

## Vietnam: New amendment of Intellectual Property Law

### In brief

With 476 out of 477 delegates voting 'Yes,' the National Assembly of Vietnam officially approved the Intellectual Property (Amendment) Bill to revise and supplement the 2005 Law on Intellectual Property (**Amended IP Law**). The Bill was introduced for debates and public consultation in 2021, after 16 years of implementation of the existing 2005 Law on Intellectual Property, which was amended twice in 2009 and 2019, and following the recent signing of the world's largest trading bloc Regional Comprehensive Economic Partnership (RCEP), the European Vietnam Free Trade Agreement (EVFTA) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

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### Key takeaways

The Amended IP Law will come into effect on 1 January 2023, with exceptions saved for sound mark protection (14 January 2022) and protection of test data for agrochemicals (14 January 2024).

The Amended IP Law introduces comprehensive revisions and/or supplementation of 102 articles (among which, 14 articles are only revised as to the technicality), and repeals a number of provisions in six articles. The Amended IP Law also amends a number of relevant articles of the Law on Prices, the Law on Customs, the Law on Science and Technology, and the Law on Management and Use of Public Property. The amendment covers the following key areas:

- General regulations
- Copyright and related rights
- Industrial property (patent, industrial design, trademark, geographical indication, trade secret)
- Plant variety
- Enforcement of IP rights

We address in more detail each of the above points in the following section.

### In more detail

#### 1. General regulations

The Amended IP Law stipulates new legal definitions of the following terms, which are either absent or differently defined in the current IP Law:

- Copyright and related rights: Introduce new definitions for 'author,' 'joint authors,' 'technology measures for rights protection,' 'effective technology measures,' 'rights management information,' and 'communicating to the public'; revise the definitions of



'derivative work,' 'published work, audio and visual fixation,' 'reproduction,' and 'broadcasting'; supplement a definition for the word 'royalties' (Tiền bản quyền in Vietnamese) as replacement of the inconsistent use of the terms *Thù lao* and *Nhuận bút* (literally translated as remuneration, or interchangeably translated as royalties).

- Industrial design: Broaden the definition of industrial design to allow protection for the component part of a complex product in compliance with EVFTA requirements.
- Trademark: Remove the definition of associated trademark, and revise the definition of well-known trademark.
- Geographical indication: Prescribe a better definition of geographical indication, including a new definition of homonymous geographical indication.

## 2. Copyright and related rights

The Amended IP Law comprehensively proposes the following revisions and/or supplements to the current IP Law:

- Revise Article 19 on moral rights, allowing authors to transfer the right to give titles to their works to a certain extent.
- Revise Article 20 on economic rights to specify rights to performance, reproduction, distribution, import for public distribution, broadcasting, communicating, renting and notably provisions on exhaustion of rights.
- Revise Article 21 on copyright in connection with cinematographic works and theatrical works by removing moral rights of some subjects and adding moral rights for others in specific cases.
- Revise Article 22 on copyright in connection with computer programs.
- Supplement Article 25a on exceptions to copyright infringement for people with disabilities.
- Revise Articles 25 and 26, respectively, on use of published works without seeking approval and without payment of royalties, and without seeking approval but with payment of royalties.
- Revise Articles 28 and 35, respectively, on acts of copyright infringement and related rights infringement.
- Revise Article 29 on the rights of performers.
- Revise Article 30 on the rights of producers of sound and video recordings.
- Revise Article 31 on the rights of broadcasting organizations.
- Revise Articles 32 and 33, respectively, on the use of objects of related rights without seeking approval and without payment of royalties, and without seeking approval but with payment of royalties.
- Revise Article 36 on copyright holders.
- Revise Article 41 on copyright holders being the assignees of rights.
- Revise Article 42 on copyright and related rights holders being the state.
- Revise Article 43 on works, performances, sound and video recordings, and broadcasts belonging to the public.
- Revise Article 44 on related rights holders.
- Supplement Article 44a on the principles for the determination and distribution of royalties.
- Revise Article 47 on the assignment of copyright and related rights.
- Revise Articles 49, 50, 52 and 55 to facilitate better formalities for copyright registration.
- Revise Article 56 on the collective management organization of copyright and related rights.

