



### NEWS

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#### THE NATIONAL ASSEMBLY APPROVED 7 LAWS

The 11<sup>th</sup> session of Legislature XIII of the Vietnamese National Assembly (NA) concluded on April 12, 2016. In this session, the NA approved 7 laws including:

1. Law on protection, Care and Education of Children (amended);
2. Press Law (amended);
3. Law on Access to Information (amended);
4. Pharmaceutical Law (amended);
5. Law on amendments and supplements to some articles of the Law on Value Added Tax, Law on Excise Tax, and the Law on Tax Administration;

6. Law on Export and Import Duties (amended);

7. Law on Signing, Accession and implementation of international treaties (amended);

In addition, the NA also discussed and gave opinions on results of implementation of the missions, plans and general reports of other competent authorities.

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#### VIETNAM AND JAPAN LAUNCHED PILOT PATENT PROSECUTION HIGHWAY PROGRAM

According to the National Office of Intellectual Property of Vietnam (“NOIP”), since April 1, 2016, NOIP and Japan Patent Office (“JPO”) have officially implemented the pilot Patent Prosecution Highway Program (called as PPH Program). This is the first PPH pilot agreement between NOIP and a foreign intellectual property office.

According to this bilateral PPH agreement, an applicant who applies for registration of a patent before JPO (which was previously filed with NOIP) is entitled to request JPO to proceed with accelerated examination of that application on the basis of providing search and examination results of NOIP accompanied by other relevant materials for JPO’s reference, if the application belongs to one of the following three cases: (i) application which validly claims priority under the Paris Convention based on the application(s) filed with NOIP; (ii) a Japanese national phase application based on PCT application without priority claim; or (iii) an application which validly claims priority under the Paris Convention based on PCT application(s) without priority claim.

Similarly, an applicant who files a patent application with NOIP (which was previously filed with JPO) is entitled to request NOIP to conduct accelerated examination of that application on the basis of submitting search and examination results provided by JPO and other relevant materials for NOIP’s reference, if the application falls within one of the following three cases: (i) an application which validly claims priority under the Paris Convention based on the application(s) filed with JPO; (ii) a Vietnamese national phase application of a PCT

application without priority claim filed with JPO as an international receiving office (Application number begins with PCT/JP); or (iii) an application which validly claims priority under the Paris Convention based on PCT/JP application(s) without priority claim.

Of note, the PPH Pilot Program will be implemented by JPO and NOIP for 3 years, and intended to end on March 31, 2019.

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## **VIETNAM ASSOCIATION FOR PROTECTION OF RIGHTS OF MUSIC PERFORMING ARTISTS ESTABLISHED**

 According to local press, Vietnam Association for Protection of Rights of Music Performing Artists (APPA) has recently been established pursuant to a Ministry of Home Affairs' Decision dated December 1, 2015. It is an organization representing the collective interests for protection of legitimate rights and interests of performing artists including singers, musicians and dancers.

Based on the outcomes of the General meeting on APPA's establishment held on February 25, 2016 in Hanoi, People's Artist Thanh Hoa was elected its President. APPA currently has 130 members and is located at No.66 Nguyen Van Huyen St., Cau Giay Dist., Hanoi.

The establishment of APPA is praised as a remarkable event marking a new development in the completion of the system of organized collective representation for protection of copyrights and related rights in Vietnam, contributing to the more effective protection of legitimate rights and interests of performing artists in particular as well as all creators and rights holders in general. Prior to APPA, a number of similar organizations had been established including Vietnam Center for Protection of Music Copyright (VCPMC), Recording Industry Association of Vietnam (RIAV), Vietnam Literary Copyright Center (VLCC) and Vietnam Reproduction Rights Organization (VIETTRO).

