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On 16 June 2022, with 95.58% voting in favor of ratification, the National Assembly of Vietnam passed Law No. 07/2022/QH15 to amend and supplement a number of articles of the Law on Intellectual Property (the “**Amended IP Law**”).

The promulgation of the Amended IP Law aims to overcome the limitations of the current Law on Intellectual Property (the “**Current IP Law**”) in order to improve the effectiveness and efficiency of State management of the intellectual property sector, as well as to contribute to and to promote the country’s economic, cultural, and social development. At the same time, the implementation of the Amended IP Law also will reflect the international commitments that Vietnam has joined recently, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), EU-Vietnam Free Trade Agreement (EVFTA), and Regional Comprehensive Economic Partnership (RCEP).

The Amended IP Law will take effect on 1 January 2023, except for certain provisions such as provisions on the protection of sound marks, which take effect as of 14 January 2022,<sup>1</sup> and provisions on the protection of test data used for agrochemicals, which will take effect as of 14 January 2024.<sup>2</sup>

Below are some notable amendments and supplements:

## 1. Copyrights and related rights

### (1) Criteria to be considered a “co-author” of a work

Under the guidance of the Current IP Law, a person may be considered a “co-author” of a work if he/she co-creates the work, and a person who supports, gives comments on, or provides materials for other people to create the work is neither an author nor a co-author.<sup>3</sup> Based on this approach, the Amended IP Law adopts and incorporates such provisions under Article 12a thereof, and further provides that if two or more persons

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<sup>1</sup> Amended IP Law, Article 3.2. In this regard, we understand that the reason for setting the effective date of this provision is to comply with Vietnam’s commitments under CPTPP, whereby Vietnam undertakes to allow the registration of sound marks not later than three years from the effective date of CPTPP over Vietnam (i.e., 14 January 2019).

<sup>2</sup> Amended IP Law, Article 3.3. In this regard, we understand that the reason for setting the effective date of this provision is to comply with Vietnam’s commitments under CPTPP, whereby Vietnam undertakes to apply certain measures for protection of test data used for agrochemicals not later than five years from the effective date of CPTPP over Vietnam (i.e., 14 January 2019).

<sup>3</sup> Decree 22/2018/ND-CP, Article 6.

directly co-create a work *with the intention* that their contributions are to be combined into a complete whole, then those persons are deemed “co-authors”.<sup>4</sup>

## **(2) Certain amendments to moral rights and economic rights of the author and copyright owner**

From among the moral rights provided under the Current IP Law, only the right to publish a work (or to authorize other persons to publish a work) is eligible for transfer.<sup>5</sup> The Amended IP Law further allows transfer of *the right to give title to the work* along with transfer of the economic rights of the author to organizations and individuals who receive such transfer of economic rights.<sup>6</sup>

In regard to such economic rights, the Amended IP Law further stipulates that copyright owners shall not be entitled to prohibit other organizations or individuals from performing the following acts:<sup>7</sup>

- Reproducing a work only to exercise other rights provided for in the Amended IP Law;
- *Temporarily* reproducing the work according to a technological process through the operation of devices for:
  - transmission within a network between third parties through intermediaries, or
  - lawfully using the work without an independent economic purpose*in which copies thereof are automatically deleted and cannot be restored;*
- Subsequent distribution or import for distribution of originals or copies of a work that have been performed by the copyright owner or which the copyright owner gave permission to be performed.

## **(3) Exercise of moral rights and economic rights by co-authors**

The Amended IP Law further requires that any exercise of moral and economic rights of a work created by co-authors must be agreed upon by the co-authors.<sup>8</sup> However, the Amended IP Law is silent on the requirements and particulars of the agreement to be entered into by the co-authors that will satisfy the new amendments. Therefore, it seems that such agreement between co-authors can be made as per the general provisions of civil laws.

Apart from the case where separate part(s) of a work exist which can be separated for independent use without any detriment to the other co-authors' part(s) or as otherwise provided for by other laws, co-authors may not exercise moral or economic rights in regard to a work, including (i) copying the copyrighted work, or (ii) transferring, (iii) granting a license to, or (iv) executing the copyright, without consent(s) from the other co-authors.