## 3. Industrial property

In terms of general regulations on industrial property, the Amended IP Law proposes the following:

- Revise Article 86 on the rights to registration of invention, industrial design and integrated circuit design; and supplement Articles 86a, 133a, 136a and 139.6 in relation to such revision.



- Supplement Articles 93.8 and 93.9 on the terms of validity of international registrations of trademarks designating Vietnam via the Madrid system, and international registrations of industrial designs designating Vietnam via the Hague system.
- Revise Article 95 on the cancellation of registrations, covering the following:
  - Supplement Article 95.1.(h, i, k) on new grounds for cancellation of trademark registrations, such as use of trademark causing consumer confusion, trademark genericide; and cancellation of geographical indication upon cancellation in its country of origin.
  - Revise Article 95.2 on the cancellation of registrations due to nonpayment of renewal/annuity fees.
  - Supplement Article 95.6 to define the effective dates of cancellation of registrations.
- Revise Article 96 on the invalidation of registrations.
- Revise Articles 97.1 and 97.2 on the amendment of registrations.
- Supplement Article 100.1.(dd1) on general requirements for industrial property applications.
- Revise Article 109 on the examination of industrial property applications as to formalities.
- Revise Article 110 on early disclosure and publication of industrial property applications.
- Revise Article 112 and supplement Article 112a, redefining two different procedures for third-party observations and oppositions against industrial property applications with clear provisions on fixed deadlines and relevant formalities.
- Revise Article 117 on the refusal of protection.
- Revise Article 118 on the grant of protection and entry into the register.
- Supplement Article 119a on appeal and appeal settlement for industrial property-related procedures.
- Revise Article 121.1 on the proprietors of industrial property objects.
- Revise Article 124.5.(b) on the defined acts of use of trademarks in compliance with CPTPP.
- Revise Articles 125.2 on the rights to prevent others from using industrial property objects.
- Revise Article 130.1.(d) on the acts of unfair competition by adding the condition of 'bad faith' in domain name squatting acts.
- Revise Article 135 on the obligation to pay remuneration to authors of inventions, industrial designs and layout designs.
- Revise Articles 153.1, 154, 155 and 156.2 on industrial property agency services.

## Patent

- Supplement Articles 4.12a and 108.3, respectively, on the definition and applications for registration of confidential invention.
- Revise Article 60.1 on the novelty of invention.
- Supplement Article 89a on the security control of inventions prior to being filed for registration abroad
- Revise Article 114 on the examination of patent applications as to substance, allowing the use of examination results of equivalent patent applications performed by foreign patent offices in the assessment of patentability of the same patent applications in Vietnam.
- Revise Article 128 on the protection of agrochemicals and drug testing data, and information ensuring that patent holders can exercise their rights in the registration procedures, in compliance with CPTPP.
- Supplement Article 131a on the compensation for patent holders due to delay in granting approval for circulation of drugs, in compliance with EVFTA.
- Supplement Article 145.1.(dd) and revise Articles 146.1 and 147.1 on the compulsory licensing of patents and related procedures.

## Industrial design



- Revise Article 103 on the requirements for applications for registration of industrial design, simplifying required formalities of specifications of industrial design.
- Revise Article 110.3 on the publication of industrial design applications, allowing delay of publication upon applicant's request.

## Trademark

- Revise Article 72.1 on the general conditions for signs to be eligible for trademark protection to allow protection of sound marks, in compliance with CPTPP.
- Revise Article 73.1 and supplement Articles 73.6 and 73.7 on signs ineligible for trademark protection.
- Revise Article 74.2 on the distinctiveness of trademark as grounds for refusal of trademark protection, introducing two new refusal grounds based on plant variety right and copyright.
- Revise Article 75 on the criteria for assessment of well-known trademark.
- Revise Article 105.2 on the requirements for trademark applications to include required formalities of sound mark applications.

## Geographical indication

- Revise Article 79 to allow protection for homonymous geographical indication.
- Revise Article 88 on the right to registration of geographical indication.
- Revise Article 92.2 to remove requirements of endorsing certificates of registration of geographical indication with organizations and individuals who have the rights to use of geographical indication.
- Revise Article 106 on the requirements for applications for registration of geographical indication to include homonymous geographical indication and comply with EVFTA requirements.
- Revise Articles 121.4 and 123.2, respectively, on the proprietors of geographical indication and their rights.

