

The merchants must accordingly ensure the accuracy and truthfulness of the provided information on trading products and services.

<sup>37</sup> Article 36, Degree 52

The scope of information that e-commerce platforms could request the merchants to provide is quite wide and business-oriented. Therefore, the Korean companies should concern their trade secrets deployed in their trading products or services before considering providing the e-commerce platforms any information.

## 3.2 IP guide when operating a business on online shopping platforms

### 3.2.1 Enforcement options when being infringed

IPR infringements on online shopping platforms have become more and more popular as Vietnam reports continuous growth in ecommerce markets and the consumer behaviours are now in more favour of online shopping than the offline retail market. Traders of IPR-infringing goods are also evolving and becoming more sophisticated to avoid screening and blocking efforts from IPR holders. The options for IPR holders to enforce their rights against infringing traders are available in both online and offline procedures.

#### Market survey and listing of infringing posts

Before considering any enforcement options, it is always recommended to prepare listing of the infringement with evidence and screenshots of the platforms offering the infringing goods. The market survey and listing help categorise the infringers so that IPR holders can choose appropriate enforcement actions against each category of infringer.

Additional online and offline investigations are also suggested to fully address the scope of infringement of large and significant infringers, who may be subject to stronger enforcement actions. The investigations aim to acquire detailed information of the infringers, including postal address, contact details, chain of supply and distribution, estimated volume of infringing goods, location of storage facilities, etc.

#### Online takedown

Major e-commerce platforms have online mechanisms available for IPR holders to directly request removal of the infringing content on these platforms.

Summary of the online take down procedures for major e-commerce platforms are below:

Platform	Online takedown procedures	Source
Shopee	<p>Prepare an official notice of IP infringement based on a <a href="#">Complaint Form</a> provided by Shopee. The IPR holders will also be required to provide documents following guidance as provided in the complaint form.</p> <p>Directly file a complaint or request the operator of the registered Official Store to file a complaint to –            Email addresses: <a href="mailto:cskh@hotro.shopee.vn">cskh@hotro.shopee.vn</a> or <a href="mailto:support@shopee.vn">support@shopee.vn</a>;            or  <a href="#">Customer Support Site</a></p>	<p><a href="https://shopee.vn/docs/3602">https://shopee.vn/docs/3602</a></p>

Lazada	<p>To tackle infringing listings on Lazada, IPR holders can have two options to file notice of IP infringements.</p> <p>Using <a href="#">IPP Platform</a></p> <p>IPP Platform, as an IP protection platform developed by Alibaba Group, allows IPR holders to submit an infringement complaint for all e-commerce platforms owned by Alibaba group (including Lazada Vietnam).</p> <p>This platform requires the IPR holder to create and verify an account which is used for submitting the complaint and checking the status of the complaint. IPR holders can only address 200 product listings per complaint.</p> <p>Filing notice of infringement via email <a href="mailto:Trust@lazada.com">Trust@lazada.com</a></p> <p>The IPR holder can also prepare and send out a notice of infringement in case the nature of infringement is complicated and using IPP platform is not appropriate. The IPR holder will be required to provide the following documents –</p> <ul style="list-style-type: none"> <li>Power of Attorney or Letter of Authorisation</li> <li>Copies of relevant IPR registrations or evidence proving ownership of unregistered IP</li> <li>List of infringing listings</li> <li>Evidence of infringement (including but not limited to test purchase in case of suspected counterfeit)</li> <li>Contact details of IP holder or authorised representative</li> </ul>	<p><a href="https://pages.lazada.vn/wo/w/i/vn/LandingPage/IPR?spm=a2o4n.home.footer_top.14.19056afeNn6oOo;">https://pages.lazada.vn/wo/w/i/vn/LandingPage/IPR?spm=a2o4n.home.footer_top.14.19056afeNn6oOo;</a></p>
Sendo	<p>Prepare an official letter addressing the notice of IP infringement and requests from the IPR holder. The IPR holder will be required to provide the following documents –</p> <ul style="list-style-type: none"> <li>Power of Attorney or Letter of Authorisation</li> <li>Copies of relevant IPR registrations</li> <li>Evidence proving ownership of IPRs</li> <li>List of infringing listings</li> </ul> <p>Directly serve the official letter including required documents to registered address of Sendo or via email address: <a href="mailto:lienhe@sendo.vn">lienhe@sendo.vn</a></p>	<p><a href="https://ban.sendo.vn/chinh-sach-nguoi-ban/35-2-quy-dinh-mo-shop/92-quy-dinh-mo-shop">https://ban.sendo.vn/chinh-sach-nguoi-ban/35-2-quy-dinh-mo-shop/92-quy-dinh-mo-shop</a></p>

