



NEWS

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STATISTICS: APPLICATIONS FILED WITH AND REGISTERED BY THE NOIP IN 2015

According to the statistics of National Office of Intellectual Property (“NOIP”), in the 2015, a total of 50,838 applications for registration of industrial property rights was filed with the NOIP, representing an increase of 12% over the previous year (46,220 applications filed in 2014). The number of registrations of patents/utility solutions, industrial designs and trademarks granted by the NOIP in the 2015 was 25,503, representing a decrease of 9% over the previous year (27,867 registrations granted

in 2014). The table below shows details of applications filed with and registrations granted by the NOIP in 2015:

APPLICATIONS FILED:

	Patent	Utility Solution	Industrial Design	Trade-mark*	Total
2015	5,033	450	2,445	42,910	50,838
2014	4,447	373	2,311	39,089	46,220

REGISTRATIONS GRANTED:

	Patent	Utility Solution	Industrial Design	Trade-mark	Total
2015	1,501	128	1,353	22,521	25,503
2014	1,368	86	1,634	24,779	27,867

(*) Note: Trademark applications also include international applications designating Viet Nam.

EVALUATING ACHIEVEMENTS OF THE PROGRAMME 168 ON PREVENTING AND FIGHTING AGAINST IPR INFRINGEMENT

On April 28, 2016, in Hanoi, Ministry of Science and Technology (“MOST”), Ministry of Culture, Sport & Tourism (“MOCST”), Ministry of Agriculture and Rural Development (“MARD”), Ministry of Finance (“MoF”), Ministry of Industry & Trade (“MOIT”), Ministry of Public Security (“MOPS”), Ministry of Information and Communication (“MOIC”), Supreme People’s Court and Supreme People’s Procuracy jointly held a conference for evaluation of achievements of the Phase II (2012 – 2015) of the Programme of actions on preventing and fighting against intellectual property right (“IPR”) infringement, called “Programme 168”.

During the conference, representatives of Inspectorates of the MOST, Department of Economy Police under the MOPS, Department of Investigation for Anti-Smuggling under the General

Department of Customs, Department of Anti-Counterfeiting under the Market Management Department presented respectively their reports for the period from 2012 to 2015. Of particular note, Ministries and other competent bodies have handled by administrative measures over 25,000 IPR infringement cases leading to imposition of fines in a total amount of approximately VND97 billion (about USD450,000); initiated over 380 cases for criminal charges. Also according to their reports, infringing acts mainly include violations of regulations on quality, trademark and geographic indication counterfeiting, imitation of labels and brands, copyright infringement, illicit copying and printing and infringement of other industrial property rights.

Besides outstanding achievements in handling of IPR infringements, the reports also pointed out obstacles and difficulties in IPR enforcement process at the local level, and expressed an emerging need of reviewing and improving the legal framework for IPR enforcement to carry out Programme 168, Phase III.

NOIP GIVES A GRACE PERIOD TO APPLICANTS AFFECTED BY EARTHQUAKES IN JAPAN

According to the notice issued by National Office of Intellectual Property (NOIP) on May 18, 2016 regarding “the application of legal regulations with respect to applicants suffered from seismic disaster in Japan”, any person having filed for registration of any industrial property right in Vietnam and suffered from the earthquakes occurred on April 14 and 16, 2016 in Kyushu, Japan may benefit from a grace period in application of regulations under Articles 3 and 161 of the Civil Code, specifically:

1. The entire period of time, during which the applicant is obstructed by the force majeure from prosecution of his/her applications for registration of industrial property right, shall not be counted by the NOIP;
2. To enjoy the above benefit, the applicant is required to:
 - a) Specify the period of time during which he/she is obstructed by the force majeure;
 - b) Submit document by any competent authority certifying the earthquake suffering.

JOINT CIRCULAR ON DEALING WITH IPR INFRINGING DOMAIN NAMES ADOPTED

According to local press, on June 8, 2016, in Hanoi, Ministry of Information and Communication (“MIC”) and Ministry of Science and Technology (“MoST”) have jointly held a signing ceremony of the long-expected joint circular providing details for the procedure of change and revocation of domain names violating regulations on intellectual property. To date, this is a circular business community has awaited for several years with the hope that it will be served as an effective tool for domain name dispute resolution to deal with the current situation of rampant cybersquatting.

