11. WELL-KNOWN TRADEMARK PROTECTION IN VIETNAM

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ABSTRACT

International law first incorporated the law on well-known trademarks in the Paris Convention of 1925. An understanding of this doctrine is especially important in a world of increased global marketing and advertising. Creating a global brand has become much easier with the advent of new, cheaper and more accessible long-distance communications. While political boundaries and demarcation lines may hinder the movement of our physical bodies around the globe, they provide no barriers to the free flow of information. Thus, a trademark can be delivered everywhere at once to consumers as well as to the public in increasingly faster and more effective channels. In this manner, a trademark can become widely known in many markets all over the world, unrestricted by restrictions on physical movement.

In the meantime, the protection and enforcement of intellectual property rights in general and trademarks in particular is still a dimly lit picture in Vietnam.

In the past, the government has made great efforts in building a legal system for intellectual property rights in general and well-known trademarks in particular. However, such efforts are still at the macro level and do not add any actual value to the practical problems of society, especially in protecting well-known trademarks. Furthermore, the mechanism of legal enforcement in Vietnam is still weak and ineffective. This paper focuses mainly on the current situation of the legal system of well-known trademark protection in Vietnam, analyzes criteria for determination of a well-known trademark and discusses further solutions to enhance and improve the legal system of Vietnam in well-known trademark protection in light of this globalizing tendency.

Keywords: Trademark, well-known trademark, protection, criteria for determination, enforcement, Vietnam, legal system, improvement, globalization

1. INTRODUCTION

In 1986, the Resolution of the Sixth National Deputy Congress of the Communist Party of Vietnam identified the necessity of changing the national economy in order to bring the benefits of the global economy to Vietnam. Vietnam proposed, and is implementing, its ‘DOI MOI’ (renovation) policy in all fields, especially in the national economy. In recent years, the Vietnamese economic and legal systems have headed in a new direction, reflecting the government’s efforts towards establishing effective economic relationships between Vietnam and the global community. However, the processes of liberalization and globalization also influence protection for industrial property and trademarks. The protections that were limited to Vietnam’s national territory under principles of ‘territorial limitation’ now no longer correspond to the commercial needs of the industry. The principle of ‘territorial limitation’, the focal point of national laws for trademark protection has come under pressure due to these globalizing trends. Therefore, international cooperation on trademarks has become a necessary component of trade. Even though the international legal order on trademarks retains its vitality, it is seriously threatened by recent political and economic conditions like trade globalization, the information revolution and the development of electronic commerce. Globalization has also increased the need for protection of well-known trademarks because certain goods or services may not have appeared in a market while information relating to them may have. The reputation of such goods

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1 Frederick Mostert, Famous and Well-known Marks – An International Analysis, (Toronto Butterworth’s, 1997), page v.


3 In many academic works, the term ‘DOI MOI’ has not been translated because it seems that there are no specific English words that mean exactly what the term ’DOI MOI’ expresses. However, the writer feels that ‘DOI MOI’ may best be understood as ‘renovation’.

or services becomes attractive for other companies to infringe upon. Such infringement cases occur everywhere and with increasing frequency and complexity. Therefore, the legitimate rights and benefits of owners of well-known trademarks have come under increasing threat. In Vietnamese markets, infringements of intellectual property (IP) rights and trademarks have become extensive especially those of internationally well-known and popular trademarks. Even though the government has attempted to promulgate laws and regulations to control the situation, infringement and violations of IP rights in general and trademarks in particular present continue to challenge national authorities and IP right holders.

2. THE HISTORY OF TRADEMARK LAW IN VIETNAM

Prior to 2005, Vietnam had established a system of domestic regulations governing IP. These were incorporated into a number of important sources of law.5 The Law on Intellectual Property was enacted in 2005 (2005 Law on IP) to improve and complete the national legal system.6 This was a significant development for IP law in Vietnam, creating a new national regime for IP rights protection. In 2009, the law was modified and amended7 to add some significant new provisions. However, the 2009 amendments did not make many changes to provisions concerning trademark and well-known trademark protection, except for amending Article 878 on the right to register marks and Article 909 on the ‘first to file’ principle as applied to the registration of industrial property. Further legislations were enacted to interpret the 2005 Law on IP and guide its application.10 Among these, Circular 01/2007 is significant because of its detailed guidelines, especially with respect to legal issues concerning well-known trademark protection.11

Vietnam has created a multifaceted and diversified legal system for the protection of IP rights. Vietnamese law has, for the most part, been consistent with international conventions and treaties applicable to Vietnam. The Vietnamese legal system for IP protection has been the subject of rapid advances implemented over a remarkably short period. It addressed many gaps in the existing legal system. However, there are very few provisions specifically on well-known trademark registration or recognition procedures for their protection.

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5 See e.g. The Civil Code of Vietnam enacted on 28 October 1995, especially Part 6 providing general guidelines for various categories of the intellectual property rights, such as: Copyright (in Chapter I), Industrial property (in Chapter II) and Technology transfer (in Chapter III).


Circular No. 30/2003/TT – BKHCNMT guidance for procedures for registration of industrial property relating to patents and utility solutions.


