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PUBLICATION

A SMART FIGHT AGAINST IPR INFRINGEMENTS

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The current Law on Intellectual Property of Vietnam (Vietnam IP Law) and legal documents guiding the implementation of Vietnam IP Law are considered giant improvements and more in line with the international rules and obligations.

However, in practice, some regulations on enforcement of intellectual property rights (IPRs) seem unclear in the process of the implementation of the Vietnam IP Law. This article looks at handling IPR infringement acts under administrative procedures (Article 211 of Vietnam IP Law) and handling IPR infringing goods for the purpose of exportation (Articles from 216 to 219 of Vietnam IP Law).

We need your evidence of damage for the fight

Article 211.1.a of Vietnam IP Law provides that organizations and individuals that commit the acts of infringing upon intellectual property rights, *which causes damage to authors, owners, consumers or society*, shall be administratively sanctioned.

This means that to enable IP enforcement and authorities in Vietnam to take legal actions against infringers, IP owners must provide these bodies with their evidence of damage directly caused by the infringers together with their requests for handling.

This simple provision has caused difficulty for IP owners as well as their IP agents/attorneys in the process of taking legal against infringers. This is because it is not easy for any IP owners to evaluate how much their income/profit or reputation has been damaged because of infringers' acts. In order to quickly meet this requirement, some requesters may submit inappropriate evidence of damage or even fake evidence to the IP enforcement authorities. Also, the IP enforcement authorities may reject the request for handling if they found out that evidence of damage provided by the requester is inappropriate or insufficient. Both contexts, as mentioned above, have proved that requirement of evidence of damage may be abused in practice.

Therefore, IP enforcement authorities have the right to reject requests for

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handling if (i) the requester fails to submit evidence of damage or (ii) evidence of damage has not been accepted by the IP enforcement authorities. We are of the opinion that although evidence of damage has not been rendered as a compulsory requirement of a request for handling in accordance with Article 26 of Decree No. 97/2010/ND-CP of September 21, 2010 on handling of administrative violations in the field of industrial property (Decree No. 97) and Article 23 of Decree No. 105/2006/ND-CP of 22 September 2006 amended and supplemented under Decree No. 119/2010/ND-CP of 30 December 2010 detailing and guiding some articles of Vietnam IP Law on protection of intellectual property rights and State management on intellectual property (Decree No. 105), based on Article 211.1.a of Vietnam IP Law, the IP enforcement authorities are still entitled to reject the request for handling that does not include evidence of damage with the request. This is because Vietnam IP Law prevails than Decree No. 97 and Decree No. 105.

Therefore, in practice, this provision may create an ironic situation in which the IP owner may not take legal actions against obvious IP infringement acts if he/she is not able to provide evidence of damage to the IPR enforcement authorities.

Moreover, theoretically, evidence of damage seems to be the requirement for bringing an action of damages at a civil court to settle disputes between individuals. Accordingly, the evidence of damage is considered as a requirement for settlement of civil disputes but not for settlement of administrative violations. Also, public orders, public interests, and State management orders, not individual interests are the objects that should be protected by State administrative authorities. Therefore, if an IP infringement act is considered as an administrative violation that causes a bad influence or public orders and State management order protected by laws, this kind of violation must be prohibited and punished by State authorities without delay, regardless of whether this violation has caused damage for IP owners or not.

Thus, it might be inappropriate if evidence of damage for IP owners is considered as requirement for taking legal actions against the infringers under administrative procedures.

Should lawmakers consider removing the element "*which causes damage to authors, owners, consumers or society*" from provision at Article 211.1.a of Vietnam IP Law.

Control without the authority to handle

Articles 216, 217, 218 and 219 of Vietnam IP Law provide with control of

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intellectual property related importations and/or exportations. Accordingly, measures to control goods for importation and exportation are equally and similarly carried out by Customs Offices of Vietnam. According to these provisions, measures on control and supervision of goods for exportation and importation relating to IP has been comprehensively provided in Law on Customs (under Articles 57 and 58), Decree No. 154, Decree No. 105 and Decree No. 97.

The problem occurs when according to Article 11.11.c of Decree No. 97, the act of importation of goods that infringed another party’s rights over trademarks, geographical indications, tradenames and industrial designs are forbidden and strictly handled. However, the similar act of exportation shall not be forbidden and handled under Decree No. 97. For some authorities and IP experts, the act of exportation of IP infringing goods even should not be considered as an IP infringement since this act has not been stipulated in Article 124.5 (use of a trademark) and Article 129 (acts of infringing upon the rights to trademarks) of Vietnam IP Law.

Such an inconsistency under Decree No. 97 has resulted in problem that Customs Offices are not entitled to control and temporarily seize the IP infringing goods for exportation since they do not have the right to handle the said goods.

Thus, there might be a risk that the IP owners may not take legal actions against infringers with the clear infringement evidence if the Customs Office does not transfer the case to a competent IP enforcement authority to continue the investigation and handle the infringer(s) for the act(s) of manufacturing and/or transporting and/or storing of the infringing goods under laws and regulations of Vietnam within the duration of suspension of customs procedures (not exceeding 20 working days). In this case, the IP owners even shall have to incur all costs and expenses from the temporary suspension of customs procedures as compensation for the infringer if one of the competent IP enforcement authorities of Vietnam does not accept the case for further investigating and handling the infringing goods being temporarily seized at the Customs Office. Also, the IP owner still has to compensate the infringer for all costs and expenses due to the temporary suspension of customs procedures if the IP enforcement authority has not been able to obtain evidence of manufacturing and/or transporting and/or storing of the infringing goods from such infringer.

Also, in practice, within the maximum of 20 working days, it is very difficult for the IP owners to prepare, submit the petition to a competent

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court as well as persuade the court to issue at the same time both decisions on acceptance of the case and on application of provisional urgent measures to continue to temporarily seize the infringing goods at the Customs Office.

Giving the Customs Offices the right to supervise and suspend customs procedures over the infringing goods without providing them sanctions over the act of exportation of the infringing goods may cause serious risk and trouble for the IP owner when he/she decides to apply measures to control goods for exportation at the borders of Vietnam. This inconsistency in Vietnamese laws and regulations may not only cost much time and money for IP owners in taking legal actions against IPR infringement, but also cause the ironic risk for the IP owners that he/she may fail to fight against the infringer and have to compensate for all costs and expenses incurring from the temporary suspension of customs procedures. Thus, further amendment and supplementation to the Vietnam IP Law and its relevant regulations on sanctions of the act of exportation of the IP infringing goods is necessary to enhance and improve effectiveness of Vietnam IP Law as well as IPRs enforcement activities in Vietnam.

Various conditions are required to enable the effective enforcement of laws in general and IPR protection and enforcement in particular. Among them, a sufficient and consistent legal system is considered as the most important instrument. Thus, the above-mentioned obstacles should be duly solved to enhance the effectiveness of IPR enforcement activities in Vietnam in the coming time.