**Trademark Infringement Laws in Vietnam**

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**Understanding Trademark Infringement Laws in Vietnam:**

**Roadblocks & Solutions**

*Despite selling their branded goods and services for decades in Vietnam, many businesses are at risk of losing their trademarks due to a lack of awareness and disregard for trademark registration. In most cases, trademarks are lost either because business owners are unaware of the need for registration, or because they prioritize market development over legal protection. Even those who do register their trademarks may face difficulties in enforcing them against infringing competitors. As a result, not a few businesses had to pay a high price for their negligence and lack of knowledge in the field of intellectual property. This article will explore the reasons behind trademark losses in Vietnam and offer guidance on how businesses can protect their valuable intellectual property assets.*

**Background**

HOA SEN Vietnam Co., Ltd ("**HOA SEN Company**") is a renowned enterprise in Vietnam that specializes in calendar design, printing, advertising, and communication. The company has been operating for over two decades and has made significant contributions to preserving, developing, and enhancing Vietnam's cultural values and traditional culture. HOA SEN's printed calendar products are vital in showcasing and honoring Vietnam's rich cultural identity and folklore art, as well as promoting Vietnamese culture globally.

In **2013**, HOA SEN Company applied to register the verbal element "HOA SEN" in combination with other elements (**HOA SEN, device**) as a trademark at the Intellectual Property Office of Vietnam (“IP Vietnam”) for 04 service classes including:

Class 35: *Advertising services, display of goods on communication media for sales*.

Class 40: *Printing services*.

Class 41: *Television program production activities; photography; organizing cultural, artistic and sports events*

Class 42: *Print product design service*

In **September 2015**, the trademark "HOA SEN, devivice" was granted a protection title by IP Vietnam for HOA SEN Company.

**Detecting an alleged trademark infringement**

HOA SEN Company discovered in 2017 that their distributor/sales agent, IDEA Vietnam Co., Ltd ("IDEA Company"), was promoting the sale of their "printed calendar" products on various platforms, including websites, Facebook pages, quotations, name cards, and brochures, using a logo that incorporated the verbal element "HOA SEN." This was particularly egregious behavior on the part of IDEA Company because they:

1. used the name "HOA SEN" on websites to identify themselves to partners and customers in order to offer "printed calendar" products;
2. registered a domain name that included the verbal element “HOA SEN” and created a website that directed users to this domain name to advertise and offer “printed calendar” products.

In 2017, HOA SEN Company issued a Cease & Desist Letter (C&D Letter) to IDEA Company, demanding that they discontinue using the "HOA SEN" mark on the means of services of their company. However, IDEA Company countered that they had no intention of causing harm to HOA SEN Company and that their use of the mark was solely to boost sales for HOA SEN Company. Despite HOA SEN Company's good intentions, IDEA Company refused to comply with the C&D Letter.

**Speechless because the trademark was registered by a business partner**

After realizing that their sales agent was not complying with their demands, HOA SEN Company escalated the matter by taking stronger legal actions to put an end to the infringements. To their dismay, they discovered that IDEA Company had successfully registered a trademark for the printed calendar products in Class 16, which contained the verbal element "**HOA SEN**," despite the fact that the "HOA SEN, device" trademark had already been protected by IP Vietnam for HOA SEN Company in 2015. Specifically, IDEA Company applied to register a mark for calendar products in Class 16 that included the verbal element "HOA SEN" **in 2018**, which was approximately one year after HOA SEN Company sent the C&D Letter. Subsequently, IP Vietnam granted registration for this trademark **in 2021**.

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**The assessment of trademark infringement is not satisfactory and the C&D fails**

HOA SEN Company requested an assessment from the [Vietnam Intellectual Property Research Institute](https://kenfoxlaw.com/protecting-your-ipr-in-vietnam-a-guide-to-vipris-services-and-expertise) (“**VIPRI**”) regarding the possibility of trademark infringement of the "HOA SEN, device" trademark. However, VIPRI reviewed the request and concluded that there is no basis for asserting infringement.

Despite HOA SEN Company sending a second C&D Letter, IDEA Company continued to use the "HOA SEN" trademark, claiming they are the rightful owner of the trademark and therefore have the legal right to use it, even if it means HOA SEN Company is infringing on their rights.

**Practical lessons**

**1.** **Negligence in trademark registration is a serious mistake and can destroy all your business efforts**: The weakness in this case, in our opinion, lies with HOA SEN Company's late and negligent establishment of trademark rights for their product "printed calendar." HOA SEN Company has registered a trademark at IP VIETNAM, which is good, but not enough because this alone was insufficient because the company did not know how to leverage their trademark registration as a legal tool against potential infringements

Having intellectual property rights is meaningless if they are not respected and enforceable. If you have a trademark registration, but cannot use it against third-party infringement, your Trademark Registration Certificate is not more than a worthless property.

