

IPR Toolkit for the Socialist Republic of Vietnam

Statement from Ambassador Michael W. Marine

I am pleased to present the U.S. Embassy Hanoi's Intellectual Property Rights (IPR) Toolkit for Vietnam, an interagency document that details the nature of IPR protection in Vietnam and assists U.S. businesses to protect their rights. This toolkit contains practical information on how the Government of the Socialist Republic of Vietnam registers and enforces IPR and where rights holders can turn for additional assistance.

Vietnam is an important and promising candidate for WTO membership and offers good opportunities for U.S. firms. In the area of IPR enforcement, however, U.S. firms face challenges in Vietnam. Although the country is moving towards a better, more effective regime, problems persist. Until recently, the rate of software piracy stood at nearly 100 percent. Because of copyright infringement, music, movie and book producers continue to lose substantial economic revenues.

The Vietnamese Government recognizes the need to dramatically strengthen its IPR legal framework and enforcement measures. Vietnam's impending WTO accession and current efforts to maintain its economic edge have also created strong incentives for maximizing the effectiveness of its IPR regime. Building on the progress made in the U.S.-Vietnam Bilateral Trade Agreement, the U.S. Mission has taken an active role in assisting Vietnam to improve its IPR regime, including sponsoring several copyright licensing workshops for Vietnamese and U.S. publishers and programs for Vietnam's legal and regulatory officials.

This document sheds light on Vietnam's current IPR legal framework. The country's recent advancements in improving its IPR protection regime are encouraging, but they represent only small steps in the continuing process of reform in the Vietnamese economy. The U.S. Mission will continue to support the extensive overall U.S. Government effort to help Vietnam realize an effective IPR regime.

On behalf of the U.S. Mission, I trust that you will find this toolkit useful in navigating Vietnam's IPR environment, and I wish for you success in achieving your business objectives.

Sincerely,

Michael W. Marine

II. What is IPR?

Countries with innovative local industries almost invariably have laws to foster innovation by regulating the use and copying of inventions, identifying symbols and creative expressions. These laws encompass four separate and distinct types of intangible property – namely, patents, trademarks, copyrights, and trade secrets, which collectively are referred to as “intellectual property.”

III. Current IPR Framework

Pursuant to its WTO requirements in respect to Trade Related Aspects of International Property (TRIPS), Vietnam joined a number of international IPR conventions. It is a party to the Paris Convention, the Berne Convention, the Rome Convention and the Patent Cooperation Treaty (PCT) – but not to the Treaty on Intellectual Property in Respect of Integrated Circuits (IPIC Treaty). Additionally, it is a member of the Madrid Agreement on trademarks.

Similarly, Vietnam passed domestic legislation to build and reinforce its national IPR protection regime as well as honor its U.S.-Vietnam Bilateral Trade Agreement (BTA) commitments. Most recently, Law No. 50 on Intellectual Property, enacted in November 2005, entered into force on July 1, 2006. The law represents the government’s most comprehensive effort to date to strengthen its IPR regime. These efforts represent a significant step forward; however, deficiencies remain in existing legislation regarding copyright, data protection and patents. Additionally, piracy and IPR infringement are still widespread in Vietnam and enforcement remains ineffective. Such issues remain of concern to the United States, leading the Office of the U.S. Trade Representative to place Vietnam on its Special 301 Report “Watch List” of nations whose IPR practices remain inadequate.

A. Copyright

Part Six of Vietnam’s 1995 Civil Code included the first provisions on copyrights. Since then, Vietnam has continued to devise legislation that would bring it in line with international standards under TRIPS and the Berne Convention. In 1996, Decree 76/CP provided explicit guidance on the implementation of copyright protection. Criminal penalties for copyright infringement were established under Section 131 of the 1999 Criminal Code. Circular 27/2001/TT-BVHTT of May 10, 2001 provided additional guidance to the Ministry of Culture and Information on implementation of copyright protection. The newly enacted Civil Code of 2005 reaffirms Vietnam’s commitment to copyright protection. However, specific details, such as content, scope, time limits of protection and transferability of IP rights, are addressed in the Law on Intellectual Property.