## **(4) Supplementing acts infringing copyright / related rights**

Instead of listing specific infringing acts, the Amended IP Law uses a catch-all provision to address acts of infringement. In general, any act that infringes a copyright or related rights, does not comply with regulations

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<sup>4</sup> Amended IP Law, Article 1.4 (which supplements Article 12a into the Current IP Law).

<sup>5</sup> Current IP Law, Articles 19.3, 20.3, 41.1, 45.1, and 47.1.

<sup>6</sup> Amended IP Law, Article 1.5 (which amends Articles 19.1 of the Current IP Law).

<sup>7</sup> Amended IP Law, Article 1.5 (which amends Article 20.3 of the Current IP Law).

<sup>8</sup> Amended IP Law, Article 1.4 (which supplements Article 12a into the Current IP Law).

on exceptional cases, intentionally cancels or invalidates effective technological measures taken by the author or copyright owner to protect his/her rights, or fails to perform or insufficiently performs actions to be exempted from legal liability of the intermediary service providers, shall be deemed as infringing copyright / related rights.<sup>9</sup>

## 2. Trademarks

### (1) Adding sound marks as one of the trademarks eligible for protection

Sound marks, as a type of non-traditional mark, have been widely accepted as constituting intellectual property in many countries. Now, for the first time, Vietnam has recognized sound marks as one of the types of trademark eligible for protection under the Amended IP Law. In particular, the Amended IP Law provides that a mark shall be eligible for protection when it is a visible sign in the form of letters, words, drawings, or images (including holograms), or a combination thereof, represented in one or many colors, *or a sound sign that can be graphically represented*. The sample of the sound mark enclosed with applications for registration must be comprised of an audio file and a graphical representation of that sound.<sup>10</sup>

However, since the concept of sound marks is relatively new to Vietnamese authorities, we still must await further detailed guidance on the examination of sound marks as a type of trademark in order to successfully register the protection of sound marks in Vietnam.

### (2) Amending cases where trademarks are considered non-distinctive

The Amended IP Law narrows the following cases, among others, in which a trademark is non-distinctive, which could, in practice, create new possibilities for the registration of such trademarks:<sup>11</sup>

- *Signs which are identical* or confusingly similar to registered marks of identical or similar goods or services on the basis of applications for registration with earlier filing dates or priority dates, as applicable, including applications for registration of marks filed pursuant to a treaty of which the Socialist Republic of Vietnam is a member, *except for cases where such mark registration is terminated under the provision of Article 95.1(d) or invalidated according to the provisions of Article 96 according to the procedure specified in Article 117.3(b) of the Law on Intellectual Property;*
- Signs identical or confusingly similar to another person's mark which has been *protected* for identical or similar goods or services, and for which the registration certificate has been invalid for more than *three* years, *except for the case where the registration of such mark is terminated under the provision of Article 95.1(d) according to the procedure specified in Article 117.3(b) of the Law on Intellectual Property.*

Registration of a mark can be terminated under Article 95.1(d) of the Law on Intellectual Property (as amended) in the case where: "the mark has not been used by its owner or the licensee of the owner without justifiable reasons for five (5) consecutive years prior to a request for termination of validity, except where the use is commenced or resumed at least three (3) months before the request for termination". For cases where a

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<sup>9</sup> Amended IP Law, Articles 1.8, 1.10 and 1.77 (which respectively amend Articles 28 and 35, and supplement Article 198b into the Current IP Law).

<sup>10</sup> Amended IP Law, Articles 1.20 and 1.34 (which respectively amend Articles 72.1 and 105.2 of the Current IP Law).

<sup>11</sup> Amended IP Law, Articles 1.22.(b) and 1.22.(c) (which respectively amend Article 74.2.(e) and supplement Article 74.2.(h) into the Current IP Law).

protected mark is invalidated according to Article 96 of the Law on Intellectual Property (as amended), please see Item 4 below.

Under the transitional provisions of Article 4.3.(b) of the Amended IP Law, the regulations above are immediately applicable to applications for registration of industrial property that have not yet been granted protection or have been refused a grant of protection before the effective date of the Amended IP Law.

