

Protection of Intellectual Property Rights in Vietnam

Introduction

For most foreign investors, intellectual property protection is always one of the primary concerns. Together with other factors, a good mechanism for enforcement of intellectual property rights would help to create a reliable investment environment, especially at the time being when intellectual property is becoming more vulnerable to infringements. Acknowledging the importance of the issue, within the recent years Vietnam has made considerable progress in strengthening a legal framework for protection of intellectual property rights since the first statute on intellectual property in 1981.

In Vietnam, Intellectual Property Rights matters are usually divided into two branches, namely “industrial property” and “copyright” which are managed by different agencies. The National Office of Intellectual Property (“NOIP”) under the Ministry of Science and Technology (“MOST”) and the Department of Protection of New Plant Varieties (“DPNPV”) under the Ministry of Agriculture and Rural Development (“MARD”) are empowered to regulate the industrial property branch, and the Copyright Department (“CD”) under the Ministry of Culture, Sport and Tourism (MCST”) deals with copyright regarding literary and artistic works.

In order to deal with the administration of industrial property, the NOIP and DPNPV and other State competent bodies are authorized to grant titles of protection of industrial property rights, effect procedures for suspension, cancellation or extension of the validity of the title of protection, register contracts of the transfer or license of industrial property rights, and take measures to protect the legitimate rights and interests of the State, organisations and individuals in the field of industrial property.

The CD is authorized to carry out registration of copyright matters of domestic and foreign individuals and organisations in Vietnam .

Legislative framework

Vietnam acceded to a number of international treaties relating to intellectual property rights (“IPR”), most notably the Patent Cooperation Treaty 1978 (“PCT”), the Paris Convention for the Protection of Intellectual Property 1967, the Madrid Agreement on Registration of Trademarks, The 1978 International Convention for the Protection of New Varieties of Plants, the 1991 International Convention for the Protection of New Varieties of Plants and Bern Convention for the Protection of Literary and Artistic Works.

Vietnam also ratified the 1998 Vietnam-US Copyright Relation Treaty and the BTA, which contain a number of provisions governing IPR matters. Also, Vietnam entered into bilateral treaty with Swiss regarding Protection of Intellectual Property Right and Cooperation in Intellectual Property Matters in 1999.

Recently, as a member of the WTO, consequently, all stipulations of the Trade Related Intellectual Property Agreement (“TRIPs Agreement”) completely bind Vietnam’s obligations. Specifically, there exists a comprehensive framework of domestic IPR legislation issued by the National Assembly to be in compliance with internationally acceptable principles, most obviously, the 2005 Law on Intellectual Property and the 2005 Civil Code (which shall apply in case a civil matter in relation to IPR which is not regulated in the Law on Intellectual Property). In addition, IPR is also addressed in other legislation such as the Criminal Law, Law on Competition, Law on Customs and a series of legislations guiding the implementation of the above relevant laws (hereafter collectively as “IP Laws”).

Substantive standards of protection, including procedures for the acquisition and maintenance of intellectual property rights

Types of industrial property objects

Legislation

- *The 2005 Civil Code;*
- *The 2005 Law on Intellectual Property;*
- *Decree 103/2006/ND-CP dated 22 September 2006.*

Under the Law on Intellectual Property, industrial property objects are classified into two groups:

- objects that are required to be registered for protection (“registered objects”); and
- objects which are automatically protected (“unregistered objects”).

Registered objects include invention, utility models, industrial designs, trademarks (except for well-known trademarks), geographical indication, new plant varieties and layout design (topographies) of transistor integrated circuits (“layout designs”). The industrial property rights to these objects shall be established on the basis of a decision of NOIP on the title of protection according to the registration procedures stipulated by the Law on Intellectual Property or the recognition of international registration under treaties to which Vietnam is a contracting party.

Unregistered objects consist of trade secret, trade name, well-known trademarks and unfair competition right.

Criteria for protectability of industrial property objects

In order to be protected in Vietnam, industrial property objects must satisfy certain conditions provided for by the Law on Intellectual Property.

Registered objects

Inventions

An invention shall be protected in the form of the invention patent if it satisfies the following criteria:

- having world wide novelty
- involving an inventive step, i.e. be non-obvious to a reasonable person qualified in the relevant technical field and
- having industrial applicability, i.e. the possibility of being carried out in the present or future technical conditions with the results described in the application.

Utility models

A technical solution shall be recognised as a utility model when it satisfies both the novelty and industrial application conditions applicable to inventions, even if it does not involve an inventive step but is not of common knowledge – could be protected by a Utility Model Patent. It should be noted that although utility models which do not require protection under the TRIPS Agreement, but are protected in Viet Nam.