Software piracy tops the list of U.S. concerns. According to the Business Software Alliance (BSA), Vietnam’s software piracy rate stands at 90%. Vietnam is tied with Zimbabwe as the country with the world’s highest rate of software piracy. Book piracy also remains rampant. The International Intellectual Property Alliance (IIPA)

estimates that the book publishing industry lost \$16 million in trade due to piracy. Piracy in pharmaceutical products, entertainment software, and cable and satellite signals also continues to be a pressing issue.

B. Trademarks

As with copyrights, protection of trademarks was first provided in the Civil Code of 1995. Subsequently, Vietnam joined the Madrid System for International Registration of Marks. Since then numerous decrees and circulars have guided the implementation of trademark registration and protection. The laws and regulations apply to service marks and collective marks, and more recently, trade names. The most recent Law on Intellectual Property specifies with greater detail the criteria for determining well-known marks as well as criteria for legal protections. The National Office of Intellectual Property (NOIP) reports that it received some 18,000 trademark applications in 2005, reflecting a 17% rise compared to the previous year.

The IP Law also establishes the protection of geographical indications for the first time. This section is brand new, and administrative regulations on implementation and enforcement have yet to be promulgated.

C. Trade Secrets

Similar to the protection of geographical indicators, trade secrets are accorded protection for the first time in the IP Law. They are officially referred to in Chapter VII, Section 7 as “business secrets.”

D. Patents

As with the previously mentioned forms of intellectual property, the law concerning patents originates in the 1995 Civil Code. Decree 63 guided the implementation of the Civil Code. Circular 34 of the Ministry of Science and Technology (MOST) provided for the establishment of patent rights. According to NOIP, it received 2,195 patent applications in 2005. This number reflects a 27% rise compared to 2004. Of this number, 90% of applications were filed by foreigners.

Patents for inventions are valid for 20 years. Patents for utility solutions are valid for 10 years, and patents for industrial designs are valid for 5 years. Patents for inventions and utility solutions are non-renewable. However, patents for industrial designs are renewable for up to two successive five-year periods. Additionally, the new IP Law provides for protection of layout-designs of semiconductor integrated circuits until one of the following is achieved: (1) the end of 10 years as from the filing date; (2) the end of 10 years as from the date the layout-designs were first commercially exploited anywhere in the world by the person having the right to registration or his or licensee; or (3) the end of 15 years as from the date of creation of the layout-designs.

E. Enforcement

According to the new IP Law, fines for software copyright infringement are VND20-25 million (\$1,250-\$1,562). Under the law, enforcement is undertaken by relevant state agencies, courts, inspectorates, police agencies, market management agencies, custom offices and People's Committees. The Ministries of Science and Technology and Culture and Information have taken the lead on IPR enforcement. In July and August, 2006, inspectors from the Ministry of Culture and Information caught four companies in Ho Chi Minh City engaging in software copyright infringement. In 2005, 100 of 3,000 IP cases were brought to court. Of these cases, ten were settled out of court. The government expects the number of cases to increase as inspections and administrative fines increase.

Although the Vietnamese Government has partially laid the legal foundation for effective enforcement and judicial oversight of intellectual property rights, the IP-related laws remain deficient in certain crucial aspects. The IIPA cites four main TRIPS- and BTA-incompatible deficiencies: (1) Vietnam's IP Code prohibits copyright protection for works considered "illegal;" (2) The IP Code fails to criminalize all "copyright piracy on a commercial scale;" (3) There is no TRIPS/BTA-compatible seizure, forfeiture, destruction authority; and (4) Vietnam has not adopted several critical BTA requirements in its domestic law, including an importation right and providing for an extended term of protection for movies and sound recordings.

Vietnam's enforcement shortcomings are due to lack of human capital and management resources – the relevant agencies simply do not have the technical knowledge and manpower to identify all instances of infringement. Similarly, according to the EC-ASEAN Intellectual Property Rights Cooperation Program, "the limited qualification and capacity of judges in dealing with IPR matters reduce the incentives of IPR enforcement under the civil procedures." To remedy this deficit in expertise, the government has cooperated with international bodies as well as foreign agencies in training programs and seminars.