Apart from the cases above, the Amended IP Law expands the following cases, among others, in which a trademark is non-distinctive, which could, in practice, partly close the door to registration of such trademarks:<sup>12</sup>

- Conventional signs, symbols, drawings, common names of goods or services in any language, *the usual shape of the goods or part of the goods, usual shape of the packaging or containers that have been regularly used and generally accepted prior to the filing date;*
- *Signs that are identical or confusingly similar to the name of a variety of plants that were protected or are being protected in Vietnam if such signs are registered for the goods that are comprised of a variety of plants of the same or similar species or a product harvested from such plant varieties;*
- *Marks that are identical or confusingly similar to the names and/or images of characters or images in works covered by copyright protection of others that were widely known prior to the filing date, except with the permission of the owner of such work.*

### **(3) Amendments to the definition and recognition method of well-known marks**

Under the Current IP Law, a well-known mark is defined as a mark widely known by consumers throughout territory of Vietnam. The Amended IP Law amends the definition to a mark widely known by the *relevant public* in the territory of Vietnam.<sup>13</sup> It is stipulated under the Amended IP Law that the consideration and assessment method of well-known marks utilizes *some or all* of the eight criteria listed in the Current IP Law,<sup>14</sup> instead of using *all* such criteria as provided for in the Current IP Law.<sup>15</sup> These amendments make it clear that a mark that is widely known only among the relevant public for the mark shall be considered a well-known mark, and the existence of all eight elements is not required for a mark to be recognized as well-known. This is expected to make it easier for Japanese companies to prove that a mark at issue is well-known.

## **3. Patents**

### **(1) Adding regulations on security controls for inventions before filing overseas patent applications**

Requirements for security controls for inventions before filing overseas patent applications is not a new concept, as it previously was provided for under the guidance of the Current IP Law. Currently, Vietnamese lawmakers appear to be more concerned about this matter when supplementing these regulations into legislation, although their views seem more relaxed in comparison with current regulations. In particular, under current regulations:<sup>16</sup>

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<sup>12</sup> Amended IP Law, Articles 1.22.(a) and 1.22.(d) (which respectively amend Article 74.2.(b) and supplement Articles 74.2.(o) and 74.2.(p) into the Current IP Law).

<sup>13</sup> Amended IP Law, Article 1.1(c) (which amends Article 4.20 of the Current IP Law).

<sup>14</sup> Amended IP Law, Article 1.23 (which amends Article 75 of the Current IP Law).

<sup>15</sup> Current IP Law, Article 75.

<sup>16</sup> Decree 103/2006/ND-CP (as amended), Article 23b.

- Applications for industrial property protection registration in overseas areas for inventions of Vietnamese organizations and individuals and inventions created in Vietnam may only be filed if applications for registration in Vietnam were filed previously, and the period of six months from the filing date has expired.
- Under the law on protection of state secrets, applications for industrial property protection registration in overseas areas may not be filed for inventions classified as confidential as notified by competent agencies.

In this regard, the Amended IP Law changes and clarifies the scope of items subject to security controls, whereby only inventions that were created in Vietnam *in technical fields that have an impact on national defense and security* and are covered by the registration rights of individuals who are Vietnamese citizens and permanently reside in Vietnam or of organizations established under Vietnamese law are subject to such security controls. In addition, regulations on security controls only allow a protection registration application to be filed in overseas areas if it is already has been filed in Vietnam. However, since it is unclear as to how to precisely interpret “*an invention in technical fields that has an impact on national defense and security*”, and the procedure for security controls over an invention created in Vietnam has not been addressed in the Amended IP Law, it is still unclear how to implement this regulation in practice. Therefore, it is necessary to await further detailed guidance from the Government in this regard.<sup>17</sup>

The Amended IP Law also has removed the “time limit of six months” and made the scope of items subject to security controls narrower, which *in the future* could allow applications for industrial property protection registration to be filed for inventions of Vietnamese organizations and individuals created in Vietnam (other than those are subject to these security controls) or in overseas areas without going through such security controls. It is worth noting that, as the current regulations are still effective and not amended, the general and broad scope of the requirements stipulated therein shall continue to apply, which means that inventions of Vietnamese organizations and individuals, even if created in a foreign country, are still subject to security controls *in the meantime*.