However, that certain objects shall be excluded from the scope of patentability:

- (i) those not considered as inventions, including scientific ideas, principles and discoveries, theories and mathematical methods; aesthetic creations; economic management methods and systems; educational, teaching, training methods and systems; computer programmes; designs and planning schemes for construction works; and projects for regional development and planning;
- (ii) subject matters which should be protected under other forms of protection than patents, i.e., plant and animal varieties;
- (iii) those not industrially applicable such as methods for the prevention, diagnosis, and treatment of human or animal diseases, essentially biological processes for the production of plants or animals other than non-biological and microbiological processes;
- (iv) those breach public order and morality or materially affect to national defence and security. This provision applied irrespective of whether the commercial exploitation of such inventions was or was not prohibited by law.

It appears that pharmaceutical products and processes to manufacture pharmaceutical products are protectable under the IP Laws as they did not fall under the list of the objects excluded from protection as mentioned above. The exclusions provided for in

Viet Nam's IP Laws do not essentially go well beyond the provisions of Article 27.3 of the TRIPs Agreement.

The time-limit for formality examination was one month and 18 months for substantive examination. The terms of invention patents and utility model patents are 20 and 10 years respectively counting from the official filing date and taking effect on the grant date.

Owners of invention or utility patents have the exclusive right to use, licence and assign the right to use the invention to other persons. They also have the right to demand that other persons stop infringements, and could seek compensation for damages caused by acts of infringement. The use of an invention is determined as the production, application, exploitation, circulation (including sale, exhibition and transportation of goods) advertisement, offering for sale, stocking for circulation, and importation of a protected product or process. Under the Law on Intellectual Property, the holder of exclusive use right of an invention patent may be required to license compulsorily his/her invention to another person under a decision of the competent State authority without permission of the holder in the circumstances (i) for reasons of national defence and security, the prevention and treatment of diseases, or other urgent needs of the society; (ii) for reasons of failing to fulfil the obligations to use the protected invention for manufacturing products or applying protected processes to satisfy the requirements as set out in item (i) above upon the expiration of a 4-year duration as from the date of filing the invention registration application and the expiration of a 3-year duration as from the date of granting the invention patent; (iii) if the proposed user had failed to reach an agreement with the owner on reasonable remuneration¹ and commercial conditions within a reasonable period of time; or (iv) in case of anti-competitive practices.

The patent owner is entitled to request the termination of the use of a compulsory licence if the circumstances which led to it had ceased and were unlikely to recur, provided such termination would not prejudice the grantee of the compulsory licence. Upon consultation with the MOST, ministries and other ministerial-level authorities are responsible for granting and terminating compulsory licenses with regard to inventions set out in item (i) above in their field of action and the MOST is responsible for granting and terminating compulsory licenses in the other cases. So far no compulsory license has been granted in Vietnam.

Industrial designs

As explained by the WIPO, industrial design, in a general sense, refers to the creative activity of achieving a formal or ornamental appearance for mass produced items that

¹ Under Article 24 of Decree 103/2006/ND-CP, the remuneration is not excess of 5% of net price of products manufactured under the invention and should take into account the economic value of the right transferred, including the contractual licensing price of the invention, the funds invested for the creation of the invention, the profits gained by using the invention, the remaining duration of validity of the patent, and the need for licensing the invention

satisfy both the need for the item to appeal visually attractive, and the need for the item to perform its intended function efficiently. In a legal sense, industrial design refers to the right granted to the creator to protect the original ornamental and non-functional features of an industrial article or product that result from design activity.

Under Vietnamese IP laws, industrial design is considered to be somewhat broader than WIPO's definition; it must not only be reproducible by industrial means, but also by handicraftsmen. In order to be protectable, an industrial design must be novel, creative and used as a specimen article for manufacturing industrial and handicraft products.

With regard to novelty, an industrial design shall be recognised as having world-wide novelty if such industrial design may be substantially distinguished from:

- any industrial designs which are filed for protection with the NOIP at an earlier priority date; and
- any similar industrial designs which have been published in any source of information.

An industrial design may be used as specimen article for manufacturing industrial and handicraft products if such products are made with the outer appearance of the industrial design. It is noted that textile designs are also protected as a kind of the industrial design. Under the Law on Intellectual Property, an industrial design is not required to compulsorily license like invention.

The initial duration of protection of industrial design is 5 years from the date of registration and may be renewed for 2 consecutive terms, each of 5 years and it is completely in accordance with Article 26(1) of the TRIPs Agreement.

The validity of a title of protection of invention or utility mode or industrial design shall be terminated automatically if the owner fails to pay the annum validity fee or prolongation fees.