Although the removal of IPR infringing goods is only reactive to the IPR holders' request, most online shopping platforms are cooperative as long as the requests meet the platforms' formality requirements and provide sufficient grounds.

### Site blocking<sup>38</sup>

Copyright and related rights holders may request competent authorities to compel the internet service providers (“ISPs”) to block or suspend access to a website for the purpose of copyright and related rights protection. Upon the rights holders’ complaint and the authority’s verification of infringement, the Authority of Broadcasting and Electronic Information (“ABEI”) under the Ministry of Information and Communication (“MIC”) posts warnings against the infringing platforms and sets a deadline for take-down of the infringing content on its platform. Following non-compliance of the platforms, ABEI sends an official letter to Vietnamese ISPs requesting them to block access to the infringing platforms. This exercise has been applied to both local platforms and foreign platforms (with servers located overseas).

### Offline enforcement actions

While online take down and site blocking are time and cost efficient in reducing the visibility of the infringing goods on online shopping platforms, they are considered a long-term battle against the infringers as they usually resurface under different names very quickly. It is, therefore, recommended conducting offline enforcement actions in parallel with online take down and site blocking efforts.

### Warning program

For online infringers that have offline presence with a small scale of infringement, IPR holders can opt to run a warning program by issuing cease and desist letters to these infringers to educate them of the IPRs and alert them of the legal consequences of their violations. Following the issuance of the letters, it is recommended to exert pressure through sustained follow-up calls to make the infringers understand that it is easier and better to comply with the IPR holders’ requests than ignoring the warning. In Vietnam, in case of straightforward infringement, the chances of success for the warning program are usually good.

Although it is open for IPR holders to request the infringers’ compensation, it is quite rare that the infringers would comply with such request. Nonetheless, the compensation request may serve as a leverage to negotiate for the infringers to execute a written undertaking that they would not repeat the infringements in the future.

### Administrative measures<sup>39</sup>

For online infringers that have offline presence with a large and significant scale of infringement, IPR holders can opt to escalate the cases to the competent authorities by filing a complaint and requesting administrative sanctions against the infringers. The competent authorities are:

- the Inspectorates of the Ministry of Science and Technology (“the MOST”) who are in charge of infringements of industrial property rights including trademarks, industrial designs, patents, geographic indications etc.,
- the Inspectorates of the Ministry of Culture, Sport and Tourism (“the MOCST”) who are in charge of infringements of copyrights and related rights;
- the Economic Police (“the EP”) who are in charge of infringements of IP rights overall that are potentially subject to criminal charges; and

<sup>38</sup> Article 5 of Joint Circular 07/2012/TTLT-BTTTT-BVHTTDL and Article 102 Decree 15/2020/ND-CP

<sup>39</sup> Decree No. 99/2013/ND-CP and Decree No. 131/2013/ND-CP

- the Market Management Bureau (“the MMB”) who are in charge of straightforward IPR infringements including counterfeit and copycat goods.

The administrative sanctions are inclusive of monetary fines and forced destruction of infringing goods or removal of the infringing elements.

### **Criminal prosecution**<sup>40</sup>

Criminal prosecutions impose the harshest penalties for IP infringements and can be brought against counterfeiters and copyright infringers. A counterfeiter and copyright infringer will be subject to criminal penalties if:-

- They commit the infringements deliberately;
- The infringement is:
  - On a commercial scale, or
  - The illegal profit meets a certain monetary threshold, or
  - The value of infringing goods meets a certain monetary threshold.

The criminal penalties applicable to individuals include:

- Monetary fines, and
- Imprisonment.

It is noteworthy that under the new Penal Code, corporates are also subject to criminal liabilities if their infringements trigger the above mentioned criminal thresholds. Additional criminal penalties against corporates include:

- Monetary fines,
- Business suspension from six months to two years, and
- Bans from operating in certain fields or raising capital for one to three years.