Under the current regulations, although administrative sanctions are not imposed for failure to comply with security control requirements, applications for patent protection registration in Vietnam will be rejected by Vietnamese authorities due to non-validity, even in the formal examination phase.<sup>18</sup> In this regard, the Amended IP Law provides the same regulations, under which a patent protection registration application in Vietnam may be rejected or patent protection may be entirely invalidated if such patent registration application is filed contrary to these regulations on security controls.<sup>19</sup>

## **(2) Supplementing cases where patent application protection is not granted**

In addition to general cases where the grant of protection to an invention, industrial design, mark, or geographical indication is refused, protection of an invention registration application will not be granted in the following cases:<sup>20</sup>

- Disclosure of information related to an invention exceeds the scope of disclosure stated in the original description of the patent application;

<sup>17</sup> Amended IP Law, Article 1.27 (which supplements Article 89a into the Current IP Law).

<sup>18</sup> Circular 01/2007/TT-BKHCN (as amended), Article 13.2.(h).

<sup>19</sup> Amended IP Law, Articles 1.30 (which amends Article 96.1 of the Current IP Law), 1.37 (which supplements Article 109.2.(e) of Current IP Law), and 1.42 (which supplements Article 117.1a of Current IP Law).

<sup>20</sup> Amended IP Law, Article 1.42.(a) (which supplements Article 117.1a into the Current IP Law).

- The description of the invention is not sufficient and clear to enable a person with average knowledge of the relevant technical field to implement the invention;
- For inventions that are created based on genetic materials or traditional knowledge about genetic materials, the patent application does not disclose or incorrectly discloses the origin of such genetic materials or traditional knowledge about genetic materials;
- An invention registration application is filed contrary to the regulations on security controls for inventions.

In regard to the novelty of an invention, the Amended IP Law adds, as a case where novelty is lost, the case where the invention is disclosed in another patent application with an earlier filing date or priority date but published on or after the filing date or priority date of that patent application.<sup>21</sup>

## 4. Other amendments

### (1) Termination and invalidation of protection

Apart from those cases where protection is terminated or invalidated as already provided in Article 95.1 of the Current IP Law, the Amended IP Law further stipulates three cases in which the validity of a protection title shall be terminated:<sup>22</sup>

- The use of a protected mark for goods or services by the owner of the mark or a person authorized by the owner of the mark causes consumers to misunderstand the nature, quality, or local origin of the goods or services;
- The protected mark becomes the common name of the goods or services registered for that particular mark;
- The geographical indication of a foreign country is no longer protected in the country of origin.

Under the Current IP Law, protection shall be entirely invalidated (i.e., absolute invalidation) if the applicant does not have the necessary capacity to register the industrial property, or the industrial property object fails to satisfy the protection conditions at the time the protection was granted. The Amended IP Law has replaced all absolute invalidation cases of protection in the Current IP Law with the following cases:<sup>23</sup>

- The applicant applies for registration of a mark with malicious intent;
- An invention registration application is filed that is contrary to the regulations on security controls for inventions;
- Patent applications for inventions which are created based on genetic materials or traditional knowledge about genetic materials, but fail to disclose or incorrectly disclose the origin of such genetic materials or traditional knowledge about genetic materials in the application.

The Current IP Law provides that protection of the part of a patent which fails to satisfy the required protection conditions shall be invalidated. Under the Amended IP Law, the competent authorities have the right to invalidate protection, either wholly or in part, if the entirety or part of such protection fails to satisfy the provisions of the Law on Intellectual Property regarding registration rights, protection conditions, amendments and supplements to applications, invention disclosure, and first-to-file principles, in the following cases:<sup>24</sup>

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<sup>21</sup> Amended IP Law, Article 1.19 (which amends Article 60.1 of the Current IP Law).