Failing to address trademark infringement immediately may not have an immediate impact on your business, but allowing a competitor to become the registered trademark owner can have disastrous consequences. Your business would be at risk of legal action from the competitor, which could result in your products being seized and your business being forced to cease using your own trademark. This would be the end of all your efforts and business strategies.

**2. Mistakes resulting from a misunderstanding of the scope of trademark protection**:

HOA SEN Company mistakenly believed that their registered service in Class 35, "*display of* ***goods*** *on communication media for sales*," provided **broad protection** that covered the introduction of **any product** for sale. Since calendars are a type of product that is manufactured, distributed, and sold to consumers, they can be "**displayed**" in the media to promote their sale. As a result, the "**printed calendar**" product falls entirely within the scope of the Class 35 service "*display of* ***goods*** *for sale on communication media*," and there was no need to register the "printed calendar" product or to identify it separately in the Class 35 service. However, this led to HOA SEN Company's error in failing to register their "HOA SEN" trademark specifically for the printed calendar product in Class 16 or, at the very least, clearly identifying the product as "printed calendars" in their Class 35 service "display of goods on communication media for sales."

The protection of a trademark is contingent upon two factors: the registered trademark itself and the list of goods and/or services registered under that trademark. In other words, a trademark is solely protected for the precise goods and/or services stated in its application. In the present case, the "HOA SEN, device" trademark is registered only for services in Classes 35, 40, 41, and 42, which means that solely the goods and services listed under these classes are covered by the trademark. Since "printed calendar" falls under Class 16, which is not included in the list of products/goods under Classes 35, 40, 41, and 42, it is not protected by the "HOA SEN, device" trademark in the name of HOA SEN Company. Therefore, IP Vietnam's decision to grant IDEA Company a protection title for the "HOA SEN, device" trademark is legally valid.

**3. What legal options for reclaiming a trademark from a competitor in Vietnam?**

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Although IDEA Company has managed to register the "HOA SEN, device" trademark for the printed calendar product, there is a possibility for HOA SEN Company to reclaim the trademark based on certain legal grounds. However, the process could be arduous and expensive. HOA SEN Company may file for trademark cancellation with IP Vietnam by citing the following legal grounds:

***Bad-faith, malicious intent*:** The deliberate and dishonest motives of IDEA Company in registering HOA SEN Company's trademark for exclusive use are evident in this case, and this action can be grounds for invalidating the trademark registration. Despite having a long-standing business relationship with HOA SEN Company and knowledge of their reputation in the field of calendar design and printing, IDEA Company still proceeded with registering the trademark "HOA SEN" at IP Vietnam. [To prove bad faith in trademark registration](https://kenfoxlaw.com/bad-faith-malicious-a-legal-basis-for-trademark-opposition-or-invalidation-in-vietnam), HOA SEN Company needs to gather supporting documents and evidence, such as *sales contracts, purchase orders, and invoices*, to show that IDEA Company was aware of the existence of the "HOA SEN" trademark before filing the trademark application, which is contrary to the provisions of the Intellectual Property Law (i.e. Articles 87.2 and 96.1(a)) regarding the right to file a trademark registration application.

***Rights to the trade name*:** HOA SEN Company can also rely on the regulations pertaining to [the right to the trade name](https://kenfoxlaw.com/what-strategies-to-reclaim-unregistered-trademark-rights-in-vietnam) “HOA SEN” to assert their claims. According to the law, IDEA Company's use of the "HOA SEN" sign in their trademark application can be deemed ineligible for protection because of its confusing resemblance to HOA SEN Company's trade name. This position can be supported by invoking Articles 74.2(k) and 96.1(b) of the Intellectual Property Law.

***The right to a trademark, unregistered but widely used in commerce*:** The fact that the trademark "HOA SEN" has been [widely used in commerce](https://kenfoxlaw.com/how-to-successfully-argue-wide-use-evidence-in-trademark-opposition-and-cancellation-cases-in-vietnam), even though it has not yet been registered for printed calendar goods of Class 16, can serve as additional legal basis for reclaiming the trademark from IDEA Company. This argument can be supported by evidence of the trademark's extensive use, good reputation, and positive standing in the printing calendar industry under Articles 74.2(g) and 96.1(b) of the IP Law.

**The bottom line**

Almost every problem has a solution, but risking your business to resolve a mistake in trademark registration is not a wise approach. With intellectual property infringers becoming more skilled and employing sophisticated tactics, any loopholes, delays or negligence can be exploited by competitors to deal a fatal blow to your business. Developing a strategy to register and protect your trademark in a thorough, comprehensive, and long-term manner to safeguard your intellectual property is an essential necessity, and should be a company's top priority, if you don't want to end up in the situation described above.

Contact KENFOX IP & Law Office today if you need a professional intellectual property service firm to assist you in developing your business in the right direction.

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[**KENFOX IP & Law Office**](https://kenfoxlaw.com/wp-content/uploads/2020/09/Lao-PDR_Law-on-Intellectual-Property-No-38_15-11-2017_Eng.pdf)

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