

SECURING PATENT PROTECTION IN VIETNAM – A NEW WORLD'S WORKSHOP

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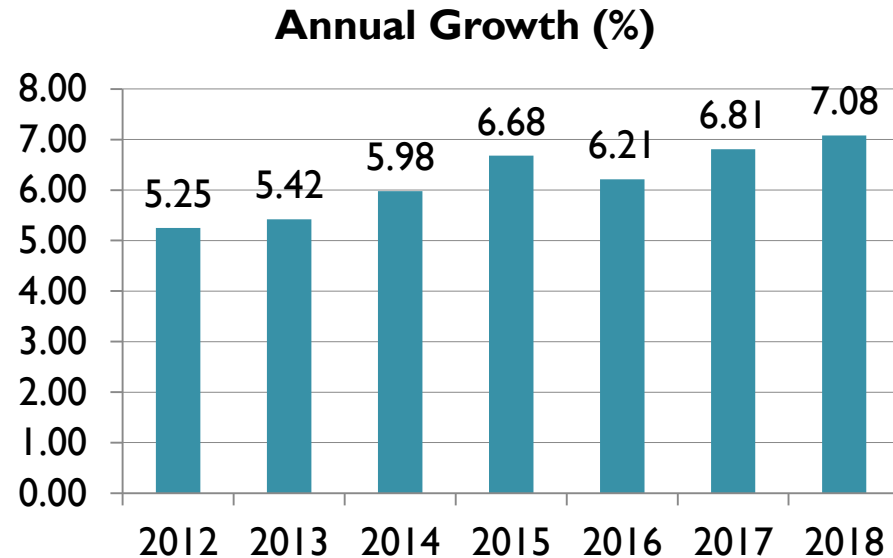
Part I

Vietnam Economic Picture

Vietnam Economic Picture

Vietnam's GDP Growth (%)

GDP growth steadily improved in a trend upward due to (i) stability of macro economy, (ii) domestic investment increases, and the improvement of SOEs' efficiency (the Government is drastically pursuing the restructuring of SOEs, public investment and state-owned banks for optimization of state capital). GDP growth has reached 7.08% in the year 2018.



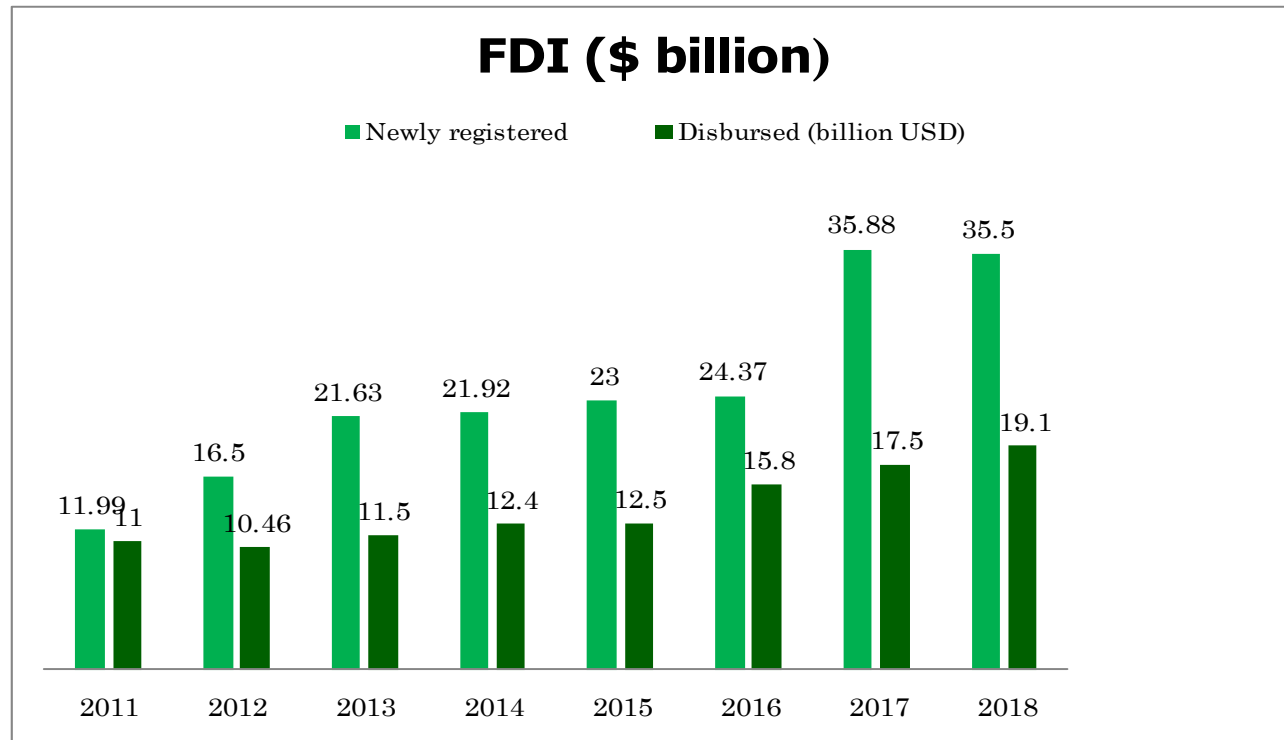
Vietnam's Inflation

Vietnam is successful in keeping the inflation low and steady in recent years.