Trademarks

The essence of a trade mark is its distinctiveness, and a proposed trade mark must not mislead customers. A trademark could be words, letters, pictures, figures including three-dimensional figures or a combination of such elements represented in one or many colours. A sign capable of distinguishing goods or services of different owners could be protected as trademark, unless it was excluded from protection which include signs identical with or confusingly similar to national flags, national emblems; flags, emblems, armorial bearings, abbreviations, full names of State agencies, political organizations, socio-political organizations, socio-political professional organizations, social organizations or socio-professional organizations of Viet Nam or international organizations, unless so permitted by such agencies or organizations; real names, alias, pen names or images of leaders, national heroes or famous persons of Viet Nam or

foreign countries; certification seals, control seals, warranty seals of international organizations; and signs likely to mislead, confuse or deceive consumers as to the origin, functional parameters, intended purposes, quality, value or other characteristics of the good or service. It is noted that personal names as words, recognized as signs that could be registered in Vietnam.

Under the Law on Intellectual Property, there are 5 types of trademark may be protected:

- (i) an independent trademark is a sign to distinguish goods and /or services of different organisations or individuals;
- (ii) a collective mark is a mark used to distinguish goods and/or services of members from those of non-members of an organisation which is the owner of such mark;
- (iii) a certification trademark means a mark which is authorised by its owner to be used by another organisation or individual on the latter's goods and/or services, for the purposes of certifying the origin, raw materials, model of manufacture of goods or manner of provision of services, quality, accuracy, safety or other characteristics of goods and/or services bearing the mark;
- (iv) an integrated trademark means identical or similar marks registered by the same entity and intended for use on productions or services which are of the same type or similar types or interrelated; and
- (v) a well-known trademark means a trademark widely known by consumers throughout the Vietnamese territory.

Mandatory registration is not required for any goods or services, however, if a trademark is registered and protected, ownership of such trademark is established and the owner of this trademark has legal basis to claim counterfeit.

It is noted that ownership of a well-known trademark should be established on the basis of use widely without registration provided that an owner of such well-known must prove its right by reasonable evidences such as information on the number of relevant consumers knowing the trademark by purchasing or using the goods or services bearing the trademark; the number of countries in which the trademarked goods and services were being sold, providing trademark protection or recognizing the trademark as well-known; generated sales revenue; period of continuous use; indications of widespread reputation; the value of the trademark in terms of licensing, contribution to an investment asset, etc. The criteria to establish the ownership over well-know trademarks stipulated in Article 75 of the Law on Intellectual Property is fully consistent with the TRIPS Agreement, as well as with paragraph 1 of Article 6bis of the Paris Convention.

The duration of protection of a trademark shall have a validity starting from the grant date and expiring at the end of 10 years after the filling date and may be renewed for many consecutive terms, each of 10 years. However, the validity of certificate of trademark registration shall be terminated the owner of the registered mark no longer exists or engaged in business activities without any lawful heir; or the registered trademark has not

been used by its owner or his/her licensee without justifiable reason for 5 consecutive years prior to a request for termination of validity, except where the use is commenced or resumed at least 3 months before the request for termination. If a trademark is refused by NOIP with the reason of being identical or confusingly similar to another registered trademark, the applicant may try to provide any evidence proving that the registered trademark has not been used in Vietnamese market and may ask NOIP to issue a certificate of trademark registration for his/her trademark.

Geographical indication, including appellations of origin of goods

Pursuant to the Law on Intellectual property, a geographical indication may be protected if it satisfies the following conditions:

- (i) the product bearing the geographical indication originated from the area, locality, territory or country corresponding to such geographical indication;
- (ii) the product bearing the geographical indication has a reputation, quality or characteristics mainly attributable to geographical conditions of the area, locality, territory or country corresponding to such geographical indication.

The State is the owner of Vietnam's geographical indications and the State has the right to allow organisations or individuals producing products bearing geographical indications, collective organisations representing such organisations or individuals or administrative management agencies of localities to which such geographical indications pertain to exercise the right to register such geographical indications. Person who exercises the right to register Vietnamese geographical indications shall not become owners of such geographical indications. Geographical indications corresponding to regions and localities within a country or territories crossing international borders may be protected if they complied with all conditions mentioned above. Any entity having the right, under foreign national law, to own, use or file an application for registration of a geographical indication in the country of origin or even if protection of such geographical indication in the country of origin is through a mean other than through "registration as a Geographical Indication" also has the right to file an application for registration of such geographical indication in Vietnam and could be recorded as such in Viet Nam's Registry of Geographical Indications. It is noted that the right of geographical indication is not allowed to transfer.

The time-limit for formality examination was one month from the filing date and six months for substantive examination from the publishing date. The term of protection of geographical indications was indefinite. However, the validity of the certificate of registration of geographical indication may be terminated when the geographical conditions decisive to reputation, quality or special characteristics of products bearing a geographical indication have changed resulting in the loss of such reputation, quality or characteristics of products.