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## NEW LEGISLATION

### **Circular No.24/2015/TT-BTTTT: SOME NEW REGULATIONS ON DOMAIN NAMES**

**D** on August 08, 2015, the Ministry of Information and Communication (“MIC”) issued Circular No. 24/2015/TT-BTTTT (“Circular 24”) regulating management and use of internet resources. Circular 24 came into force on October 10, 2015, replacing Circular No. 19/2014/TT-BTTTT dated December 05, 2014, No. 10/2008/TT-BTTTT dated December 24, 2008 and No. 09/2008/TT-BTTTT dated December 24, 2008. Below are some highlights concerning domain names:

- *Concerning new generic top-level domain name (“New gTLD”) under ICANN’s New gTLD Program:* Enterprises and other organizations must seek prior written opinion from the MIC, before registering New gTLD with ICANN, and must send written notification to the MIC after registration.
- *Simplified administrative procedures for international domain name registrars:* These shall have only to report to the MIC. They shall not have to register their activities with the MIC prior to starting operation as required under previous regulations.
- *Provision on the management of “.vn” domain names subject to dispute resolution:* In case a conciliation accord reached by the parties, an effective arbitrator’s decision, or an effective verdict or judgment of a court clearly allows the plaintiff to apply for registration of domain names which has been in dispute and revoked, the plaintiff shall enjoy registration priority during 15 working days from the effective date of the successful conciliation record, the arbitrator’s decision, or the verdict or judgment of the court. At the expiry of this priority period, the domain name will be free for registration.

Regrettably, Circular 24 does not deal with domain names infringing intellectual property rights (IPRs). However, this thorny issue is expected to be regulated in a Joint Circular between MIC and Ministry of Science and Technology (authority in charge of IPRs). To date, a Joint Circular on domain name dispute resolution is now being prepared by the two above ministries.

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### **The 2015 Amended Criminal Code: LEGAL ENTITIES SHALL BE SUBJECT TO CRIMINAL LIABILITY**

**D** on November 27, 2015, the National Assembly of Vietnam adopted the Amended Criminal Code (“the 2015 Criminal Code”). The 2015 Criminal Code shall come into force as of July 01, 2016, replacing the old Criminal Code enacted in 1999 and amended in 2009. The 2015 Criminal Code brings about a number of important changes, the most notable of which is the provision providing for the first time that legal entities are subject to criminal liability.

It is worth reminding that the current 1999 Criminal Code only recognizes criminal liability in respect of natural persons, but not of legal entities and organizations although in practice, act of infringement of intellectual property right (IPR) on a commercial scale punishable under criminal code are usually committed by enterprises. Therefore, this breakthrough amendment to the 2015 Criminal Code will hopefully lead to a better and more efficient application of criminal measures against IPR infringement. Below are some key features of the 2015 Criminal Code regarding criminal liability in respect of commercial legal entities.

#### **1. Commercial legal entities subject to criminal liability:**

Commercial legal entities include enterprises and other economic organizations with commercial purpose. Commercial legal entity is subject to criminal liability when: (i) The offence is committed under instruction, management or approval of the entity, in the name of the entity, and in the interest of the entity; and (ii) The time limit for criminal prosecution has not expired. The application of criminal liability for enterprises does not preclude the liability of relevant individuals in corresponding enterprises (Art. 75).

#### **2. Legal entities are subject to criminal liability only for the following crimes:**

- (i) Smuggling (Art. 188); Illegal cross-border transportation of goods and/or currencies (Art. 189); Manufacturing and/or trading in banned goods(Art. 190); stockpiling and/or transporting banned goods (Art. 191); Manufacturing and/or trading in fake goods (Art. 192); Manufacturing and/or trading in fake goods being food, foodstuffs and/or food additives(Art. 193); Manufacturing and/or trading in fake goods being curative medicines and/or preventive medicines (Art. 194); Manufacturing and/or trading in fake

goods being animal feeds, fertilizers, veterinary drugs, plant protection drugs, plant varieties and/or animal breeds (Art. 195); Speculation (Art. 196); Tax evasion (Art. 200); Illegally printing, publishing and/or trading invoices, bills and/or receipts for payment to the state budget (Art. 203); Intentionally publishing false information on or concealing information in transactions of securities (Art. 209); Using internal information for trading of securities (Art. 201); Manipulation of exchange market (Art. 211); Fraud in the insurance business (Art. 213); Evading payment of contribution to social security, health security and/or unemployment security for employees (Art. 126); Offences against regulations on competition (Art. 217); Infringement of copyrights and related rights (Article 225); Infringement of industrial property rights (Art. 226); Offences against regulations on research, exploration and/or exploitation of natural resources (Art. 227); Offences against regulations on exploitation, protection and management of forest products (Art. 232); Offences against regulations on management and protection of wild animals (Art. 234).

