

TYPICAL CONTENTS OF THE NEW CIRCULAR GUIDING THE LAW ON INTELLECTUAL PROPERTY AND DECREE ON INDUSTRIAL PROPERTY

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On November 30, 2023, the Ministry of Science and Technology promulgated Circular 23/2023/TT-BKHCN guiding the Law on Intellectual Property (**IP Law**) and Decree 65/2023/ND-CP guiding the IP Law on industrial property, protection of industrial property rights, and rights to plant varieties and State management of intellectual property related to the procedures for establishing industrial property rights and ensuring industrial property information (**Circular 23**). Circular 23 contains several notable contents for enterprises in the process of implementing procedures to establish rights to industrial property subject matters as follows:

Firstly, specifying cases in which applications are invalid. An application for registration of industrial property rights is considered invalid if:

- (i) The applicant *does not have the right to register* the industrial property rights under IP Law.
- (ii) The filing method is contrary to the provisions of Article 89, IP Law. For instance, a foreign enterprise having no production or business establishments in Viet Nam directly applying for registration of industrial property rights *without using a legal representative in Viet Nam* is considered contrary to the provisions of Article 89.
- (iii) The industrial property subject matter in the application *is not* protected by the State according to the IP Law. For example, an application to register the patent for a method to conduct business will be considered invalid.
- (iv) Patent applications are contrary to regulations on patent security control before registration in a foreign country, including cases in which international applications are filed directly with the International Office.
- (v) The applicant does not pay adequate fees and charges, including insufficient payment of the application fee, application publication fee, application examination fee, and search fee for application examination, except for search fee for application examination and substantive examination fees for patent applications if the application does not require substantive examination.

(vi) The application does not meet the formal requirements (having shortcomings) such as failure to meet the *requirements on the number of copies* for the required documents; failure to meet the *presentation requirements*; the trademark application *does not specify the trademark type* to be registered or lack a *trademark description*; *failure to classify* patents, industrial designs, trademarked goods or services, or provision of incorrect classification without the corresponding classification fee paid by the applicant; absence of a *valid authorization document* in the event that the trademark application is submitted through a representative, etc.

Secondly, adjusting some deadlines in the procedures of opposing industrial property applications, in particular:

- (i) *Time limit for applicants' response*: Previously, when the Intellectual Property Office of Viet Nam (**IP Viet Nam**) received a written opinion from a party regarding an industrial property application and considered this opinion to be justified, IP Viet Nam would notify the relevant applicant of this opinion and set a maximum time limit of one month from the notification date for the applicant to respond in writing. However, under Circular 23, the time limit for the applicant's response is set at a maximum of *two months* from the date when IP Viet Nam issued their notification, which is longer than that in the previous Circular.
- (ii) *Time limit for notification related to lawsuit proceedings at court*: If the opinion of the opposing party is related to the registration right of the applicant and IP Viet Nam notifies the opposing party to file a lawsuit at a competent court in accordance with the provisions of law on civil procedure, the opposing party shall submit a copy of the Court's notice of accepting the lawsuit case within *two months* from the date when IP Viet Nam issued their notice so that IP Viet Nam can consider suspending the examination process of the trademark application and wait for the results of the Court's dispute resolution. This period is one month longer than the previously prescribed period.

The foregoing time limit extension has facilitated both applicants and opposing parties to prepare documents for state agencies in the aforementioned case. It should also be noted that this change of time limit will apply to the opposition petitions filed from January 1, 2023 in accordance with the provisions of the IP Law but not yet handled by the IP Viet Nam.

Thirdly, supplementing the regulations on translating documents attached with opposition petitions into Vietnamese. Circular 23 stipulates that an opposition petition to industrial property applications *must be written in Vietnamese*. If an enterprise submits supporting documents attached to the opposition petition in a foreign language, *these documents must be translated into Vietnamese if requested by the IP Viet Nam*. Foreign enterprises dealing with cases involving foreign elements should pay attention to this regulation

when opposing trademark applications at IP Viet Nam. In practice, in a complicated case where various issues require clarification, such as proving a famous foreign trademark in Viet Nam, the foreign enterprise will need to submit several foreign supporting documents to IP Viet Nam to validate its arguments in the objection. To make the handling of opposition petitions at IP Viet Nam more effective and prompt, the opposing enterprises can proactively translate into Vietnamese some basic documents containing information directly pertinent to the argument presented in the opposition petition in advance, and immediately submit such Vietnamese translations with their opposition petition, without passively waiting for IP Viet Nam's later request. This will enable IP Viet Nam to timely review relevant information to evaluate the grounds for opposition and facilitate the timely resolution and protection of the interests of the opposing party.

Fourthly, specifying the "bad faith" element when filing a trademark registration application. Currently, the IP Law amended and supplemented in 2022 has mentioned but still lacks a specific definition for the "bad faith" element. Circular 23 then provides several indicators in cases of cancellation of trademark protection certificates if the trademark applicant demonstrates bad faith, specifically:

- (i) During filing a trademark application, the applicant *knows or has a ground to know* that his/her trademark is identical or similar to the extent that it is hard to distinguish from other *trademarks extensively utilized in Viet Nam or famous trademarks in other countries* with identical or similar goods or services; and
- (ii) The registration is intended to take advantage of the *reputation and prestige* of the trademark to gain profit; or *primarily to resell, license, or transfer registration rights* to the trademark holder; or to *prevent the trademark holder from accessing the market to limit competition*; or other acts *contrary to other fair trade practices*.

The scope of this provision is quite wide-ranging as it also considers the case of "*famous trademarks in other countries*". According to Circular 23, the "bad faith" element will also be reviewed *during the examination process of trademark applications*. This is in line with point b, clause 1, Article 117, the IP Law amended and supplemented in 2022, which stipulates that a trademark registration application *will not be granted with a protection title* if the trademark applicant has bad faith. With this regulation, enterprises that already possess trademarks in a foreign country but have not yet registered and commenced any business activities using their trademarks in Viet Nam will have a greater advantage in reclaiming legitimate rights and benefits for their trademark, which may have been pre-registered in Viet Nam by a third party. The above trademark cancellation applies to trademark applications filed from January 1, 2023.



Comments and recommendations

Circular 23 provides detailed guidelines for the IP Law and Decree 65/2023/ND-CP to help industrial property right holders protect their legitimate rights and interests more effectively. However, several enterprises may still encounter difficulties in applying some new regulations of the Circular. For instance, proving an act *contrary to fair commercial practices* is challenging as it concerns international commercial practices. In addition, enterprises must invest significant time in researching and evaluating the applicability of this regulation. Circular 23 takes effect from the date of promulgation, which is November 30, 2023. Enterprises should pay attention to the provisions of this Circular, including the instructions for the transitional clause, to promptly comply and mitigate legal risks in establishing and protecting their intellectual property rights.