Layout designs

An author of layout designs shall be registered for protection if (i) being originals. It means they are the result of creative labour by the author himself and at the time of creation, the layout design is not yet known widely among layout design creators and integrated circuit manufacturers; and (ii) being commercially novel. Layout designs shall be considered commercially novel if they have not yet been commercially exploited anywhere in the world prior to filing date. However, these layout designs shall not be considered having lost its commercial novelty if the layout design registration application is filed within 2 years from the date the author or his licensee carried out any act of public distribution for commercial purposes of semiconductor integrated circuit produced by incorporation of such layout designs, or commodity containing such semiconductor integrated circuit for first time anywhere in the world.

Certificates of registered semiconductor integrated circuit layout designs shall each have validity starting from the grant date and expiring at the earliest date among the following:

- (a) the end of 10 years after filling date;
- (b) the end of 10 years after the date the layout designs was first commercially exploited anywhere in the world by parsons having the right of registration or their licensees;
- (c) the end of 15 years after the date of creation of the layout designs

New plant varieties

A new plant variety shall be registered for protection if it belongs to the branches and species of plants on the list of protected plants publicised by the MARD; it must be distinctive, uniform, stable, commercially new; and it must bear appropriate appellations, be easily distinguishable from other plant varieties of the same species, which are widely known.

Plant variety protection certificates shall be valid throughout the Vietnamese territory from the date of the end of a period of 25 years for timber trees and vines; or 20 years for other plant varieties. However they may be terminated, among other things, in case: (i) the protected plan variety fails to satisfy the conditions of novelty or distinctness at the time of grant of the plant variety protection certificate; (ii) the plant variety fails to satisfy the conditions of uniformity or stability where the plant variety protection certificate is granted on the basis of result of technical test conducted by the register.

Basically, regulations on registration of plant varieties of Vietnam are consistent with minimum standards of UPOV.

Establishment of the ownership as to registered objects

Foreign individuals permanently residing in Vietnam and foreign organisations and individuals having production or business establishments in Vietnam have the same right

as Vietnamese individuals and organisations to file application for establishment of industrial property rights either directly or through their lawful representatives in Vietnam. If they not permanently residing or having not production or business establishment in Vietnam, they shall file registration application through their lawful representatives in Vietnam or may file international application under international treaties which Vietnam is a member. Where such an IP international treaty has provision of recognition and protection of industrial property rights of organisations and individuals of all member countries, so the industrial property rights of organisations and individuals of such member countries shall be recognised and protected in Vietnam within the scope and duration in accordance with the international treaty without registration in Vietnam, however, so far no guideline on recognition and protection under international treaties is issued by the MOST.

Priority rights may be considered for the protection of inventions, utility models, industrial designs or trade marks, provided the applicant has identified the international treaty which forms the basis on which the priority right is claimed, and presents a certified copy of the necessary documents. The following conditions must also be met:

- The country where the earlier application has been filed or where the exhibition has been organised is a signatory of the Paris Convention or has entered into a bilateral agreement with Vietnam providing priority rights or has, together with Vietnam, applied the principle of reciprocity with regard to priority rights;
- The applicant is a citizen, resident or person having an establishment in a country which meets the conditions as mentioned above; and
- The application for the protection to enjoy priority rights must be filed within the prescribed time limits.

Applications eligible for priority rights shall be ascribed a priority date, which is the filing date of the first application, the date on which the object is first displayed at an exhibition or the date prescribed in a bilateral agreement.

The scope of industrial property rights of the registered objects is in the extent of protection recorded in the titles of protection. Moral rights of authors of inventions, industrial designs and layout designs are protected unlimitedly and the right of receiving remuneration of authors is throughout the duration of protection of such objects.

Transfer of use right or assignment of ownership of registered objects

The owners of protected registered objects (excluding geographical indications and collective trademarks which are prohibited to transfer to a person not being a member of the owners of such trademarks) are entitled to transfer the same to others under a license contract.

Under the Law on Intellectual Property, the licensing contract must contain a number of

mandatory provisions but must not provide for unreasonable provisions restricting the licensee's rights such as:

- provisions directly or indirectly restricting the export of goods which are produced under a licensing contract to a territory that is not located where the licensor is the owner of such IP object or has exclusive right to import IP objects;
- provisions requiring the licensee to purchase entirely or partially raw materials, equipment or components of the licensor or a person appointed by the licensor, where they do not ensure the quality of such goods;
- provisions prohibiting the licensee to renovate the licensed IP object, except for trade marks;
- provisions requiring the licensee to transfer such renovation without cost or to transfer the right to file application for protection of title of such renovation; or
- provisions forbidding the licensee to complain about or initiate lawsuits with regard to the validity of the industrial rights or licensor's rights to license.

Any such provision in a licensing contract will not be recognised by the competent registration bodies as being effective.

It is to be noted that the owner shall be prohibited from abandoning the ownership over an IP object that is being used within the effective term of an existing licensing contract where the licensee does not agree to terminate before the expiry of the term of the licensing contract.