8 Section 13 of Law No. 36/2009.

9 Section 14 of Law No. 36/2009.

10 The Law on Intellectual Property 2005 was instructed and interpreted by number of legal documents such as:

- Decree No. 103/2006-ND-CP dated 22 September 2006 providing guidelines for implementation of a number of articles of law on intellectual property with respect to industrial property.
- Decree No. 105/2006-ND-CP dated 22 September 2006 providing guidelines for implementation of a number of articles of law on intellectual property with respect to protection of intellectual property rights and state administration of intellectual property rights;
- Decree No. 106/2006-ND-CP dated 22 September 2006 providing fines for administrative offences with respect to protection of industrial property rights (replaced by Decree 97/2010-ND-CP);
- Circular No. 01/2007-TT-BKHCN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights;

A. TRADEMARK REGISTRATION SYSTEM

The Vietnamese trademark registration system is based on the principle of ‘first to file’. At present, the 2005 Law on IP (as amended in 2009) and its guidance documents regulate trademark registration. Under this statute, a trademark is defined as any distinctive sign used to distinguish goods or services of different organizations or individuals. This excludes certain signs listed in Article 73 and Article 74.2 of the statute.

Unfortunately, the law does not set forth any requirements for well-known trademarks. Instead of applying for registration, owners of well-known trademarks may seek recognition of well-known status from the authorities, normally through a court or a decision of the National Office of Intellectual Property (NOIP). However, the law also contains no prohibitions on the registration of well-known marks under procedures applicable to ordinary marks. Therefore, many owners of well-known trademarks seek protection through formal registration procedures.

Article 120 of the 2005 Law on IP also permits applicants to apply for international trademark registration in accordance with the provisions of international conventions and treaties to which Vietnam is a party. Vietnam is a member of the Madrid Agreement 1891 and the Madrid Protocol. Consequently, applicants are entitled to register their trademarks under the procedures provided by the Madrid Agreement. The details required for such registration are set forth in Circular 01/2007.

3. LEGAL REGIME ON WELL-KNOWN TRADEMARK PROTECTION

Many internationally recognized trademarks have recently appeared in Vietnam such as Coca-Cola-, McDonald’s, Ford, IBM, INTEL, and NOKIA. Many of these marks have suffered differing degrees of infringement. The legal protection provided under the law has proven to be ineffective. Many issues have arisen in the course of disputes without any satisfactory resolution. As observed by Heath and Liu regarding well-known trademark protection in Vietnam:

One of the biggest obstacles, in the author’s opinion, is the lack of a comprehensive legal system with explicit regulations that are strong enough to guarantee industrial property rights enforcement.

This statement, made in 2000, is not only true about the past but also the present, despite the enactment of 2005 Law on IP. However, the issue requires a deeper analysis of the current situation in Vietnam for protection of well-known and famous trademarks.

A. PRINCIPLES OF PROTECTION

(i) PROTECTION UNDER INTERNATIONAL CONVENTIONS

The 1995 Civil Code of Vietnam was considered as the most important source of Vietnamese law for the protection of IP rights. The Code provided basic principles relating to the field, which other provisions in lower order legal instruments are required to observe. According to the provisions of Article 837 of the Civil Code, the industrial property rights of foreign persons and foreign companies must be ensured and protected under Vietnamese law as well as those international conventions that Vietnam has signed or participated in. The 2005 Civil Code and the Law on IP and other legal instruments continue to affirm this principle. The principle of most favoured nation treatment (MFN) and the principle of national treatment (NT) have been

12 According to Article 105.3 of the 2005 Law on Intellectual Property (revised 2009), the goods or services listed in an application for registration of a trademark must be classified into appropriate groups in accordance with the Classification List under the Nice Agreement on International Classification of Goods and Services for the purpose of mark registration, and published by the State administrative body for industrial property rights.


14 As specified in the Section 39.2 of Circular 01/2007, the following signs shall not be protected as trademarks: (i) The sign is only a colour not assimilated with letters or images; (ii) The sign is ineligible to be protected as a mark as stipulated in Article 73 of the Law on Intellectual Property; (iii) The sign is incompatible with national defence and security.


16 Vietnam has been a member of the Madrid Protocol since July 11, 2006.

17 Section 41 – Circular 01/2007.


20 Most favoured nation (MFN), also called Normal Trade Relations in the United States is the status accorded by one nation to another in international trade. It means that nationals of the parties will be granted all trade advantages — such as low tariffs — that parties from any other nation also receive. In effect, a nation with MFN status will not be treated worse than any other nation with MFN status. This principle is stated in the Article 3 of the Paris Convention, Article 4 of TRIPS Agreement as well as in many other conventions.
incorporated into the domestic system.\textsuperscript{21} In addition to provisions found in multilateral conventions, issues concerning the protection of industrial property and trademarks are also governed by bilateral agreements entered into between Vietnam and other countries for collaboration in the field of commercial relations. These bilateral agreements also refer to basic principles for the protection of IP rights,\textsuperscript{22} which may contain variations and modifications due to their particular conditions and purposes.

(ii) PROTECTION UNDER THE PRINCIPLE OF RECIPROCITY

Similar to the principles provided by international conventions, protection at the international level for trademarks in Vietnam is influenced strongly by the 'reciprocity principle.'\textsuperscript{23} This is an important and integral principle, frequently applied to private law disputes arising in international trade. The reciprocity principle as applied to protecting trademarks is understood as the acceptance or recognition by a country of applications for trademark protection by foreign entities when, and only when, the foreign entities’ country provides similar rights to foreign entities in that country. In Vietnamese law, this principle is one of the basic principles governing all international civil relations as set forth in the Vietnam Civil Code of 2005 and related laws. In addition, a number of international conventions and bilateral agreements that Vietnam is a party to, adopt this principle.\textsuperscript{24}

(iii) ‘PROTECTION WITHOUT REGISTRATION’ PRINCIPLE

In Vietnam, a well-known trademark will be fully protected as long as the owners succeed in proving the reputation of their trademark before the concerned authorities. This means well-known trademarks will be protected even if that trademark has not been registered in Vietnam. The principle of protection without registration is set forth in Article 6(3) (a) of the 2005 Law on IP:

> In the case of a well-known trademark, industrial property rights shall be established on the basis of use and shall not be dependent on registration procedures.\textsuperscript{25}

The principle is confirmed in the corresponding provision of Circular No. 01/2007 as follows:

> Rights towards the well-known trademark shall be protected and belongs to the owner of that trademark without registration by the owner.\textsuperscript{26}

Thus, under Vietnamese law, the protection of well-known trademarks also extends to unregistered trademarks.