### **Civil litigation**

IPR holders may also initiate a lawsuit against significant infringers to seek a Court verdict that compels the infringers to:

- Cease the infringing act;
- Compensate any damages caused by the infringement; and
- Provide a public apology.

Although Vietnam doesn't have any specialised IP Court yet, there are more and more IPR holders choosing civil litigation as an effective route to resolve IP infringements completely. It is also the only venue where IPR holders can claim damages against infringement because only the Court is vested with the power to grant damages.

---

<sup>40</sup> Article 192, 193, 194, 195, 225, 226 of the Penal Code

### ***Border protection***<sup>41</sup>

Border control measures are available to IPR holders that allow them to monitor and supervise goods suspected of IP infringing goods being imported/exported through border gates or Customs ports. Upon detection of the suspected goods, IPR holders may suspend the customs clearance for such goods for examination and request the Customs to impose sanctions against the importers/exporters if infringement is found.

IPR holders are required to obtain a Customs Recordal for their IPRs with the Customs. Upon the registration of the Customs Recordal, the Customs can act ex officio to temporarily deter suspected infringing goods importing into/exporting from Vietnam and notify IPR holders of such temporary suspension. If IPR holders choose to intercept the suspected consignment, they are required to advance a bond payment of 20% of the value of the consignment before physically examining the intercepted goods. If the consignment contains infringements of IPRs, the Customs will apply administrative sanctions against the importers/exporters. Otherwise, the goods will be released and the IPR holders may be requested to compensate any damages caused by the interception. The Customs also host annual events for IPR holders to present their brand introduction and trainings to Customs, especially on how to identify genuine/counterfeit goods, to improve the Customs' effectiveness in their Customs monitoring procedures. The events are hosted once or twice every year and gather the attendance of Customs officers from all provinces of Vietnam.

Given Vietnam shares its border line with China, Cambodia and Laos, border protection via the Customs is considered an effective measure for any anti-counterfeiting program.

### **3.2.2 How to act when our companies infringe upon others (Dispute resolution)**

It is recommended to consult with local IP agents and lawyers immediately upon the receipt of the notice of infringement from the IPR holders. It is important for the IP agents and lawyers to review such notice to verify:

- Whether the legal grounds are justified, i.e. whether the IPRs have been duly registered and protected in Vietnam;
- Whether the evidence of the infringements is solid and arguments on the same are well grounded; and
- Whether the requests from IPR holders are reasonable.

Given that Vietnam IP Law provides many options for IPR holders to tackle infringements, including administrative measures, civil litigations and criminal prosecutions, it is advisable to settle the infringement amicably to avoid any legal actions that may result in greater damages, if the infringement is very straightforward. The amicable settlement is usually obtained when the infringing companies undertake to:

- Immediately cease the infringing acts;
- Provide a verbal (or written) undertaking not to repeat the infringement in the future; and
- Show their willingness to partially or fully compensate the damages caused by the infringing acts (if there are solid proofs of the damages).

Furthermore, to avoid any potential legal consequences from IP infringements, it is important that IPR holders consider the following:

---

<sup>41</sup> Article 73, 74, 75, 76 of the Law on Customs



- Constantly update the legal provisions related to IP and dispute resolutions regime of e-commerce platforms, and take advice from Vietnamese IP lawyers;
- Register relevant IP rights and conduct trademark clearance to avoid conflicts with rights of others;
- Proactively seek assistance and assessment from the competent authorities if the infringement is not straightforward and considerable.

## 4. MAJOR CASES AND PRECEDENTS

There have not been any major cases or precedents regarding the IP disputes arising in e-commerce platforms in Vietnam so far. Most IP disputes in such platforms are clear-cut infringement cases and the infringing merchants are small-scale business in nature. Therefore, IPR holder could simply resolve IP disputes by following online takedown procedures or settlement regimes specified by e-commerce platforms rather than proceeding with more deterrent actions such as administrative actions or civil litigation. When proceeding with online takedown procedures, IPR holders should be mindful whether that action cuts across any (ongoing or future) offline enforcement. In many cases, online and offline enforcement must be coordinated carefully, especially for bigger scales of infringement.