The license contracts shall take effect from the date of signing as agreed by contractual parties, however, it shall be legally effective to a third party upon registration with NOIP (or DPNPV in respect of license of plan variety). It is advisable that contractual parties should carry out registration their license contract in order for protection of fully their rights as well as fighting infringement.

If the license contract is registered, any subsequent amendment or supplement of this contract is also required to be registered with NOIP (or DPNPV in respect of license of plan variety).

Where the products are manufactured under a license contract, an indication to this effect must be made on the products, in advertisements or in transactions for business purposes. If products are produced in Vietnam under foreign licenses or bearing trade marks which are likely to cause the impression that they are foreign trade marks or have foreign origins, the full (not abbreviated) indication "Made in Vietnam" must be written on the products.

Assignment of ownership of registered objects

An owner may assign his/her ownership of an IP object (except the right of geographical indication) to another person with the following conditions:

- The assignor shall be entitled to assign his/her rights only within the term and scope of protection and shall have to warrant that the assignment shall not give rise to disputes with a third party;
- If the IPR is in co-ownership, each owner shall be allowed to assign the rights of his/her own part to another person if agreed by the other co-owners;
- The assignment of a trade mark must not cause confusion with distinctive characteristics or the origin of goods or services bearing such trade mark;
- The rights relating to a trademark may be assigned to organisations or individuals that meeting conditions applicable to persons having the right to register of such trademark.

An assignment contract must contain certain mandatory provisions. For example, although, in some case, the assignment may be free of charge, but it is required to include the provision on price in the assignment contract. Effectiveness of the assignment contract shall be from the date of registration.

Unregistered objects

Under the Law on Intellectual Property, the IP object such as trade secrets, trade names (except for it can also be afforded protection by registration as a trade mark) and the rights against unfair competition are not required to register.

The industrial property rights of unregistered objects shall be established on the basis of:

- (i) in respect of trade secret: intellectual and funding investment or the result of other lawful activities to find out, create or have information which establishes trade secrets and make security measures as to such information but must not carry out registration with NOIP;
- (ii) in respect of trade names: lawful use of the trade names but must not carry out registration with NOIP; and
- (iii) in respect of rights against unfair competition: competition activities in practice but must not carry out registration with NOIP.

It is noted that when use of the rights of these unregistered objects or there is a dispute relating to such rights, the owners have obligations to prove their rights by reasonable evidences.

Regarding test data, in practice, Vietnam provided protection of undisclosed test or other data submitted as a condition for approving the marketing of pharmaceutical or agricultural chemical products since 2003 and this protection is also stipulated in the Law on Intellectual Property. Under Article 128, the authorities concerned has the obligation, when an applicant requested that data submitted as a condition for approving the marketing of pharmaceutical or agricultural chemical products be kept secret, to take necessary measures so that such data were neither used for unfair commercial purposes nor disclosed, except if disclosure was necessary to protect the public. The authorities

concerned is not allowed to grant any licence during a five-year period from the date a licence had been granted to an applicant to any subsequent applicant using undisclosed data in his applications without permission of the prior applicant, except in cases where the undisclosed data had been created independently by the subsequent applicant as provided for in Article 125.3(d) of the Law. Detailed provisions and guidelines for implementing this Article 128 is provided by Decree 103/2006/ND-CP dated 22 September 2006 and Decision No. 30/2006/QĐ-BYT of the Minister of Health on promulgation of regulations on data protection applied to Drug Registration Dossiers issued in 30 September 2006.

Copyright

Legislation

- *The Civil Code;*
- *The Law on Intellectual Property;*
- *Decree No. 100/2006/ND-CP dated 21 September 2006*

Infringement of copyright has become a widespread phenomenon in Vietnam, particularly copying foreign musical, film and photographic works without the authorisation of the actual authors.

Protected works

Pursuant to the Law on Intellectual Property, literary, artistic and scientific works created by Vietnamese citizens and entities, together with works created and published for first time in a material form in Vietnam by any foreign individuals and organisations and not yet published in any other country, or simultaneously published in Vietnam within thirty days after its first publication in another country; or the works of foreign individuals and originations of a country which Vietnam has signed a copyright treaty with, may be protected, including written works, lectures and speeches; theatrical works and other forms of artistic performance; cinematographic and video works; computer program and compilations of data; etc. Encrypted program-carrying satellite signals are also to be regulated by copyright laws.

News of the day as mere items of press information, legal documents, administrative documents, processes, systems operation methods, concepts, principles and data are not covered by copyright protection. Where a television or radio program cites daily news from a newspaper, the owner of such television or radio program shall not be deemed as infringement of copyright, however the source of such cited daily news must be presented.