(iv) DEFINITION OF A WELL-KNOW TRADEMARK

The term ‘well-known trademark’ is quite a new concept in the Vietnamese legal system. It was officially mentioned for the first time in Article 6 of Decree No. 63/CP\textsuperscript{27} which states that a trademark may not be registered if it is identical with, or confusingly similar to another trademark which has been recognized as well-known in accordance with Article 6bis of the Paris Convention. Unfortunately, the Decree provided no precise guidance for defining a well-known trademark. That meant that the authority (NOIP)\textsuperscript{28} had to refer to the concept of well-known trademark used by the Paris Convention (although there is no specific definition given in the Convention) and to consult precedents from other countries.

In 2001, Decree No. 06/2001/ND – CP of the Government to revise and modify some provisions of Decree No. 63/CP on industrial property rights protection added a new clause to Article 2 of Decree No. 06/CP, which defines the concept of well-known trademark as follows:

> Well-known trademark means a trademark which has been continuously used for

\begin{itemize}
\item\textsuperscript{21} National treatment is a principle in customary international law vital to many treaty regimes. It essentially means treating foreigners and locals equally. See Article 2 of Paris Convention and Article 3 of TRIPS Agreement.
\item\textsuperscript{22} See the Chapter II – Bilateral Trade Agreement between Vietnam and United States signed on July 13, 2001.
\item\textsuperscript{23} The principle of reciprocity in treatment can be understood as the way that one country will give the same treatment to other countries as the treatment they receive from such other countries in the same or a similar field. This principle can be affirmatively stated in conventions or international agreements. However, it may also be applied as a default principle.
\item\textsuperscript{24} In the Agreements for Judicial Assistance between Vietnam and other countries such as Poland, Russia, Mongolia the principle of reciprocity is always set forth as a fundamental principle, which all other provisions are to be based upon.
\item\textsuperscript{25} See article 6 1(a) of the Law on Intellectual Property of 2005.
\item\textsuperscript{26} Section 5 – Paragraph 42.2 – Circular No. 01/2007-TT-BKHCN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights.
\item\textsuperscript{27} Decree No. 63/CP dated 24 October 1996 of the Government providing specifically on industrial property.
\item\textsuperscript{28} NOIP – National office of Industrial Property of Vietnam existed from May 22, 1993 to May 19, 2003. It used to be known as the National Office of Inventions (NOI) being established on July 29, 1982.
\end{itemize}
prestigious goods and services whereby such trademark has become widely known. [Sic]25

This was the first time a definition for well-known trademarks had been codified directly in Vietnamese law. This provision demonstrates the advances in legal protection for well-known trademarks in Vietnam through the internalization of international conventions. However, the definition did not appear productive enough for the authorities to resolve disputes for several reasons:

Firstly, the term ‘prestigious goods and services’ used in the provision is not sufficiently precise. If a trademark is well-known or famous nationwide or worldwide, the goods or services bearing the trademark will be considered to be prestigious. However, the opposite is not always true. The prestige of goods or services will not always correspond to the reputation of the trademark.

Secondly, the requirement of continuous use of the trademark is understood as an important element for defining the trademark’s fame. However, for practical purposes, it is quite difficult to prove continuous use in a case where the trademark has been used in other countries but not in Vietnam. The Decree has no further provisions specifying the duration of such use required to establish that fact.

Finally, the geographical scope of the term is undefined. The Decree does not state whether evidence of the fame of the trademark is to be restricted to the territory of Vietnam.

Thus, despite the good intentions of the legislature, the provisions of Article 2 of the Decree No. 06/2001 are good in theory but not feasible to implement.

The adoption of the Law on Intellectual Property may be seen as further progress. The 2005 Law on IP refers to the concept of a well-known trademark in several articles such as Article 4(20) on the interpretation of terms, Article 6(1) (a) on the principle of protection without registration, Article 74(2) (i) on the distinctiveness of trademarks, Article 75 on the criteria used for evaluation of a trademark’s fame and Article 129 (1) on the acts of infringement of trademark rights. According to Article 4(20), a well-known trademark is to be understood as ‘a mark widely known by consumers throughout the territory of Vietnam.’10 The definition can be interpreted to mean that a trademark that is well known in Vietnam need not be widely known on an international scale, but the converse may not be true. In other words, an internationally well-known trademark may not be considered well known if it has not acquired a sufficient reputation in Vietnam.

The definition at first sight appears simple yet comprehensive. However, it may raise difficulties for the authorities in practice because there has been no specific guidance in any other legal document regarding the definition of a well-known trademark. The definition of a well-known trademark may be inferred from an interpretation of Article 75. Nevertheless, such an interpretation is subjective and depends a great deal on the points of view held by the authorities themselves. It appears difficult to attain a common understanding applicable in all cases.