Joint Circular No.14/2016/TTLT-BTTTT-BKHCN dated June 8, 2016, which has been posted on the official websites of the MIC and MoST, will become effective as of June 25, 2016. A feature on the new Circular will be published by D&N International in the next issue of its Legal Bulletin.

NEW LEGISLATION

Joint Circular No. 05/2016/TTLT-BKHCH-BKHĐT: A STEP FORWARD IN DEALING WITH CORPORATE NAMES THAT INFRINGE INDUSTRIAL PROPERTY RIGHTS

DOn April 5, 2016, Ministry of Science and Technology and Ministry of Planning and Investment issued Joint Circular No. 05/2016/TTLT-BKHCH-BKHĐT (“Circular 05/2016”) providing details and guidance on dealing with cases where corporate names infringe industrial property rights (“IPR”). This Circular takes effect from May 20, 2016.

The promulgation of Circular 05/2016 is considered as an important step forward in dealing with corporate names which are identical to or confusingly similar with protected trademarks. In fact, up to now, dealing with this problem is difficult because of the lack of suitable legal framework.

The following are some notable points of Circular 05/2016:

Determining corporate names that infringe IPR

According to Article 4, Circular 05/2016, legal basis for determining IPR infringing corporate names shall be the Laws on Intellectual Property, under which conclusions or decisions on IPR infringement are rendered by IPR enforcement competent authorities or persons. In other words, when an IPR holder detects his rights are infringed upon by a company name which is identical to or confusingly similar with her/his protected trademarks, that IPR holder can request the competent authority to handle this infringement according to IPR enforcement procedures to determine whether there is an IPR infringement or not.

Applicable measures

Upon issuance by a competent authority of an written document concluding that a company name infringes IPR, the following measures may be applied on the infringing company: (i) Forcible

change of the company's name or forcible removal of infringing elements from the company's name; (ii) Revocation of enterprise registration certificate.

Whereby, forcible change of the company's name or forcible removal of infringing elements from the company's name shall only apply where: (i) the infringing company fails to stop act of using infringing name on products, means of business, means of services, signboards or transaction documents, or (ii) fails to carry out procedures for changing such infringing name according to the notice given by the Business Registration Office or to the agreement made by related parties.

The revocation of the enterprise registration certificate shall apply where the infringing company fails to comply with remedial measures including change of the company's name or removal of infringing elements from the company's name as prescribed in the decision on administrative sanctions issued by competent authority and fails to send required report to the Business Registration Office within 06 months as of the expiration of the deadline for sending such report or at written request.

Period of negotiation in view of amicable resolution

In order to facilitate an amicable resolution, Circular 05/2016 provides for a period of 30 days from the date of issuance of the written conclusion about IPR infringement during which the parties may negotiate in order to reach a settlement agreement. In case an agreement is reached within the prescribed time-limit proposing a solution in compliance with the prevailing law and regulations without affecting rights and interests of third parties, the competent authority will issue a notice recognizing such agreement and close the case.

In case no agreement is reached within the prescribed time-limit, the holder of IPR is entitled to

send written notice to the Business Registration Office to request the application of appropriate measures as mentioned above.

**Decree 31/2016/ND-CP:
SANCTIONS AGAINST ADMINISTRATIVE
VIOLATIONS IN THE FIELD OF PLANT
VARIETIES, PLANT PROTECTION AND
QUARANTINE**

DOn May 6, 2016, the Government promulgated Decree 31/2016/ND-CP on sanctions against administrative violations in the fields of plant varieties, plant protection and quarantine to replace Decree 114/2013/ND-CP issued on October 3, 2013. The new Decree 31/2016 comes into effect as of June 25, 2016. Below are some of its remarkable features:

Penalties

As previously under the old Decree, any individual/entity committing any administrative violation in the field of plant varieties, plant protection and quarantine in Vietnam may be subject to main penalties including warning and fines.

Individual/Entity committing administrative violations may, subject to the nature and level of their violations, also be subject to the following additional penalties: Suspension of practicing certificates or permits; Suspension of operation registration certificates; Confiscation of the exhibits of administrative violations against regulations on plant varieties, plant protection and quarantine.