Authors and owners of works

A person is recognised as an author of a work when he/she/ they (in the case of co-authors) create personally all or part of a literary, artistic or scientific work or translates a

work from one language into another or adapts an existing work, rewrites or transforms a work from one form into another, or compiles, annotates or selects works of other persons to produce a work of a creative nature.

The copyright in respect of a work shall arise as of the moment in which the work is created in a specific material form, regardless of whether or not such work has been published or registered for protection.

The owner of a work is generally, at least in the first instance, the author (or co-author) of the work. There can be exceptions to this general principle, however, and the Law on Intellectual Property provides that when a work is created by an author who is employed for the purpose of creating that work, then the employer, not the author, is the owner of the work. If a work is created under a contract, the individual or organisation entering into the contract with the author shall be the owner.

Rights comprised in copyright

The original author(s) of a work protected by copyright have both “moral rights” and economic rights as stipulated by laws.

“Moral rights” include rights to:

- (a) name the work;
- (b) put his /her name, or a pseudonym, to the work and have such name or pseudonym cited when the work is used;
- (c) protect the integrity of the work, and permit or not permit other persons to alter the contents of the work; and
- (d) publish the work, or authorise other persons to do so.

Economic rights comprise rights to:

- (a) make derivative works;
- (b) display works to the public;
- (c) reproduce works;
- (d) distribute or import original works or copies thereof;
- (e) communicate works to the public by wire or wireless means, electronic information networks or any other technical means;
- (f) lease original cinematographic works and computer programs or copies thereof.

Author(s) who are not also the owners of work, shall enjoy “moral rights” and some economic rights.

The authors who translate, adapt, compile, rewrite or transform work shall be entitled to the copyright in the same way as the original authors provided that they obtain permission from the author or the owners of the original work and pay remuneration to the author or owner of the original work. If the authors of adapted, compiled, rewritten or transformed

works want to alter the contents of the original work, they must obtain permission from the original author and must acknowledge the name of the author and the title of the original work.

In respect of cinematographic works, videos, sound broadcasts, television broadcasts, theatrical works and other forms of artistic performance, the directors, scriptwriters, cameramen, film editors, music composers and painters shall be entitled to the rights in the same way as the authors who are not the owners of works. Producers of such works shall be entitled to enjoy the same “moral rights” and economic rights as stated in above as the original author.

Moral rights are required to be independent of the usual economic rights and remain with the author even after he has transferred his economic rights.

Related rights

Copyright laws in Vietnam also provide for “related rights” to protect the interests of performers, producers of phonograms and broadcasting organisations in relation to their activities in connection with the public use of authors’ works.

For example, the right of performers to prevent fixation and direct broadcasting or communication to the public of their performance without their consent, and the right of producers of phonograms to authorise or prohibit reproduction of their broadcasts.

Limits on copyright protection

Some limits on the rights of authors and owners of copyrights are stipulated in the Intellectual Property. These include the free use of works without authorisation and compensation such as duplication of works by authors for scientific research or teaching purpose; reprographic reproduction of only 01 copy of works by libraries for archival and research purpose; audiovisual recording of performances for purpose of reporting current events or for teach purpose, etc. It is note that these exception does not apply to architectural works, plastic works and computer works that authorisation and payment of remuneration fro the authors and/or owners is required. In addition, the use of published works by broadcasting organisations in making their broadcasts, which are sponsored, advertised or charged in whatever form shall not have to obtain authorisation but have to pay royalties or remuneration to copyright holders. However, the use of works in that case does not apply to cinematographic works.

Duration of copyright

Some “moral rights” of the author(s) mentioned above shall be protected indefinitely, whereas others and the economic rights shall be protected for the life of the author (or co-authors) and not less than 50 years after his death.

With respect to a work the authorship of which is uncertain, or an anonymous work, the copyright shall belong to the State.

Under Article 28 of *Decree No. 100/2006/ND-CP dated 21 September 2006*, anonymous work stipulated in clause 1 of Article 42 of the Law on Intellectual Property owned by the State. The case of an anonymous works is being managed by organizations and individuals that are entitled to the rights of owners.

Specifically, in respect of works that are protected under the BTA and the Vietnam-USA Copyright Treaty, where the term of protection of a work is to be calculated on a basis other than the author's life, the term shall be not less than 75 years from the end of the calendar year of the first authorised publication of the work or, failing such authorised publication within 25 years from the creation of the work, not less than 100 years from the end of the calendar year of the creation of the work.

Registration for protection of copyrights

Authors (co-authors) or owners of the works are entitled to file an application to the Copyright Department for registration of copyright. The applicants must present relevant documents and papers to prove that they are authors (co-authors) or owners of such works or may authorise another individual or legal entity to carry out registration procedures. Foreign individuals or organisations may directly authorise a Copyright Service Organisation to file an application to the CD or local Department of Culture and Information under central cities and provinces.