In summary, from the legislative side, no law with a workable definition of a well-known trademark has been enacted in Vietnam. Further, the term ‘famous trademark’ is rarely used. There has been no definition of ‘famous trademark’ or ‘famous mark’ in national legal instruments. It appears that presently there is no distinction between the concept of a ‘well-known’ trademark and a ‘famous’ trademark. However, a distinction between the two has been made. Under that distinction, a famous trademark is considered to of a higher order than the well-known one. It means that the term ‘famous’ can be understood as ‘very well-known’. However, this term has been rarely mentioned in case law. In addition, in Vietnam, the concept of ‘widely used and recognized trademarks’ has also been used in cases which indicate that trademarks that are reputed or widely known are not well-known enough to be considered very well-known or famous ones.

(v) THE CRITERIA FOR THE DETERMINATION OF WELL-KNOWN TRADEMARKES

As in many other countries, it is quite difficult to make a determination on the fame of a trademark in Vietnam. Normally, a determination regarding well-known trademarks is based on the provisions of international conventions even though these provisions are not specific or clear enough to be applied in practice. Therefore, reference is made to various national laws despite the fact that the laws of one country are often very different from those of the others.

According to Vietnamese law, in order to make a decision recognizing a well-known trademark the competent authorities must use evidence and documents submitted by the trademark’s owner as well as other information collected by authority itself concerning the fame of the trademark. Accordingly, in order to prove that a trademark is well-known and ought to be protected by a special legal regime.


competent authorities must carefully and comprehensively consider the following criteria: 31

- The number of relevant consumers who were aware of the mark by purchase or use of goods or services bearing the mark, or through advertising;
- The territorial area in which goods or services bearing the mark are circulated;
- Turnover of the sale of goods or provision of services bearing the mark or the quantity of goods sold or services provided;
- Duration of continuous use of the mark;
- Wide reputation of goods or services bearing the mark;
- Number of countries protecting the mark;
- Number of countries recognizing the mark as a well-known mark;
- Assignment price, licensing price, or investment capital contribution value of the mark.

Although the law does not state it explicitly, these legal criteria should be non-exhaustive. It can be seen that the criteria provided are too vague, general and qualitative that they cannot be applied effectively in practice. They obviously need more specific supplements in order to at least quantify each of them. Therefore, courts and competent authorities should use these criteria flexibly according to the facts of each case. In some special cases, authorities may apply other criteria based on evidence and arguments submitted by the applicants. In order to implement Article 75 of the 2005 Law on IP, Circular No. 01/2007 32 contains further detailed provisions regarding the manner in which proprietors of well-known trademarks who attempt to prove the fame of their trademarks, must provide evidence of these criteria under Article 75, including:

- The scope, scale, level and continuity of the use of the mark, including an explanation of origin, history and time of continuous use of the mark;
- Number of nations in which the mark has been registered or recognized as a well-known mark; list of goods and services bearing the mark;
- The territorial area in which the mark is circulated, turnover from products sold or services provided;
- Quantity of goods and services bearing the mark manufactured or sold;
- Property value of the mark, price of assignment or licensing of the mark and value of investment capital contributed in the form of the mark;
- Investment in and expenses for advertising and marketing of the mark, including those for participation in national and international exhibitions;
- Infringements, disputes and decisions or rulings of a court or competent agencies;
- Surveyed number of consumers knowing the mark through sale, purchase, use, advertisement and marketing; rating and evaluation of reputation of the mark by national or international organizations or the mass media;
- Prizes and medals awarded to the mark;
- Results of examinations held by intellectual property examination organizations. 33

Even if Vietnam goes further than any other country did with such provisions, questions remain if these criteria are sufficiently suitable and practical to be implemented. The answer is not self-evident because these provisions are legal transplants made in an attempt to conform to the trend towards global harmonization without consideration of any negative consequences. The criteria have had little practical significance. Indeed, during the period after enactment of the 2005 Law on IP, few cases were resolved by the authorities concerning well-known trademarks. None of these cases has resulted in a better definition of the well-known trademark concept. Further, each criterion contains notions that require further precision and clarification.

For example, the first standard concerns the consumer’s awareness of the mark. By the very term, it appears that a well-known or famous trademark must be one widely known in a community or at least by a certain group of people. Many people should be able to distinguish such a mark among many different ones in the market. However, there are some practical issues that need to be clarified, such as (i) how consumer awareness should be defined? (ii) how do we determine the benchmark


33 Section 5 – Paragraph 42.3 – Circular No. 01/2007-TT-BKHCN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights.
percentage of people with knowledge for it to be well-known? These are at present the greatest challenges to the legal system in Vietnam regarding well-known trademark protection. In principle, a trademark will normally be considered well-known when it is used widely in Vietnam. This is provided for under the law. However, in some cases, a trademark may also be considered well-known even if it has not been registered or used in Vietnam. The result depends upon a subjective consideration by the authorities. The vagueness of the law gives more flexibility to an authority to make decisions concerning well-known trademark protection, but it also creates ambiguity that sometimes damages the interests of the parties.

(vi) THE BASIC GROUNDS FOR THE PROTECTION OF WELL-KNOWN TRADEMARKS

Vietnam, as a member of the Paris Convention must apply its provisions concerning the protection of well-known trademarks. In compliance with that obligation, Article 6 (1) (e) of Decree No. 63/CP of the Government of Vietnam dated 24 October 1996 was enacted to implement the provisions of Chapter 2, Part VI of the Vietnam Civil Code. Chapter 2 deals with the protection of industrial property rights implements the principle of protection of trademarks.