IV. Patents

A. Registration

1. Vietnam's patent registration system functions on a first-to-file basis. Priority is based on either the date on which the National Office of Intellectual Property (NOIP) receives the application or the date on which it was postmarked. Additionally, priority is given to applicants previously registered in another country pursuant to treaty obligations. Examination of applications is completed within three months of receipt. For an additional fee, examination can be expedited.

B. What can be registered

1. Inventions, industrial designs, layout-designs (integrated circuits) and utility solutions.

C. What cannot be registered

1. Computer software
2. Prevention, diagnostic and/or therapeutic methods for treatment of humans and animals.
3. Discoveries, scientific theories and/or mathematical methods.
4. Schemes, plans, rules or methods for performing mental acts, training domestic animals, playing games, doing business.
5. Presentations of information.
6. Solutions of aesthetic characteristics only.
7. Plant or animal varieties.
8. Processes of essentially biological nature for the production of plants and animals other than microbiological processes.

D. Where to register

1. Ministry of Science and Technology
National Office of Intellectual Property (NOIP)
386 Nguyen Trai Street
Thanh Xuan
Ha Noi

Phone: (84-4) 858-3069/858-3425/858-3973

Fax: (84-4) 858-4002/858-8449

E. Infringement and enforcement

1. The patent owner holds exclusive rights to the patent during its lifetime. Use of the patented entity without prior consent by the patent owner is considered infringement. Under the IP Law, patent owners can enforce their rights in four ways:
 - a) Taking technological measures to prevent infringement of intellectual property rights;
 - b) Requesting organizations or individuals that have committed acts of infringement of intellectual property rights to terminate the infringing acts, apologize, publicly rectify and compensate damages;
 - c) Requesting the competent state agencies to handle acts of infringement of intellectual property rights in accordance with provisions of the IP Law and other related laws and regulations; and/or
 - d) Initiating a lawsuit at a competent court or an arbitrator to protect their legitimate rights and interests.

The IP Law provides various civil, administrative and criminal remedies for IP infringement.

V. Business Secrets

A. Registration

1. The IP Law provides for the protection of business secrets from unlawful use. However, at present, there is no registration process.

B. Infringement

1. Infringement of business secrets entails knowingly disclosing or using the business secret for commercial purposes without permission from the owner of the secret and/or breaching a contract with said owner over the agreed concealment of said secret.

VI. Trademarks

A. Registration

1. Vietnam is a party to the Madrid Agreement on the International Registration of Marks. As with patents, trademarks are awarded on a first-to-file basis and relevant priority provisions. The NOIP has three months to review and verify the application for completeness. Once it is deemed complete, NOIP takes around nine months for a substantive evaluation. If approved, trademark registrations have a ten-year lifespan. Information on associated fees and paperwork can be accessed from the NOIP. In addition to trademarks, service marks and collective marks, the IP Law also provides protection for trade names for the first time.

B. What can be registered

1. A visible sign in the form of letters, words, pictures, figures, including three-dimensional figures or a combination thereof, represented in one or more colors and distinguishing goods or services of the mark owner from those of others.

C. What cannot be registered

1. Signs identical with or confusingly similar to the national flags and emblems.
2. Signs identical with or confusingly similar to emblems, flags, armorial bearings, abbreviations, full names of State agencies, political organizations, socio-political organizations, socio-political professional organizations, social organizations or socio-professional organizations of Vietnam or international organizations, unless permitted by such agencies or organizations.
3. Signs identical with or confusingly similar to real names, alias, pen names or images of leaders, national heroes or famous persons of Vietnam or foreign countries.

4. Signs identical with or confusingly similar to certification seals, control seals, warranty seals of international organizations which require that their signs must not be used, except where such seals are registered as certification marks by those organizations.
5. Signs liable to mislead, confuse or deceive consumers as to the origin, functional parameters, intended purposes, quality, value or other characteristics of the goods or services.