Within 15 days from the date of receiving the proper documents, the CD shall issue a decision on whether or not to grant a Certificate of Copyright.

Copyright licensing

An author (co-authors) or owner may transfer his/her work to another under a licensing contract in writing. Depending on the type of works, certain mandatory contents are required to be included in such a licensing contract.

Enforcement of Intellectual Property Rights

Legislation

- *The 1999 Criminal Code*
- *The 2004 Civil Proceeding Law;*
- *The 2005 Civil Code;*
- *The 2005 Law on Intellectual Property;*
- *Decree 105/2006/ND-CP dated 22 September 2006;*
- *Decree 106/2006/ND-CP dated 22 September 2006.*

Administrative procedures and remedies

Viet Nam had no special agency for the enforcement of Intellectual Property Rights. Pursuant to Article 200.1 of the 2005 Intellectual Property Law and Decree 106/2006/ND-CP dated 22 September 2006, the bodies competent to take administrative action in relation to infringement of intellectual property rights are the market control agencies of the trade administration (Market Control Department and Market Control Branch Offices), customs agencies (Customs Department, Customs branch offices, anti-smuggling inspection office), specialized inspection authorities such as the Culture and Information Inspectorates at the national and provincial levels and the Science and Technology Inspectorates at the national and provincial levels, the People's Committees at the district and provincial levels, and public security agencies (District Police, Provincial Police, and the Economic Police). The administrative handling of IPR shall impose on (i) committing an act of infringing upon IPRs which cause damage to consumers or society; (ii) failing to terminate an act of infringing upon IPRs though the IPRs holder has issued a written notice requesting the termination of such act; (iii) producing, importing, transporting or trading IP counterfeit goods or a mark or a geographical indication that is identical or confusingly similar to a protected mark or geographical similar to a protected mark or geographical indication.

Main administrative measures are warnings and monetary fines amounting to one to five times the value of the discovered infringing goods. Additional measures include suspension of business activities for a definite term, and in the case of counterfeit and piracy goods, and materials and implements used for manufacturing or trading such goods, confiscation, destruction, distribution, use for non-commercial purposes, or compulsory delivery of transiting goods out of the territory of Viet Nam or re-exportation, after infringing elements had been removed.

Special border control measures

The holder of IPRs may file a request for inspection and supervision in order to detect import or export goods showing signs of infringing IPRs or file a request for temporary cessation of custom clearance for imports or exports suspected of infringing IPRs, accompanying by evidence to substantiate lawful ownership right or use right to the object, and evidence testifying the infringement. The holder is also required to deposit an amount equal to 20 per cent of the value of the goods or at least 20 million dong in case such value could not be determined, or provide a guarantee ensuring compensation in case of a wrongful request. Decisions to suspend the release of goods from customs may be issued by the Chief of the Customs Bureau, and the parties concerned shall be notified accordingly. Goods could be suspended from release for ten days from the date the decision was issued, and an additional ten days in certain circumstances. Evidence of infringement must to be produced during this period. The owner of the temporary seized goods shall also be given an opportunity to provide evidence or justifications relating to the IPRs of the temporary seized goods. Upon the expiration of the duration as mentioned above, if the holder does not initiate a civil law suits and customs offices do not decide to

handle administrative violation of goods lot exporters or importers according to administrative procedures, such goods shall be continuously to release customs procedures and a compensation of all damage caused to the goods due to unreasonable request for suspension of customs procedures shall be paid by the holder.

Civil judicial procedures and remedies

People's Courts (Civil Court), at district and provincial level, had jurisdiction over disputes of infringement relating to intellectual property rights. The People's Court could adjudicate cases with respect to claims of abuse of industrial property rights, disputes concerning royalty or remuneration, claims on registration right and the right of authorship, and disputes relating to assignment contracts of ownership right or licensing contract for the right to use objects of industrial property. Lodging a claim or bringing a suit before the Court, the plaintiff or his/her lawful representative must provide (i) evidence of his/her intellectual property right such as a copy of copyright certificate or title of protection of an industrial property object or for unregistered rights, necessary evidences to prove the basis for establishment of copyright or related rights in case of absence of a copyright registration certificate, related right registration certificate; necessary evidence proving rights to business secrets, trade names or well-known marks; or copies of license contract for intellectual property objects; and (ii) evidence of infringement of the rights or evidence of acts of unfair competition. Decree 105 provides in detail elements constituting infringement of each intellectual property object on which the owners or their licensees have the right to make a lawsuit before the Civil Courts.