The Decree states that registration applications for trademark protection in Vietnam must satisfy the following criteria: (i) that the sign is not identical with, or similar to the extent that it would lead to, or might create a likelihood of confusion with others’ well-known trademarks (pursuant to Article 6bis of the Paris Convention, amendment of 1967), or (ii) create confusion with trademarks which are used and recognized popularly and widely.\textsuperscript{34}

Article 8(3) of the Decree also provides that industrial property rights vis-à-vis a well-known trademark must be based upon the decision of a competent authority recognizing the trademark.\textsuperscript{35} This means that there is a difference between the protection of a well-known trademark and an ordinary trademark. The former will be protected as long as the competent authority recognizes it, without a registration procedure as required for other trademarks. This provision is designed to ensure effective trademark protection for well-known marks.

The 2005 Law also refers to well-known trademark protection. Accordingly, a new trademark will not be registered if it is identical with or confusingly similar to a well-known trademark in respect of the goods or services identical with, or similar to, those bearing the well-known trademark. The same applies in respect of dissimilar goods or services, if the use of such mark prejudices the distinctiveness of the well-known trademark, or the registration of such sign is aimed at taking advantage of the goodwill of the well-known trademark.\textsuperscript{36}

Assuming that the signs registered as trademarks are identical with or similar to an earlier well-known trademark, such similarity will create confusion among the public with respect to the well-known trademark. According to Vietnamese law, a likelihood of confusion will be established if the structure, contents, pronunciation, meaning and form of expression of the sign in the mark under consideration and the sign in the confronting mark are so closely similar that consumers would believe they have the same origin or the sign in the mark under consideration is only a translation of the well-known mark.\textsuperscript{37} A new trademark also cannot dilute a well-known trademark. The doctrine of dilution is referred to in Article 74(2)(i) of the 2005 Law on IP: ‘the use of such trademark may affect the distinctiveness of the well-known trademark’.\textsuperscript{38} This provision was clarified in Circular No. 01/2007:

The sign which is identical or similar to the confronting mark is well-known and goods and services bearing such sign are not identical or similar to those with the well-known trademark but the use of such the sign could cause consumers to believe there is a relationship between them, or likely dilute the distinctiveness of the well-known trademark or cause detriment to its prestige.\textsuperscript{39}

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\textsuperscript{34} See article 6(1) (e) of Decree No. 63/CP.

\textsuperscript{35} See article 8(3) of Decree No. 63/CP.

\textsuperscript{36} Article 74.2 (i) – The Law on Intellectual Property in Vietnam 2005, Law No. 50/2005, adopted by the National Assembly of Vietnam, Legislature XI, session 8, dated November 29\textsuperscript{g}, 2005 states that:

Signs identical with or confusingly similar to another person’s trade mark recognized as a well-known trade mark which has been registered for goods or services which are identical with or similar to those bearing such well-known trade mark, or for dissimilar goods or services if the use of such trade mark may affect the distinctiveness of the well-known trade mark or the trade mark registration was aimed at taking advantage of the reputation of the well-known trade mark.

\textsuperscript{37} Section 5 – Paragraph 39.8 (c) – Circular No. 01/2007-TT-BKHCN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights.


\textsuperscript{39} Section 5 – Paragraph 39.11 (iv) – Circular No. 01/2007-TT-BKHCN dated 14 February 2007 providing guidelines for
Thus, if the distinctiveness of the earlier well-known trademark is diluted or there is a risk that it will be diluted or if the mark is detrimental to its identity, or there is too much similarity between the trademarks, the application for trademark will not be registered.

In sum, the competent authority is required to refuse applications for the registration of trademarks that are identical with, or similar to a well-known trademark to the extent that it will lead to confusion with that well-known mark. The authorities must likewise invalidate, cancel or revoke registered trademarks that are identical with, or similar to, well-known trademarks at the request of the owner of the well-known trademark.

(vii) THE TERM OF PROTECTION FOR WELL-KNOWLED TRADemarks

The term of protection for trademarks can be understood as the term of validity of the certificate of registration. Therefore, in principle, the term of protection of a trademark is ten years from the filing date, which is renewable for an unlimited number of consecutive ten-year terms. Industrial property rights protection for trademarks arising from an international registration are protected in Vietnam from the day when the international registration is published in the International Report of Trademarks of the WIPO.

Article 10 (1) of Decree No. 63/CP allows ‘unlimited time’ protection for well-known trademarks. Well-known trademarks are protected in Vietnam under this principle from the day the well-known trademark is recognized by the competent authorities. In general, the provisions of Vietnamese law in this field are in conformity with international conventions and are similar to statutory provisions in other countries.

The new law on IP does not refer to the duration of protection accorded to well-known trademarks. There are also no guidelines or instructions in other regulations. The principle of ‘unlimited time’ protection is unconfirmed, which may create uncertainty. Then the main question arising on this point is whether the duration of protection for well-known trademarks should be permanent or be defined in the same manner as ordinary trademarks (ten years with a possible renewal every ten years). There is still no definitive response to this. Therefore, in such cases, the answer depends on the applicability of Decree No. 63/CP to the trademark at issue and independent decisions by the authorities in disputed cases.

(viii) THE ENFORCEMENT OF WELL-KNOWN TRADEMARKS

- Legal Provisions

In Vietnam, the enforcement system for IP law and trademark law is not sufficiently effective or predictable. Previous provisions on enforcement of IP rights were scattered in many different statutory provisions. The 2005 Law on IP for the first time gathered and amended these scattered provisions and harmonised them into a single part (Part V). Although the protection is similar to other laws, including administrative, civil, criminal and border control measures, it now focuses on general enforcement measures applicable only to IP rights.

Enforcement powers have been granted to different bodies including Courts, State inspectorates, market management agencies, custom offices, police agencies and People’s Committees at all levels.