D. Where to Register

1. Ministry of Science and Technology
National Office of Intellectual Property
386 Nguyen Trai Street
Thanh Xuan
Ha Noi

Phone: (84-4) 858-3069/858-3425/858-3973

Fax: (84-4) 858-4002/858-8449

E. Infringement and enforcement

1. Informal and private mediation of trademark disputes is usually considered to be more effective than formal judicial and administrative methods. However, the law does provide for various civil, criminal and administrative punishments. The administrative agencies have broad powers in sanctioning trademark infringement, which includes the power to seize and destroy counterfeit materials as well as issue cease-and-desist orders, revoke licenses and impose fines.

VII. Copyright

A. Registration

1. In contrast to trademarks and patents, copyrights are manifested once the copyrightable work is created and copyrights that are granted within treaty countries are immediately applicable to all other treaty countries. However, persons may still voluntarily apply for a copyright certificate in Vietnam. Detailed application instructions and application materials may be found at the Copyright Office within the Ministry of Culture and Information.

B. What is protected under copyright law

1. Literary and scientific works, textbooks, teaching materials and other works expressed in forms of letters or other writing characters.
2. Lectures, presentations and other speeches.
3. Journalistic works.
4. Musical works.
5. Dramatic works.

6. Cinematographic works and works created by similar methods.
7. Fine art works and applied art works.
8. Photographic works.
9. Architectural works.
10. Graphics, sketches, maps, drawings relevant to topography and scientific works.
11. Folk artistic and literary works.
12. Computer programs and compilations of data.

C. Where to apply for copyright certificate

1. Ministry of Culture and Information
Copyright Office
151 Hoang Hoa Tham
Hanoi, Vietnam
Phone: 844 8236908
Fax: 844 8432630
2. Representative Office in Ho Chi Minh City
7 Nguyen Thi Minh Khai, Q. 1
Ho Chi Minh City, Vietnam
Phone: 848 8234132
Fax: 848 8234940

D. Infringement and enforcement

1. Copyright infringement entails using, reproducing, reprinting, importing, exporting, selling, publishing, disseminating, or otherwise exploiting a copyrighted work without prior permission from the author or the copyright owner and/or without appropriate remuneration through royalties or other financial duties to either the author or legal owner of the copyright.

VIII. Current Vietnamese Intellectual Property Legislation

A. Legislation

1. Law on Intellectual Property (2006);
http://www.noip.gov.vn/noip/cms_en.nsf
2. Civil Code, Part Six (2005);
<http://www.cov.org.vn/English/viewNew.asp?newId=135>

B. International Treaties

1. ASEAN Framework Agreement on Intellectual Property Cooperation;
<http://www.aseansec.org/2193.htm>
2. Berne Convention for the Protection of Literary and Artistic Works;
<http://www.wipo.int/treaties/en/ip/berne/index.html>
3. Madrid Agreement Concerning the International Registration of Marks;
<http://www.wipo.int/treaties/en/ip/madrid/index.html>
4. Paris Convention for the Protection of Industrial Property:

- <http://www.wipo.int/treaties/en/ip/paris/index.html>
5. Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of their Phonograms;
<http://www.wipo.int/treaties/en/ip/phonograms/index.html>
 6. Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations;
<http://www.wipo.int/treaties/en/ip/rome/index.html>
 7. World Intellectual Property Organization;
<http://www.wipo.int>
 8. Agreement on Trade-Related Aspects of Intellectual Property;
http://www.wto.org/english/tratop_e/trips_e/trips_e.htm
 9. Bilateral Trade Agreement between Vietnam and the United States of America (2000);
<http://hanoi.usembassy.gov/econ12.html>
 10. Bilateral Intellectual Property Agreement between Vietnam and Switzerland (1999);
<http://www.cov.org.vn/English/viewNew.asp?newId=41>