<sup>22</sup> Amended IP Law, Article 1.30 (which supplements Articles 95.1.(h), 95.1.(i), and 95.1.(k) into the Current IP Law).

<sup>23</sup> Amended IP Law, Article 1.30 (which amends Article 96.1 of the Current IP Law).

<sup>24</sup> Amended IP Law, Article 1.30 (which amends Article 96.2 of the Current IP Law).



- The applicant for registration does not have the right to register (and cannot be transferred the right to register by the person having such right) an invention, industrial design, layout design, or trademark;
- The industrial property object fails to satisfy the protection conditions specified in Article 8 and Chapter VII of the Law on Intellectual Property;
- The modification or supplementation of an industrial property registration application expands the scope of objects disclosed or stated in the application or changes the nature of the object of registration stated in the application;
- The description of the invention is not sufficient and clear to enable a person with average knowledge of the relevant technical field to implement the invention;
- The patented invention exceeds the scope of disclosure stated in the original description of the patent application;
- The invention does not satisfy the first-to-file principle.

## **(2) Addition of regulations on objection to registration applications of industrial property rights**

Apart from the means of obtaining opinions of third parties in relation to consensus or objection of an application for registration of industrial property rights stipulated in Article 112 of the Current IP Law, the Amended IP Law further supplements the process for objecting to the registration of industrial property as follows:<sup>25</sup>

Before the date of issuance of a decision on a grant of protection, within the following time limits, any third party has the right to object to such grant of protection:

- Within nine months of the date the invention registration application is published;
- Within four months of the date the industrial design registration application is published;
- Within five months of the date the trademark registration application is published;
- Within three months of the date the geographical indication registration application is published.

The objection must be made in writing and include supporting documents or cited sources of information for proof. Certain fees and charges also must be paid when the objection is made.

## **(3) Liability for intermediary service providers**

The Amended IP Law introduces provisions regarding the liability of Internet-related intermediary service providers (“**ISPs**”) for infringement of intellectual property rights, which do not exist in the Current IP Law.<sup>26</sup> In particular, it stipulates that ISPs are exempt from legal liability for acts of infringing copyrights and related rights, among others, in the following cases:

- Where an ISP only transmits digital information or provides access to digital content;
- When performing the function of buffer storage in the process of information transmission, an ISP must do so automatically and on a temporary basis for the purpose of transferring information and making the transmission of information more efficient;
- Where an ISP stores digital information of service users at the request of such service users with the following conditions: not knowing that such digital information infringes copyright and/or related rights, and

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<sup>25</sup> Amended IP Law, Article 1.39 (which supplements Article 112a into the Current IP Law).

<sup>26</sup> Amended IP Law, Article 1.77 (which supplements Article 198b into the Current IP Law).

taking prompt action to remove or prevent access to such digital information upon learning that such digital information infringes copyright or related rights.

#### **(4) Adding means to file and handle complaints related to industrial property procedures**

The Amended IP Law supplements the means for filing and handling complaints related to industrial property procedures. The following points should be noted:<sup>27</sup>

- Entities eligible to file complaints: The applicant, organizations, and individuals having rights and interests directly related to the decision or notice for the processing of an industrial property application issued by the State agency in charge of industrial property rights.
- Authorities handling the complaints: State agency in charge of industrial property rights and courts.
- Method of filing complaints: (1) Vietnamese organizations and individuals, foreign individuals permanently residing in Vietnam, and foreign organizations and individuals having production and business establishments in Vietnam shall file complaints directly or through their legal representatives; (2) foreign individuals not permanently residing in Vietnam and foreign organizations and individuals without production or business establishments in Vietnam shall file complaints through their lawful representatives in Vietnam.
- Timeline for complaint settlement: The timeline shall comply with the provisions of the law on complaints, under which the complaint must be filed no later than 90 days after the date of receipt of the decision or notice related to the processing of an industrial property application, or having been aware or being informed of such decision or notice.<sup>28</sup>

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<sup>27</sup> Amended IP Law, Article 1.44 (which supplements Article 119a into the Current IP Law).

<sup>28</sup> Law on Complaints 2011, Article 9.