- Self Defence

For trademark holders as well as other IP rights holders, the first measure of protection is always self-defence. Before taking legal measures, trademark holders must consider the best methods for protecting their rights themselves. The law ensures that IP holders may protect their interests by using technological measures to prevent infringement of IP rights. These include requesting that the infringer terminates the infringing acts, apologizes, publicly rectifies and pays damages or by initiating a lawsuit in a competent court or commence arbitration with an arbitrator to protect their legitimate rights and interests. Alternatively, trademark holders may bring the case to the authorities.
through (i) administrative action,Ä  (ii) civil actionÅ and (iii) through criminal proceedings.Å

- Administrative Action

Administrative action is considered the primary means for enforcing IP rights in Vietnam. Most cases concerning the protection of IP rights are settled by administrative authorities while only one per cent of all cases are dealt with in the courts.Å Administrative proceedings appear to be more productive than other means of enforcement. However, this is not always true, as administrative authorities are often not specialized in IP cases, especially cases relating to well-known trademarks, because of the factual and legal complexities concerning whether or not a trademark is well-known or famous. This lack of knowledge and experience has a significant effect on decisional outcomes concerning the rights and benefits of the parties. In addition, administrative procedures are more complicated than other procedures with a number of alternative routes.ÅÅ A further negative aspect is that sanctions or penalties, which may be applied in administrative actions, do not correspond to the losses or damage caused by infringement.ÅÅ Especially, in the case of well-known trademarks, the value of losses may be great.

- Civil Action

Civil actions for trademark rights holders, in theory, should be more widely available in Vietnam, especially after adoption of the Code of Civil Procedures in 2004.ÅÅ However, despite the abovementioned restrictions, resorting to administrative procedures and remedies to redress infringements of IP rights and trademarks specifically is still regarded as more effective than filing a suit in court. While a few cases are brought before the courts, administrative enforcement authorities handle the greater number of cases. This results from a number of reasons, but the most likely stems from concerns regarding judicial ability. Indeed, apart from the inadequacies of civil procedures and remedies, the limited qualifications and experience of judges in dealing with IP rights and trademark matters reduces incentives for enforcement using civil procedures. Another reason may arise from the long-established custom of IP rights holders taking their infringement cases to administrative authorities rather than the courts.

There have been very few cases on well-known trademarks before the courts at any level. Most decisions regarding such cases have been made administratively by the NOIP, generally through procedures for revocation, opposition, cancellation or invalidation of certificates.

4. ASSESSMENT AND SUGGESTIONS FOR IMPROVING THE VIETNAMESE LEGAL SYSTEM ON WELL-KNOWN TRADEMARK PROTECTION

A. ASSESSMENT

Within the scope of this paper, the writer only refers to some specifically identified shortcomings relating to the protection of well-known trademarks in Vietnam.

B. LACK OF CONCERN BY THE GOVERNMENT

The extent of the government’s concern in the matter would normally be the first factor determining the effectiveness of the entire legal system and particular legal fields. The government should play an important role in the entire system of protection for trademarks and well-known trademarks in particular. It is the body responsible for interpreting and applying the law and, equipping and ensuring the necessary conditions for the operation of the trademark system. The efforts of the Vietnamese government in reforming and improving the legal system for the protection of IP rights have been remarkable. The results achieved both in legislation and in the enforcement of the trademark system in Vietnam have been significant. However, such efforts and results seem to be more focused upon formalities rather than substance. In order to achieve greater practical results, the mechanisms for the protection of well-known trademarks in Vietnam need more attention from the government. It should have clear and specific strategies for enhancing the system for trademark protection and improving the legal regime for well-known trademark protection.

C. THE LACK OF DETAILED PROVISIONS

From the legislative perspective, the provisions that were used for protecting trademarks and well-known

ÅÅ According to Article 200(3) – 2005 Law on Intellectual Property (as amended in 2009) and Article 17 – Decree No. 106/2006, the following are competent to deal with cases concerning intellectual property: Inspectorates, Police offices, Market management offices, Customs offices, and People’s committees at all levels.
ÅÅ According to Articles 14 and 15 of Decree No. 106/2006, the maximum sum of money that an infringer may be fined shall not exceed three hundred million Vietnamese dongs (300.000.000 VND).
trademarks, in particular, those in the 2005 Law on IP and other related legal instruments have not completely addressed the needs of commerce. There are only three articles\(^{55}\) in the Law concerning well-known trademarks. These provisions are vague and thus, generally difficult to apply effectively. Meanwhile, there are limited helpful explanations found in other legal documents. Although there is a definition of well-known trademarks in Article 4(20), this provision is not effective in practice because of its ambiguity and lack of specificity. The criteria for defining well-known trademarks stated in Article 75 are very helpful in supporting the interpretation of Article 4(20). However, this is complicated by the fact that Article 75 also lacks specificity. Rather, it reads as if it has been directly copied from the provisions found in international documents\(^{54}\) or the laws of other countries rather than ensuring compatibility with the Vietnamese legal and economic context. Circular No. 03/2007 has made some important modifications in the correlative provisions of Section 5. Unfortunately, such provisions have not yet answered the need to make clear the criteria contained in Article 75. The current provisions on well-known trademark protection, especially the criteria for the determination of a well-known trademark are quite subjective and qualitative. The application of such provisions in practice may easily depend on inconsistent interpretations by the authorities.