Remedial measures

In addition to the remedial measures prescribed in the Law on Handling administrative violations, this Decree provides for more detailed remedial measures in comparison with the old Decree 114/2013/ND-CP, including: - Forcible change of destination of use of plant varieties; - Forcible fixing of varietal batch code on plant variety source; - Forcible establishment of records of delivery of propagating materials; - Forcible transfer of plant variety use rights; - Forcible payment of remunerations to plant breeders in accordance with relevant regulations; - Forcible performance of obligations to assist owners of plant variety patents in controlling propagating materials of registered plant varieties; - Forcible recycle plant protection drugs which may still be recycled; - Forcible implementation of preventive measures against plant pests upon the decision on announcement of plant pests; - Forcible treatment

of wooden packages as regulated; - Forcible treatment of plant quarantine subjects which are infected with quarantine plant pests; - Forcible annulation of plant variety testing results; - Forcible change of labels as regulated.

Administrative violations and fines

The maximum fine to be imposed for administrative violation in the field of plant varieties, plant protection and quarantine committed remains the same compared with the old Decree, namely VND50,000,000 (about USD23,000) for act committed by an individual; and VND100,000,000 (about USD26,000) for that committed by an organization. The new Decree provides more details on acts of violation, level of fines and remedial measures for each type of the violation.

Competent authorities for handling administrative violations

The old Decree only provides details on competence of People's committees at various levels, inspectors in the field of plant varieties, inspectors in the field of plant protection and quarantine, but no detail on the competence of People's Public Security Forces, Customs Authorities, Market Surveillance Units and inspectors in other fields. In the new Decree, the Government supplements detailed and specific regulations on competence of People's Public Security Forces, Customs Authorities, Market Surveillance Units, Border Guard Forces and Coast Guard Units.

CASES

“DULICHVIET & DEVICE” TRADEMARK CASE: PROTECTION OF TRADEMARKS CONTAINING DESCRIPTIVE ELEMENT

Recently, D&N International, representing Cong ty co phan truyen thong Du lich Viet (“the applicant”) has successfully appealed against the NOIP’s refusal to

register the trademark  (“the Trademark”) containing the word element which is considered as descriptive with respect to the applied services. Of note, the ground for refusal in this case is that the descriptive element is confusingly similar to another trademark “Vietravel” (“the Cited mark”) which has been already registered.

Facts:

The Applicant filed an application for the Trademark for services related to tours in class 39 in Vietnam. However, the NOIP refused to grant protection for the word element “dulichViet” as it did not meet protection criteria stipulated in Article 74.2e of the Law on Intellectual Property because it is confusingly similar to the Cited mark “Vietravel”, registered for similar services in class 39 in the name of Cong ty Du lich va Tiep thi Giao thong van tai.

Having reviewed the case, D&N International was of the following opinion:

- i) The Trademark is a combination of device and word parts. Although the device is distinctive, the other part, including two words “dulich” standing for “du lich” meaning “travel” in Vietnamese and “Viet” being abbreviated for Vietnam, is descriptive for the applied services; and
- ii) the Cited mark, also containing those two words “Viet” and “travel” with one letter “t” removed in between, and these two words have not been exclusively protected separately for same reason as they were descriptive for registered services. This means that both the Trademark and the Cited mark contained descriptive word elements “travel” and “Viet”, and those words did not belong to and would not be used exclusively by any individual/organization.

Hence, the Trademark as a whole is not similar with the Cited mark in terms of visual and structure; D&N International, on that basis,

advised the Applicant to file an appeal against the NOIP’s refusal. Besides the above mentioned arguments, the following arguments

were also added to put more weight in the appeal:

- The Trademark had been used continuously and widely in Vietnam along with its reputation and distinctive capacity among customers (submitted with supporting documents).
- The owner of the Cited Mark did not take any action against the registration and the use of the Trademark although the Trademark had been filed and being used widely for many years.
- It is the fact that a number of trademarks containing elements “travel” and/or “viet/ Vietnam” and being applied for similar/ related services have been granted to different entities and have co-existed without causing any confusion as to the origin of services.

After reviewing the arguments and supporting documents provided by the Applicant, on March 10, 2016, the NOIP issued Decision No. 926/QD-SHTT approving the appeal filed by Cong ty Du lich Viet as well as accepting to protect the Trademark in its whole form for services in class 39.