IX. Reference Materials

A. US Government

1. U.S. State Department Bureau of International Information Programs;
<http://www.usinfo.state.gov/products/pubs/intelpro/index.htm>
2. United States Department of State;
<http://www.state.gov/>
3. United States Department of State (Intellectual Property);
http://usinfo.state.gov/ei/economic_issues/intellectual_property.html
4. United States Department of Commerce; <http://www.doc.gov/>
5. United States Trade Representative;
<http://www.ustr.gov/>
6. United States Patent and Trade Office; <http://www.uspto.gov/>
7. United States International Trade Commission;
<http://www.usitc.gov>
8. United States Strategy Targeting Organized Piracy (STOP!);
<http://www.stopfakes.gov/>
9. Department of Justice, Computer Crime and IP Section;
<http://www.cybercrime.gov/>
10. DHS/Customs and Border Protection; <http://www.cbp.gov/>
11. Copyright Office, Library of Congress;
<http://www.copyright.gov/>

B. US Industry Organizations

1. American Bar Association;
<http://www.abanet.org/>
2. Association of American Publishers;
<http://www.publishers.org/>
3. Biotechnology Industry Organization;

- <http://www.bio.org/>
4. Business Software Alliance (BSA);
<http://www.bsa.org/>
 5. International Federation of the Phonographic Industry (IFPI);
<http://www.ifpi.org/>
 6. International Research-Based Pharmaceutical Manufacturers Association (IRPMA); <http://www.irpma.org.tw/english>
 7. Motion Picture Association;
<http://www.mpa.org/>
 8. Music Publishers Association;
<http://www.mpa.org/>
 9. Pharmaceutical Research and Manufacturers of America (PhRMA);
<http://www.phrma.org/>
 10. IIPA - International Intellectual Property Alliance;
<http://www.iipa.com>
 11. Entertainment Software Association; <http://www.theesa.com/>
 12. International Trademark Association; <http://www.inta.org/>
 13. International Anti-Counterfeiting Coalition;
<http://www.iacc.org/>

C. International Organizations

1. World Trade Organization, TRIPS;
http://www.wto.org/english/tratop_e/trips_e/trips_e.htm
World Intellectual Property Organization (WIPO);
<http://www.wipo.org/>

D. National Organizations

1. Ministry of Culture and Information
Copyright Office;
<http://www.cov.org.vn>
2. Ministry of Science, Technology and Environment
National Office of Intellectual Property;
<http://www.noip.gov.vn>
3. Ministry of Finance
General Department of Vietnam Customs;
<http://www.customs.gov.vn/Default.aspx?tabid=765>

E. Enforcement Contacts

1. Ministry of Finance
General Department of Vietnam Customs
162 Nguyen Van Cu
Long Bien District
Hanoi, Vietnam
Phone: (844) 8720141
Fax: (844) 8725949

F. Law Firms and Consultants

1. Tilleke & Gibbins
http://www.tillekeandgibbins.com/Office/localmap_HoChiMinh.htm

2. Baker & McKenzie
<http://www.bakernet.com>
3. Ageless IP Attorneys and Consultants
<http://www.ageless.com.vn/>
4. Anphamco Co. Ltd.
<http://anphamco.com/>
5. Bizconsult Attorneys and Consultants
<http://www.bizconsult-vietnam.com/public/index.htm>
6. D & N Intellectual Property Law Firm
<http://www.dnlaw.com.vn/Home/main.php>
7. Rouse & Co. International
<http://www.iprights.com/>
8. Gia Pham Law Firm
<http://www.law.com.vn/>
9. Gintasset Intellectual Property Law Firm
<http://www.gintasset.com.vn/>
10. InvestPro and Associates
<http://www.investpro.com.vn/>
11. Investconsults Group
www.investconsultgroup.net

For further information on IP law firms and consultancies in Vietnam, please see IP Menu:

<http://www.ipmenu.com/ipfirms/vietnam.htm>

X. Legal Disclaimer

- A. Inclusion of material in this IPR Toolkit does not constitute legal advice and is not a substitute for advice of legal counsel and is subject to change according to the laws of the Government of the Socialist Republic of Vietnam. The United States Government will strive to update and improve this IPR Toolkit as information becomes available and as United States Government resources allow. Additionally, the U.S. Government, the U.S. Department of State, their employees and contractors assume no legal liability for the accuracy or completeness or usefulness of any information, resource, or process contained disclosed herein.