D. THE WEAKNESS OF THE ENFORCEMENT SYSTEM

It may be said that the authorities in Vietnam are now somewhat apprehensive of becoming involved in cases concerning well-known trademarks. This can be easily explained by the following:

Firstly, because there are many inconsistencies and overlaps among different procedural laws, such as the administrative procedural law, the civil procedural law, the criminal procedural law and others, it becomes very difficult to define the correct jurisdiction in particular cases involving well-known trademark protection as well as IP rights in general. The statutes identify many competent authorities that can be responsible in trademark cases such as inspectorates, police offices, market management offices, customs offices and people’s committees at all levels.\(^{55}\) Unfortunately, the borders of competence of such authorities are vaguely defined.

Secondly, the role of the courts in the enforcement system is not very robust. Most cases involving trademark infringement have been dealt with solely by administrative agencies, especially the NOIP. Few cases have been brought to the courts. This demonstrates that, in some sense, other authorities have performed important functions of the courts. This should not be the case when we are trying to build a legal system in which the rule of law is to be adequately respected. Actually, there are some cases where the courts have been involved in the last stage of the dispute resolution procedure.\(^{56}\) However, it should be noted that in these cases, the court has played the role of a body reviewing administrative decisions rather than dealing with disputes between parties (trademark owners versus infringers). Meanwhile people often desire more active and effective participation of the court in dispute resolution. Therefore, the limited participation of the court in the entire enforcement system needs to be addressed in order to build a strong and holistic legal regime for well-known trademark protection in Vietnam.

Thirdly, the implementation of the law in practice may not be effective due to the lack of specific provisions and instructions in the law. In practice, Article 75 of the 2005 Law on IP and various other sub-provisions rarely help achieve the expected results. In actual disputes, the authorities face challenges in applying the laws, especially concerning the definition of a well-known trademark, as well as the determination of criteria to be applied to each case. Experience shows that there is no single standard that can be used to distinguish between the term ‘well-known trademark’ under Article 75 of the Law and the concept of ‘widely used and recognized trademark’ as stated in Article 74(2).

Fourthly, because the protection of well-known trademarks is a new subject matter in Vietnam, authorities have had little experience in the field. The application of legislation in practice has not been as effective as was expected. Moreover, there are still not enough experts on IP in Vietnam. Presently, experts are associated with the NOIP and the Ministry of Science and Technology, but are noticeably absent from the courts and other authorities. The professional knowledge of most officials is not sufficient to solve complicated cases concerning well-known trademarks.

Fifthly, collaboration among the various authorities and, between the authorities and their support systems is not always effective. Despite the variety of enforcement

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\(^{54}\) WIPO Joint Recommendation concerning Provisions on the protection of well-known trademarks.


\(^{56}\) For example, the “X-MEN” case has now been dealt with by the Ha Noi People’s Court. In the past, the Binh Duong People’s Court dealt with the ‘RED CUP’ case between the Gold Roast VN Co. Ltd, v. the Chairman of the Binh Duong People’s Committee concerning decision No. 156/QD-UBND dated January 18, 2008.
systems for well-known trademark protection, the efficiency should be determined based on the results of assessments made by neutral bodies or the enforcement bodies themselves. Hence, even though the applicable laws of Vietnam say mostly nothing about these bodies, their role in the system is very necessary and important.

The lack of specific provisions for evidentiary assessments in the IP field and trademark law in particular will cause difficulties for the authorities when dealing with well-known trademark cases. In some instances, the authorities may face dilemmas when requesting proof of whether or not there is a similarity between conflicting trademarks, whether there is a likelihood of confusion occurring within a relevant section of the public or if a trademark should be considered as well-known. The situation becomes more complicated if the answer of the administrative bodies is that they have no competence to perform such assessments or they are not able to perform such an assessment. In those cases, the authorities should make their own judgment, but that may not be sufficiently objective or accurate. Even in a case where an assessment has been completed, the authorities for various reasons may reject the results.

5. SUGGESTIONS FOR IMPROVING THE LEGAL SYSTEM ON WELL-KNOWN TRADEMARK PROTECTION IN VIETNAM

A. ENHANCING THE ROLE OF THE GOVERNMENT

The government should first concentrate on popularizing the value and role of well-known trademarks in a healthy economy as well as the importance of trademark protection for promoting commercial activities and developing the economy. The government needs to publicize protection for well-known trademarks as an important policy for enhancing Vietnam’s competitive capacity in the world market. Indeed, an effective and reliable mechanism for well-known trademark protection will help make foreign investors more secure and safe when operating in the Vietnamese market. It should consider creating and publicizing a list of international well-known or famous trademarks, which have been widely known or used in Vietnam through channels of trade or at least through advertising activities or trade promotion. Such a list may be created using cases where well-known trademarks have been recognized by court’s decisions or judgments or by other competent authorities, or upon a consideration based upon popularly available information, announced through different means of international communication (for example, the yearly Best Global Brands Ranking may be a good reference for countries in making their own lists of well-known trademarks). Such a list may also be based upon the existing ones published by other countries or international organizations. That list should be updated and adjusted periodically. Actually, this is not a novel suggestion because Vietnamese law already requires the NOIP to create such a list. The ideal of making a list of well-known trademarks, has thus, existed for some years. However, for a variety of reasons, nothing was done about it.

Furthermore, the government should consider increasing the importance of the judiciary in the trademark enforcement system. The ‘rule of law’ requires an accurate and unified application of the laws in practice. However, there are many different reasons why these decisions or judgments are inaccessible. Due to the special conditions in Vietnam, case-law development must occur gradually. Judgments by courts and decisions by authorities should be well motivated and transparent and subject to scrutiny by lawmakers and academicians, thereby playing a key role in improving the trademark law system in Vietnam.

