



NEWS

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THE INTERNATIONAL CLASSIFICATION OF GOODS/SERVICES UNDER NICE AGREEMENT: NEW 11th EDITION APPLICABLE

Although Vietnam is not an official member of the Nice Agreement, it has long been using the International Classification of Goods/Services under the Nice Agreement for the purpose of trademark registration. According to the Notification No. 6983/TB-SHTT dated August 24, 2017 issued by the National Office of Intellectual Property (“NOIP”), from October 1st, 2017, the NOIP’s translated Vietnamese version of the 11th edition of International Classification of Goods/Services published by WIPO shall apply. Accordingly, if an applicant, at the time of filing, fails to properly classify the designated goods/services according to the new Vietnamese edition, the NOIP shall proceed with re-classification during examination process and the applicant must pay additional fees for classification.

Applicants can consult the Vietnamese version of the 11th Edition of the International Classification of Goods/Services under the Nice Agreement in the Gazette of Industrial Property No.353B published by the NOIP on May 25, 2017 or on the NOIP’s

website at www.noip.gov.vn or the Ministry of Science & Technology’s website at www.most.gov.vn.

The Nice Agreement on International Classification of Goods/Services for the purpose of trademark registration was issued on June 15, 1957, then amended in Stockholm, Sweden on July 14, 1967, in Geneva, Switzerland on May 13, 1977 and supplemented in Geneva, Switzerland on September 28, 1979.

VIETNAM ELECTED AS CHAIRMAN OF WIPO GENERAL ASSEMBLY

During October 2nd 2017, at the first session of WIPO’s 57th General Assembly, representatives from 191 member states have elected the Vietnamese ambassador in Geneva, Mr. Duong Chi Dung, to the position of chairman of WIPO General Assembly for the term 2018-2019. As chairman, Mr. Dung has directly conducted the meeting of WIPO General Assembly.

This important event will hopefully help increase the image and reputation of Vietnam at the WIPO forum, give Vietnam an opportunity to promote the good relationship with WIPO and other international partners in the field of intellectual property to gain experience and take advantage of precious assistance from them in order to make contribution to enhancement of capacity of national intellectual property system and provide motivation for science-technology and innovation-creation activities.

NEW LEGISLATION

CRIMINAL CODE 2017: NEW DEVELOPMENTS IN THE FIGHT AGAINST INTELLECTUAL PROPERTY CRIMES

As of January 1st, 2018, the 2017 Criminal Code (“**new Criminal Code**”) will take effect, replacing the current 2009 Criminal Code which was adopted by the National Assembly in 1999 and amended in 2009 (“**old Criminal Code**”). Of note, the new Criminal Code was adopted on November 27th, 2015, but for some reasons, its effective date was delayed to allow the National Assembly to amend it on June 20th, 2017. The Criminal Code 2015, as amended in 2017, will take effect from the first day of 2018.

The new Criminal Code is considered as an important step in the development of Vietnam’s Criminal Code, especially because criminal liability with respect to legal entities is recognized for the first time and can be prosecuted. This is indeed what IPR owners in Vietnam have been waiting for a long time: While most of IPR infringing acts on commercial scale are committed by legal entities, until present it is impossible to prosecute legal entities for their IPR infringement.

With respect to crimes relating to intellectual property, the new Criminal Code has the following changes compared with the old Criminal Code:

1. Infringement of copyrights and related rights

Regarding infringement of copyrights and related rights, Article 225 of the new Criminal Code will replace Article 170a of the old Criminal Code. According to it, as before, willful act of copying and distributing copies of work on a commercial scale without permission of the IPR owner shall be subject to criminal proceedings. However, the new point of the new Criminal Code is to directly include the term “*wilful*” into Article 225 and provides for details on what may be considered as “commercial scale”, while under the old Criminal Code, such contents were not found in Article 170a, but in its implementing instruments.

In details, according to the new provisions of Article 225, depending on the scale of infringement, namely the level of illicit earning, loss suffered by the IPR owner, or value of infringing goods, the penalties are stated as follows:

a) In case of illicit earning of from VND*50 million to under VND300 million; or value of infringing goods or loss suffered by IPR owner of from VND100 million to under VND500 million, infringer is subject to (i) a fine of from VND50 million to VND300 million, or a penalty of up to 03 years' community sentence, if the infringer is an individual; or (ii) a fine of from VND300 million to

VND 1 billion if the infringer is an entity;

b) If infringement falls under one of the following cases: (i) The offence is committed by an organized group; or (ii) The offence has been committed more than once; or (iii) Illegal earning is over VND300 million; or (iv) Loss suffered by the IPR owner is over VND500 million; or (v) Infringing goods are assessed at over VND500 million, infringer is subject to (i) a fine of from VND300 million to VND1 billion, or a penalty of 06 months-03 years' imprisonment, if infringer is an individual; or (ii) a fine of from VND1 billion to VND3 billion or suspension of operation for 06 - 24 months, if infringer is an entity.

c) In addition, an individual infringer can also be liable to a fine of from VND20 million to VND200 million, prohibited from holding certain positions or doing certain works for 01 - 05 years; an entity can be liable to a fine of from VND100 million to VND300 million, be banned from operating in certain fields or raising capital for 01 - 03 years.

