

NEW REGULATIONS ON SANCTIONING ADMINISTRATIVE VIOLATIONS IN INDUSTRIAL PROPERTY

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On May 4, 2024, Decree 46/2024/ND-CP (**Decree 46**) on amending and supplementing some articles of Decree 99/2013/ND-CP (**Decree 99**) on sanctions of administrative violations in industrial property was issued by the Government, which shall take effect on July 1, 2024. The following are some notable regulations of Decree 46:

Firstly, amending and supplementing regulations related to domain name infringement, specifically as follows:

(i) *The preventive measure of “temporary seizure of domain names” is supplemented.* Accordingly, authorities and persons authorized to handle administrative violations may request the Vietnam Internet Network Information Center (VNNIC) under the Ministry of Information and Communications, and the Domain Name Registrars to coordinate, provide professional opinions, and maintain the status quo of the domain names before implementing measures to temporarily seize the exhibits and means used for the administrative violation.

(ii) *Domain name registration is no longer considered an administrative violation.* In accordance with Decree 46, the acts sanctioned for administrative violations are only appropriating or using domain names identical or confusingly similar to others’ protected trademarks, trade names, or geographical indications not entitled to use for bad faith, or taking advantage of the prestige and reputation of the corresponding trademarks, trade names and geographical indications for illegal earnings. This amendment aims to comply with the applicable intellectual property laws. In particular, under clause 50 of Article 1 of the Law on the amendment to some articles of the Law on Intellectual Property 2022, registering domain names identical or confusingly similar to others’ protected trademarks, trade names, or geographical indications not entitled to use for the purpose of possessing, taking advantage of, or damaging the prestige and

reputation of the corresponding trademarks, trade names, and geographical indications, is not considered an act of unfair competition.

(iii) *The remedial measure of changing domain name information is removed.* Accordingly, the only remedial measure for domain name infringement stated in Decree 46 is to force the domain names to be returned to the Domain Name Management Authority within 30 days from the effective date of the decision on the administrative sanction or application of the remedial measure. After such time limit, if the violating organizations or individuals fail to comply, the Domain Name Management Authority shall enforce the domain name revocation, and the Domain Name Registrar shall notify the domain name holder of the revocation, perform domain name revocation, and send a written report to the Domain Name Management Authority after completing the revocation.

Secondly, amending the scope of administrative violation sanctions against transit goods infringing upon industrial property rights. Previously, Decree 99 applied the measure of mandatorily taking the goods out of the Vietnamese territory as an additional sanction for transit goods. However, Decree 46 currently only applies the measure of mandatorily taking the goods out of the Vietnamese territory or mandatorily re-exporting the goods bearing counterfeit marks or geographical indications, including ingredients, means, and materials substantially used for producing and trading those goods (after removing the infringing elements on the exhibits). Thus, transit goods infringing upon patents, utility solutions, layout designs, or products manufactured from procedures infringing patents and utility solutions are no longer subject to administrative sanctions as stipulated in Decree 99.

Thirdly, amending and supplementing some

regulations related to remedial measures of compulsory change of enterprise name or removal of infringing elements in enterprise name. In accordance with Decree 99, if an enterprise forced to change or remove the infringing elements in their names fails to comply within the given time limit, the authority issuing the decision on administrative violation sanction shall request the business registration authority to revoke its Certificate of Enterprise Registration. Currently, under Decree 46, violating enterprises will be subject to forced execution if they fail to carry out the procedure to change their names or remove the infringing elements in their names. Accordingly, within 10 working days from the expiry of the period for implementing the relevant decision, the competent authority handling violations will notify the business registration authority to coordinate in addressing the issue.

COMMENTS AND RECOMMENDATIONS

Decree 46 was issued to perfect the legal framework for administrative sanction in industrial property in the context that the Law on Intellectual Property has significant changes. Additionally, Decree 46 also contributes to addressing several challenges and difficulties arising during the implementation of Decree 99, particularly those related to sanction measures, method of supplementary sanctions, and remedial measures that are no longer relevant to the current practices. Besides some amendments related to the infringement of domain names or enterprise names and transit goods infringing industrial property rights, Decree 46 also revises several provisions on transferring the use rights of industrial property objects, adjusting the basis for determining fines and the authority to impose sanctions, etc. Therefore, enterprises and individuals should update Decree 46's new regulations to ensure compliance with the laws in carrying out activities related to industrial property.