Comments:

As a matter of facts, the NOIP has in the past granted protection for a certain number of trademarks which may be considered as descriptive with respect to registered goods/services. Those marks are currently often cited by the NOIP as grounds for refusal of newly filed trademarks containing similar descriptive elements. Therefore, trademark applicants should pay special attention in case of marks containing descriptive elements, especially at the designing stage. To reduce the risks of being refused by the NOIP and raise the possibility of successful appeal against refusal on relative grounds (the cited marks in these cases are those as mentioned above, i.e. they are descriptive to registered goods/services), the descriptive parts included in these marks should not be presented as the main elements, and should go along with a request to be protected as a whole in its application or appeal.

Trademark partial cancellation case concerning the element “ELLEKID”: CANCELANATION OF CONFUSINGLY SIMILAR ELEMENTS IN A TRADEMARK

Recently, D&N International has been succeeded in requesting National Office of Intellectual Property (“NOIP”) to partially cancel validity of the trademark registration certificate No. 117974 for “AM ANH MINH ELLEKID, device” in the name of Anh Minh Co., Ltd, on the ground that one of its elements is confusingly similar to the Trademark “ELLE” registered in the name of Hachette Filipacchi Presse (“HFP”) and widely used in more than 90 countries in the world, including Vietnam.

Facts:

“ELLE” was first registered as trademark in the name of HFP in France in 1952. Since then, the Trademark has been widely used and its protection has been extended globally to a large number of countries for various goods/services, especially for the ones in connection with fashion and lifestyle. Since 2001, the Trademark is protected in Vietnam under the International Registration No. 292472 for a number of classes of goods/services, including class 25 for “Clothing, boots, shoes, slippers and all products included in this class (except hosiery, gloves, corsets)”.

Having discovered that ANH MINH CO., LTD had been granted a trademark registration certificate for “AM ANH MINH ELLEKID, device” on January 15, 2009 for goods in class 25: “Clothing; shoes; hats; socks” containing elements confusingly similar to the Trademark “ELLE”, HFP, represented by D&N International, filed a request to the NOIP to partially cancel validity of such certificate, namely to cancel the word element “ELLEKID” being confusingly similar to the Trademark “ELLE”.

To support the above mentioned request, HFP provided evidences proving that the Trademark “ELLE” had been registered and widely used in

many countries, and presented arguments demonstrating that there was a likelihood of confusion of the element “ELLEKID” with the Trademark “ELLE”, as the customers might be deceived that “AM ANH MINH ELLEKID, device” is an associated mark of the Trademark “ELLE”, or that Anh Minh Co., Ltd is a HFP’s distributor or vendor. In other words, by the act of filing a trademark with an element confusingly similar to the Trademark “ELLE”, Anh Minh Co., Ltd has taken advantages of reputation and goodwill acquired through wide use by the Trademark “ELLE”.

Upon reviewing the evidences and arguments provided by D&N International, on March 7, 2016, the NOIP issued a decision to partially cancel the validity of the trademark registration No. 117974, specifically cancelling the element “ELLEKID” of the mark, whereas, the remaining parts of the mark remain protected.

Comment:

- To date, “well-known trademark” and “widely used trademark” remain ambiguous notions under the current Law on Intellectual Property. Their application also proves to be difficult in practice. The NOIP and competent authorities generally find it difficult to determine and usually hesitate to recognize any well-known trademark. In addition, the notion of goodwill based on wide use is not formally defined by the Vietnam laws and regulations. In practice, however, it is appeared that the NOIP has tendency to grant a stronger protection to trademarks which have shown evidences of wide use. In this specific case, the fact that “ELLE” is a widely used trademark has contributed to the determination by the NOIP of the likelihood of confusion of “AM ANH MINH ELLEKID, device” with respect to “ELLE”.
- Another significant point is that only the confusingly similar element “ELLEKID” has been cancelled; while the remaining part is still valid. Thus, Anh Minh Co., Ltd is entitled to use the remaining part after removing the cancelled element.

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.

Website: www.dnlaw.com.vn

Head Office:

Suite 2303, No. 101 Lang Ha,
Dong Da Dist., Hanoi, Vietnam
PO Box: 51 Bo Ho, Ha Noi
Tel: + (84 4) 943 5616
Fax: + (84 4) 943 5619 / 8
Email: info@dnlaw.com.vn

Representative Office in France:

18, rue des Cailles
91260 Juvisy-sur-Orge, France
Tel : + (33 1) 69 21 88 66
Fax : + (33 1) 69 21 54 59
Email : dnlaw@9online.fr

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