## Trade secret

- Revise Article 128 on the protection of agrochemicals and drug test data, ensuring the confidentiality of information for right holders upon required licensing procedures for circulation of relevant products with clear terms of protection and confidentiality obligations for competent authorities, in compliance with CPTPP.

## 4. Plant variety

The Amended IP Law broadens the plant variety objects that are eligible for protection in accordance with the road map (10 years) provided in the International Convention for the Protection of New Varieties of Plants ("UPOV Convention"). Particularly, Article 3.2 of the UPOV Convention states: "Each Contracting Party shall apply protection to all plant genera and species no later than the expiration of a period of 10 years from the said date [date of accession]." Vietnam acceded to the UPOV Convention on 24 December 2006, and as of 25 December 2016 has the right and obligation to protect all plant genera and species. The Amended IP Law introduces the following revisions:

- Revise Article 157.2 on organizations and individuals whose rights to plant varieties are eligible for protection.
- Revise Article 158 on the general conditions for plant varieties to be eligible for protection.
- Revise Article 163 on the denomination of plant varieties.
- Revise Article 164 on the rights establishment for plant varieties.
- Revise Article 165 on the plant varieties agency services.
- Revise and supplement Articles 170.6, 171.1.(a), 172.3 and 176.3.(d) on plant variety protection certificates and relevant procedures related to validity of plant variety protection certificates.
- Revise Article 180.2 on the withdrawal of applications for registration of plant varieties.
- Revise Article 183 on the grant of plant variety protection certificates.



- Revise Articles 189.2 on the provisional rights to plant varieties.
- Revise Article 191 on the obligations of plant variety protection certificate holders.
- Supplement Article 191a on the obligations of presiding organizations on plant varieties selected, bred or discovered and developed as a result of scientific and technological tasks funded by the state budget.
- Supplement Article 191b on the state's rights to plant varieties selected, bred or discovered and developed as a result of scientific and technological tasks using the state budget.
- Revise Article 194 on the assignment of rights to plant varieties.

## 5. Enforcement of IP rights

- The Amended IP Law stipulates revisions and/or supplementations to a number of provisions to strengthen the enforcement of IP rights, especially in cyberspace, in compliance with CPTPP and EVFTA:
- Revise Article 198 to include the right of the IP rights owner in authorizing other individuals and organizations to conduct protection measures (e.g., to apply technological measures).
- Supplement Article 198a on the assumption on copyright and related rights for better specifications of author, performer, producer, broadcasting organization and publishing house in support of related civil, administrative and criminal procedures.
- Supplement Article 198b on the rights and obligations of intermediary service providers in connection with the protection of copyright and related rights on the internet and telecommunication networks.
- Revise Article 201 on the expertise assessment of IP.
- Revise Article 212 on acts of infringement of industrial property rights subject to criminal penalties, to cover commercial legal entities.
- Revise Article 213 on IP counterfeit goods, by specifying trademark counterfeit goods and geographical indication counterfeit goods.
- Revise Article 214 on the forms of administrative penalty and remedial measures.
- Revise Article 216 on customs measures, by specifying two circumstances of suspension of customs procedures in case of necessary inspection of suspicious IP counterfeit goods as requested by IP rights holders and as proactively carried out by customs offices
- Supplement Article 218.4 on the application of measures of suspension of customs procedures as proactively carried out by customs offices.

## Conclusion

The Amended IP Law seems to leave various provisions for the government to further detail, for example, the liability of intermediary service providers in the enforcement of measures to protect copyright and related rights in the cyberspace, as well as exemption clauses; royalties; the use of works, performances, sound and video recordings, and broadcasts that belong to the public; etc. This indeed raises concerns as to whether or not the Amended IP Law can be implemented as soon as it takes effect at the beginning of 2023.

Please let us know if you have any inquiries regarding the Amended IP Law, and stay tuned for our next articles with detailed comments on significant changes introduced by the Amended IP Law, which will potentially affect IP rights holders.



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