The defendant had the right to refute the evidence and arguments of the plaintiff before the Court. But in a lawsuit against an infringement of the right to an invention which is a production process, the defendant shall have to prove that his/her products are produced by a process other than the protected process. The Court had the right, upon request of either party or on its own initiative, to demand further evidence or documentation and, if necessary, to collect evidence itself. The persons or institutions requested to provide evidence had 15 days to present such evidence. Concerned parties could appeal the Court's collection of evidence to the People's Prosecutor, which could request the Court to verify and collect evidence according to the concerned parties' request. People's Prosecutors were responsible for controlling and supervising civil courts' judgments and decisions and ensuring their timely settlement and conformity with Viet Nam's laws and regulations (Article 21 of the 2004 Civil Procedure Code). All Court decisions were provided in written form to the concerned parties and the People's Prosecutor within ten days (Article 241 of the 2004 Civil Procedure Code).

The Court could rule that the act of infringement be stopped, recognize the legitimate rights to objects of intellectual property, request that the competent State authorities undertake procedures for the purpose of establishment of intellectual property rights, and request damages. Under Decree 105, the compensation amount is determined based on the "actual material damages" or profit obtained illegally by the infringing party, and "mental damages". The calculation of "actual material damages" is based on property

losses, decrease in income and profits, loss of business opportunity or reasonable expenses of mitigating and remedying losses and damages. Mental damages included damages to honour, dignity and prestige of the victim (Article 204.1(b) of the 2005 Intellectual Property Law). Where it is impossible to determine the level of compensation for material damages, the Courts shall have the right to set compensation level depending on the damage extent, but must not exceed VND 500 million (equivalent to US\$34,000) for material damages and a range of VND 5 million (\$340) to VND 50 million (US\$ 3,400) for mental damages. Pursuant to the 2004 Civil Procedure Code, the Court would decide upon the apportioning of legal costs based on the rights and faults of the parties concerned and the parties could appeal decisions of the first instance civil judgment and request a hearing at higher instance. Costs for hiring attorneys by the holders of IPRs are also paid defendant.

Provisional urgent measures

At a request of the plaintiff of IPRs at or after initiating a suit, the Courts having jurisdiction over violations and disputes in relation to intellectual property rights shall decide on the application of provisional urgent measures including seizure, attachment, or sealing of goods suspected to infringe intellectual property rights, and of materials, raw materials or implements for producing or trading such goods; the prohibition to change or displace such goods and materials; and the prohibition to transfer ownership of such goods and materials. When submitting the request of provisional urgent measures, the plaintiff is obliged to prove their right to request with relevant documents and evidence and has to deposit a sum of money equal to 20% of the value of goods subject to the application of provisional urgent measures, or at least VND 20 million (equivalent to US\$ 20,000) where it is impossible to value of goods; or seek a guarantee deed issued by a bank or another credit institution. Provisional measures could be lifted when no longer considered necessary by the imposing authority.

Criminal Procedures

Any infringement of copyright and industrial property rights dealt with administratively and subsequently repeated would be considered a crime in accordance with Articles 131 and 171 of the 1999 Criminal Code. The criminal courts of the People's Courts, at district and provincial level, had jurisdiction over crimes relating to intellectual property rights. The 1999 Criminal Code provides some provisions on copyright infringement (Article 131), production and trade in counterfeits (Articles 156-158), deceptive practices (Article 162), false advertising (Article 168), and infringement of industrial property rights (Article 171). Any person appropriating copyrights, wrongfully assuming an author's name, or illegally amending, publishing or disseminating copyrighted works was subject to a fine of VND 20 million to VND 200 million or non-custodial probation of up to two years. Infringements of organized character or carrying very serious consequences, and repeated offence is punishable by imprisonment from six months to three years. Offenders also risk fines from VND10 million to VND100 million and being banned from holding certain positions or practising certain professions during one to five years. Persons producing or trading counterfeits valued up to VND150 million risk six months to five years imprisonment, or

three to ten years for organized or professional counterfeiting, recidivism, abuse of position, abuse of names of organizations, counterfeits priced between VND150 to VND500 million, large illicit profits, and acts resulting in very serious consequences. In case of counterfeited value exceeding VND500 million, very large illicit profits and extremely serious consequences, the penalty would be increased from 7 to 15 years imprisonment. Offenders would also face a fine of VND 5 million to VND50 million, possible confiscation of property, interdiction to hold certain positions and practise certain professions during one to five years. Persons falsely advertising goods or services are subject to a fine ranging from VND10 million to VND100 million, non-custodial probation for up to three years or imprisonment of six months up to three years. They may also risk a fine of VND 5 million to VND 50 million and an interdiction to practise certain professions during one to five years. According to Article 171 of the 1999 Criminal Code, infringements of industrial property rights constituting criminal acts would be subject to a fine of VND 20 million to VND 200 million or non-custodial probation of up to two years. Violations of organized character or carrying very serious consequences, and repeated infringements, are punishable by six months to three years imprisonment. Offenders also risk a fine of VND10 million to VND100 million and an interdiction to hold certain posts and practise certain professions during one to five years.