- (ii) Causing environmental pollution (Art. 235); Offences against regulations on prevention, response, and relief of environmental emergencies (Art. 237); Offences against regulations on protection of irrigation works, embankments, and disaster protection works; offences against regulations on protection of river banks (Art. 238); Bringing wastes into Vietnam's territory (Art. 239); Destruction of aquatic resources (Art. 242); Forest destruction (Art. 243); Offences against regulations on management and protection of rare, precious animals and endangered species (Art. 244); Offences against regulations on management of nature reserves (Art. 245); Importing and disseminating foreign dangerous species (Art. 246).

### 3. Penalties applied to legal entities having committed crimes:

Penalties applied to legal entities are not identical to those applied to individuals, and include main penalty, additional sentences and judicial measures: **Main penalty** includes: (i) fine; (ii) suspension of operation; and/or (iii) permanent shutdown; **Additional penalty** includes: (i) prohibition from operating in certain fields; (ii) prohibition from raising capital; and/or (iii) fines, if not applied as main penalty; **Judicial measures** include: (i) confiscation of money and items directly related to the crime; (ii) return, repair of property or provision of compensation; (iii) Restoration of original state; (iv) Implementation of other measures for mitigation and prevention of consequences.

**4. Time limit for criminal prosecution:** (i) 05 years for less serious crimes; (ii) 10 years for serious crimes; (iii) 20 years for very serious crimes; (iv) 20 years for extremely serious crimes.

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### Ordinance on Market Management 2016: FIRST LEGISLATION GOVERNING THE OPERATION OF MARKET MANAGEMENT FORCE

 On March 8, 2016, the National Assembly Standing Committee adopted the Ordinance on Market Management, regulating the details of functions, duties, rights and responsibilities as well as the organizational structure of the Market Management Force (MMF) in Vietnam. This is for the first time a legislation provides a legal framework for the operation of the MMF, which is an important enforcement authority in the protection of intellectual property rights (IPRs). The Ordinance has the following important highlights:

- Concerning its functions, duties: The MMF is a single taskforce to prevent, handle and deal with smuggling; manufacture, trade of counterfeit goods, prohibited goods and unknown origin goods; violations of IPRs; violations of the law on quality, measurement, price, food safety trade fraud; violations of the law on protection of consumer rights.
- Concerning its organization: The MMF shall be organized from the central to the local level under the principle of focus and unity, similar to the organizational structure of other authorities such as finance, custom, police.
- In addition to provisions on MMF's rights and responsibilities, the Ordinance also sets out the prohibitions for market inspectors aiming at preventing the abuse of power from market inspectors affecting the business activities of enterprises. For example, MMF may not carry out inspection, control or apply professional measures without evidence, or beyond its prescribed function and authority, or in a way which is non-compliant with procedures prescribed by the law. MMF is not allowed to obstruct movement of goods, legal trade of commodity, service of organizations, individuals in the market.

Ordinance on Market management 2016 shall come into force from September 1, 2016.

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**CASES**
**The SYNCMASTER CLOUD Trademark case:  
IMPORTANCE OF RECORDAL OF OWNER'S  
ADDRESS CHANGE**

**S**amsung Electronics Co., Ltd. (“Samsung”) received the Notification No. 2012/22/NDTT07 dated 23 May, 2013 from the National Office of Intellectual Property (“NOIP”) on provisional refusal on protection of the trademark “SYNCMASTER CLOUD” (“Applied-for Mark”) under the International Registration No. 1116814 as it is considered as confusingly similar to the trademark “Synmaster” (“Cited Mark”) being protected under the certificate of trademark registration No. 27318 in Vietnam.