2. Infringement of industrial property rights

Regarding infringement of industrial property rights, Article 226 of the new Criminal Code will replace Article 171 of the old Criminal Code. According to it, as before, willful act of infringement of industrial property rights with objects being products bearing counterfeit trademark or geographical indication on commercial scale shall be liable to criminal procedure. However, the new point of the new Criminal Code is to state clearly in Article 226 that only infringement with “*objects being products bearing counterfeit trademark or geographical indication*” shall be liable to criminal proceedings, and provides for details in Article 226 on what can be considered as “*commercial scale*”, while under the old Criminal Code, such contents are not found directly in Article 170a but in its implementing instruments.

In details, according to the new provision of Article 226, depending on infringing scale, namely level of illicit earning, loss suffered by the IPR owner, or value of infringing goods, the penalties are stated as follows:

a) In case of illicit earning from VND200 million to under VND300 million; or loss suffered by the IPR owner or value of infringing goods from VND100 million to under VND500 million, infringer is subject to (i) a fine of from VND50 million to VND 500 million, or a penalty of up to 03 years' community sentence, if the infringer is an individual; or (ii) a fine of from VND500 million to VND2 billion, if the infringer is an entity;

b) If infringement falls under one of the following cases: (i) The offence is committed by an

organized group; or (ii) The offence has been committed more than once; or (iii) Illegal earning is over VND300 million; or (iv) Loss suffered by the IPR owner is over VND500 million; or (v) Infringing goods are assessed at over VND500 million, infringer shall be subject to (i) a fine of from VND500 million to VND1 billion or a penalty of 06 months- 03 years' imprisonment, if the infringer is an individual; (ii) a fine of from VND2 billion to VND5 billion or suspension of operation for 06 - 24 months.

c) In addition, an individual infringer can also be liable to a fine of from VND20 million to VND200 million, prohibited from holding certain positions or doing certain works for 01 - 05 years; a legal entity can also be liable to a fine of from VND100 million to VND 300 million, be banned from operating in certain fields or raising capital for 01 - 03 years.

3. Criminal liability for violation of regulations on grant of certificates of registration of industrial property rights abolished

Under Article 170 of the old Criminal Code, violation of regulations on grant of certificates of registration of industrial property rights is subject to criminal penalties including community sentence or 06 months- 07 years' imprisonment, as well as prohibition from holding certain positions in a certain period of time. This Article has been abolished by the new Criminal Code.

* USD 1 = about VND 23,000

CASES

TRADEMARK CASE “ENSHU”: OBTAINING CONSENT FROM THE CITED MARK TO OVERCOME THE NOIP’S REFUSAL

Recently, D&N International, representing ENSHU Limited, Japan, has successfully overcome the NOIP’s refusal of registration of the trademark “ENSHU” on the ground that it is confusingly similar to the trademark “ENSHU” (“The Cited Mark”), protected under the Registration No. 121449 in the name of ENSHU Vietnam Limited Company (“ENSHU Vietnam”).

Facts

ENSHU Limited, Japan (“ENSHU Japan”) has filed an international trademark registration designating Vietnam for **ENSHU** for goods in class 07 (“The Applied-for mark”). Nevertheless, National Office of Intellectual Property of Viet Nam (“NOIP”) issued a Notification on provisional refusal of protection

for the Applied-for mark on the ground that it is confusingly similar to the registered trademark “ENSHU” for the similar and related goods in the name of ENSHU Vietnam Limited Company (“ENSHU Vietnam”), thus did not satisfy requirements for protection as provided for in Article 74.2e of the Law on Intellectual Property.

Having reviewed the case, D&N International found that there is a “parent-subsidiary relationship” between ENSHU Japan and ENSHU Vietnam, the owner of the Cited Mark and accordingly advised and assisted ENSHU Japan in obtaining a Letter of Consent from ENSHU Vietnam which would allow coexistence of the two marks. D&N International then filed, on behalf of ENSHU Japan, a response to the NOIP’s refusal of trademark protection based on consent for coexistence from ENSHU Vietnam.

Having reviewed D&N International’s arguments, on September 12, 2017, the NOIP issued Decision No.2970/QD-SHTT accepting trademark protection for **ENSHU** for

goods in class 07 in the name of ENSHU Japan.

Our comments

When an application for registration of a trademark is refused on the ground that it is confusingly similar to a registered mark or earlier-filed pending mark ("Cited Mark"), acquiring a Letter of Consent from Cited Mark's owner is one of solutions to overcome the NOIP's refusal.

However, before adopting this solution, applicant should carefully consider possible risks of acquiring a Letter of Consent. If there is a close relationship between the applicant and the Cited Mark's owner (for example: parent company and its subsidiary company), Letter of Consent can usually be obtained without difficulty. However, in case there is no relationship between the two of them, the applicant should evaluate the possibility that the Cited Mark's owner files an opposition against the registration of the applied-for mark upon hearing about the application.

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.

With our professional and experienced lawyers, IP attorneys and associates, D&N International commit ourselves to providing our clients with high-quality services at reasonable price, helping clients enhance their business effectiveness and create competitive advantage in both their domestic and international markets.

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