B. MODIFYING AND IMPROVING APPLICABLE PROVISIONS ON WELL-KNOWN TRADEMARK PROTECTION

The legal regime for well-known trademark protection in Vietnam still has gaps that need to be filled to make it more effective:

Firstly, as regards the definition of well-known trademarks, it can be seen that Vietnamese law has been working towards refining the definition of a well-known trademark. However, such a definitional process is not very reliable because it is too subjective and general. Further, Vietnamese law merely sets forth a definition of a well-known trademark, but does not mention related terms that are ambiguous such as ‘famous trademark’ and ‘widely used and recognized trademark’. Therefore, the law should clarify the borders and relationships between these terms.

Secondly, the law should make clear the legal point concerning whether or not a well-known trademark will be protected in Vietnam even when it has not been used or known in Vietnam. The 2005 Law on IP states that a well-known trademark should be ‘widely known by consumers throughout the territory of Vietnam’. The case law has used the same approach. Thus, it may be concluded that according to Vietnamese law, a foreign trademark will not be considered as a well-known trademark.

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57 Section 5 – paragraph 42.4 of Circular No.01/2007 states: If a well-known mark is recognized pursuant to civil proceedings or by a decision of the National Office of Industrial Property, it shall be recorded in the relevant list of well-known marks and archived at the National Office of Industrial Property.


trademark if it has not been known in Vietnam. However, this does not seem to be appropriate to the real situation because there are many products of limited use within a certain sector of consumers such as pharmacies, office stationeries or special technologies and industries that do not meet this standard but should still qualify for protection.

**Thirdly**, concerning the criteria for the determination of well-known trademarks, it appears that Vietnamese law has succeeded in building a list of criteria as provided in Article 75 of the 2005 Law and Section 5 – paragraph 42.3 of Circular No. 01/2007. However, as previously stated, the provisions of these laws are informative and quantitative but not qualitative. Accordingly, they cannot be effectively implemented. The definitions contained in these laws are merely suggestive and consultative for the authorities rather than specific and precise standards to be directly applied. Therefore, there should be more specific guidance on how the laws are should be applied. Concerning the ‘number of relevant consumers who were aware of the mark’, the law should explain the percentages of relevant consumers that may be accepted as the threshold for determining the difference between a well-known trademark and, a widely used and recognized trademark.

**Fourthly**, with respect to the legal grounds for the protection of well-known trademarks, there should be an amendment to the law to improve current provisions requiring proof of a likelihood of confusion in trademark cases. The law should be modified and more provisions should be added on the specific factors to be used in defining the similarity between signs and it should be made the responsibility of the authorities to perform their own surveys or assessments. Likewise, the similarity between products bearing conflicting signs should also be proven and defined in that manner. With regard to the likelihood of confusion occurring within a relevant section of consumers, the law needs to clearly state that (i) the likelihood of confusion should be considered as including actual confusion and not associated confusion, and (ii) such confusion should be assessed through actual surveys conducted by the authorities within a relevant consumer section and not dependent only on information supplied by the trademark owners.

### C. ENHANCING THE ROLE AND THE EFFICIENCY OF AUTHORITIES IN PROTECTING TRADEMARKS

The efficiency, control and management of the competent authorities are the most important factors that affect the success of a legal system for protecting trademarks. However, the competent authorities in Vietnam have not been successful in protecting well-known trademarks and, the legitimate rights and interests of owners. Therefore, in order to improve the legal system in this field, we must enhance the role and the efficiency of competent authorities. There should be a delineation of responsibilities for the authorities in dealing with applications for registration of trademarks, especially in the case of refusals of registrations and cancellations of existing certificates, which are identical to, or similar to well-known trademarks. The NOIP’s state policy role as well as its implementation of the legal regime should be strengthened. It should be in charge of assessing, considering and determining whether a trademark is well known. As the professional representative of the government, it should be tasked with gathering information, evaluating the statistics and creating official list(s) of well-known trademarks.

It is especially important to affirm and enhance the role of courts in well-known trademarks disputes. Under the Vietnam Civil Procedures Code 2004, courts have jurisdiction over disputes concerning industrial property rights. Despite this, the role of the Vietnamese judiciary in solving trademark cases has generally been small. Very few cases have been taken up by the courts despite it being clear that the efficiency of the legal system for trademark protection is to be primarily ensured by them. Therefore, improving the court system is one of the most important tasks for improving the legal system on IP. In particular, Vietnam should consider establishing a separate court with competence over IP cases within the structure of the provincial court system. Such a court would be a significant assurance of the implementation of the law on IP rights, specifically trademark law.

### 6. CONCLUSION

In summary, efforts to create an international framework for the protection of well-known trademarks have resulted in significant achievements through international conventions and treaties. Even though they do not all provide specific definitions for well-known trademarks or direct provisions for their protection, they have built the foundations and established minimum standards for such protection. They have been utilized as a basis for advancing national systems for well-known trademark protection.

In Vietnam, the first point to bear in mind is that Vietnam has a suitable trademark policy and is proceeding to improve its trademark system. Despite the fact that the concept of a well-known trademark is novel and has only been in effect for a short time, the Vietnamese legal system concerning well-known trademark protection has achieved some significant results. The 2005 Law on IP and its guidance documents have created a relatively complete regime for the
protection of well-known trademarks and deals with many important legal issues concerning well-known trademarks such as their definition, the principles concerning their protection, and the scope of such protection. However, the effect of the legislation on trademark practice has not matched expectations, even though there is now a growing body of cases indicating a change of direction. Therefore, it is obvious that Vietnam needs to improve its legal system on well-known trademark protection in order to comply with international standards and with the demands of its people.

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