Upon consideration of the case, D&N International, Samsung’s IP Representative for Vietnam, found that the Cited Mark is also owned by Samsung, but recorded under its old address. Under the NOIP’s current practice, if the Applied-for Mark is identical or confusingly similar to a prior registered trademark or pending application, it will be refused even though they are registered in the name of the same owner. The reason that is often evoked unofficially by the NOIP to explain the above practice is that the NOIP has difficulty in and has no responsibility for determining whether the owner of Cited Mark and the Applied-for Mark is the same person. Therefore, it systematically refuses to register trademarks which are identical or confusingly similar to prior marks of the same owner if there is discrepancy in recorded addresses to avoid the omission.

In this case, in order to overcome the NOIP’s refusal, the applicant must request the NOIP to record the address change of the Cited Mark and file an appeal against the NOIP’s provisional refusal by proving that the Cited Mark and the Applied-for Mark belong to the same owner so no likelihood of confusion may be possible in the mind of customers with regard to the origin of goods.

Upon D&N International having proceeded with the above relevant required procedures, the NOIP issued the Decision No. 622/QD-SHTT on 25 February, 2016 to withdraw the provisional refusal No. 2012/22 NDT07 and accept to protect the Applied-for Mark in Vietnam.

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**The SKY Trademark case:  
TRADEMARK CANCELLATION ON THE  
GROUND OF NON-USE**

**R**ecently, D&N International has been successful in requesting non-use cancellation against validity of two trademark registrations, thus overcoming the NOIP’s refusal to protect an international trademark in Vietnam. The case, once again, has given trademark owners warning about the possibility of cancellation of validity of their trademark registrations due to non-use.

**Facts**

On May 28, 2009, NOIP issued a Notification on refusal to protect in Vietnam the trademark “SKY” in classes 9, 36, 38, 41 & 42 under international registration (IR) n° 960959 (“the Trademark”) in the name of British Sky Broadcasting Group PLC. According to the NOIP, the Trademark did not meet protection criteria set out in Article 74.2e of the Law on Intellectual Property as it was confusingly similar to prior registered trademarks containing element “SKY” as follows:

- National Registration No. 13344 for



“**SKY**” for “electronic apparatus including satellite and telecommunication apparatus including satellite dish” in class 09 dated September 19, 1994 in the name of SKY CHANNEL PTY LTD. (AU) (Prior Mark 1);

- National Registration No. 13345 for



“**SKY**” for “services in satellite transmission and radio” in class 38 dated September 19, 1994 in the name of SKY CHANNEL PTY LTD. (AU) (Prior Mark 2);

- National Registration No. 79086 for



“**SKY**” for “lead accumulators” in class 09 and “accessories for automobile – motorbike (brake pads, air filter, gas filter)” in class 12 granted on February 02, 2007 in the name of Công ty TNHH quan hệ quốc tế Việt Thái (VN) (Prior Mark 3).

### **Solutions to overcome the provisional refusal on trademark registration:**

Upon reviewing the case and initial research into the prior trademarks, D&N International was of the opinion that although Prior Marks 1 & 2 were registered in 1994, they might not have been in use in Vietnam since then. D&N International therefore advised client to initiate investigation into the status of use in Vietnam to collect evidences as grounds for requesting non-use cancelation of validity of the two trademark registrations. The market survey result appeared to indicate the non-use of Prior Marks 1 & 2 within five (05) consecutive years calculated backward. The NOIP then approved the said result as evidence of non-use and issued two official decisions cancelling the validity of these two cited trademark registrations.

With regard to the Prior Mark 3, after removing goods being similar/related to “lead accumulators” in class 9, the Trademark was no longer considered as confusingly similar to Prior Mark 3, since they covered different goods/services.

Upon considering arguments and evidences provided by British Sky Broadcasting Group PLC, on February 25, 2016 the NOIP issued Decision No. 565/QĐ-SHTT on accepting the appeal filed by British Sky Broadcasting Group PLC and in a meanwhile accepted protecting trademark “SKY” under IR 960959 in Vietnam.

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## **D&N INTERNATIONAL CO., LTD (D&N International)**

**D&N International** is a Vietnam's leading firm providing professional legal services in the field of Intellectual property, investment consultancy and business law.

As a representative for a large number of reputable clients from over 50 countries, each year, D&N International settles thousands of cases relating to establishment and enforcement of IP rights, as well as provides consultancy services for various investment projects, both domestic and foreign.

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