2012	2013	2014	2015	2016	2017	2018
6.81%	6.04%	1.86%	5%	5%	3.53%	3.54%

Vietnam Economic Picture (Cont'd)

Vietnam's Foreign Direct Investment



In 2018, approx. \$35.5b were newly-registered and increased and \$19.1b were disbursed similarly to that of 2017 and much higher than past years thanks to Vietnam's ratification of CPTPP (Comprehensive and Progressive Pacific Partnership). The transition of investment activities of Korean and Japanese investors to Vietnam is increasing (i.e Samsung's invested more than US\$ 7 billion so far).

Vietnam Economic Picture (Cont'd)

Vietnam's Foreign Direct Investment (continued)

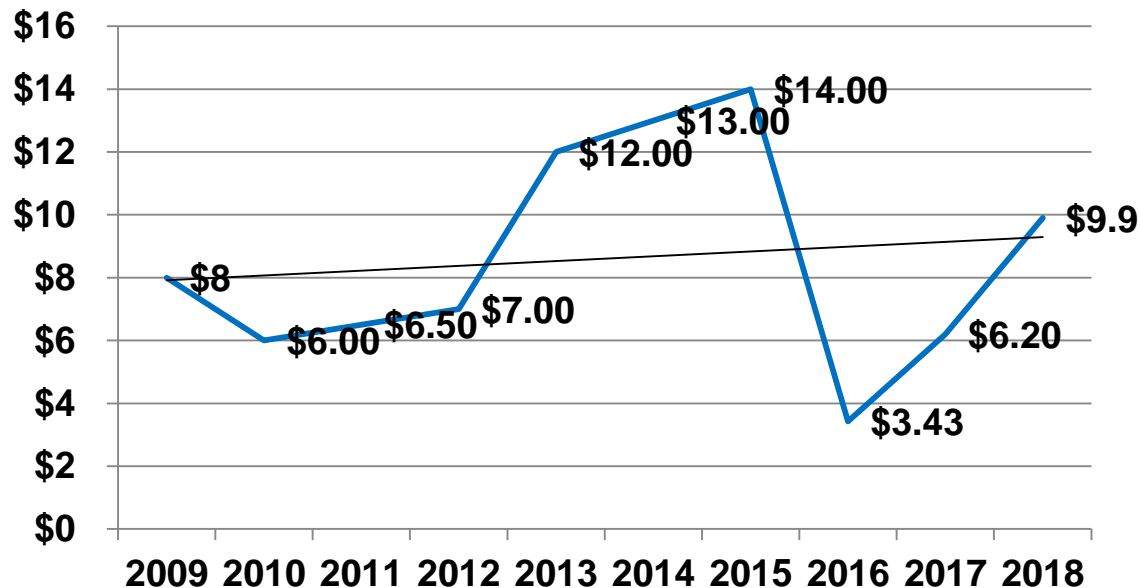
Top 7 Countries having biggest FDI in Vietnam (up to 20 February 2018)

No.	Country	Total registered Investment Capital (US\$ billion)	No. of projects
1	Republic of Korea	58.8	6,701
2	Japan	49.58	3,663
3	Singapore	42.83	1,998
4	Taiwan	30.93	2,550
5	British Virgin Islands	22.84	756
6	Hong Kong	18.05	1,303
7	China	12.29	1,861

Vietnam Economic Picture (Cont'd)

Vietnam's Foreign Indirect Investment (Billion USD) in Vietnam's Stock Exchanges

Foreign investment in the stock market has recovered steadily after a drop in 2016., this showing operation of listed companies in Vietnam is getting more trust of offshore investors.





Part II

IP Background & Legal Framework

IP Development - Ist period (before 1989)

The first period of development of IP protection in Vietnam is before 1989, in which:

- The National Office of Invention was established in 1982;
- IP protection available for inventions & trademarks, but no concept of industrial property/exclusive rights existed then;
- In 1986: thanks to the advent of Doi Moi reform policy, the IP protection mechanism was renovated in compatibility with the market economy.

IP Development - 2nd period (1989 – 1994)

The second period of development is from 1989 to 1994, during which:

- The concept “industrial property” was used for the first time in legal document: kind of property & subject of ownership
- Two main IP legislations were promulgated during 1989-1994, including
 - 1989 Ordinance on Industrial Property Rights
 - 1994 Ordinance on Copyrights

However, these legislations were not entirely compliant with TRIPS requirements

(e.g., there was no protection for well-known trademarks, the patent term was only 15 years, etc.)

IP Development - 3rd period (1995 – 2003)

The third period of development is from 1995 to 2003, during which:

- The 1995 Civil Code was introduced;
- The basic principles for IPRs were established and the IPRs started to be recognized as civil rights
- The ASEAN Framework Agreement on IP Cooperation was ratified in 1996
- The BTA between VN & US was signed in 2000 (including Chapter II on IP-relevant issues)

IP Development – 4th period (2004 - now)

During this period:

- The 2004 Civil Procedure Code was enacted; then replaced by the 2015 Civil Procedure Code.
- The 2005 Civil Code was introduced; then replaced by the 2015 Civil Code.
- The IP Law was first issued in 2005, and amended twice in 2009 and 2019.
- Vietnam officially became member of the International Union for the Protection of New Varieties of Plants (UPOV) 2006 and WTO in 2007.
- The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) becomes effective in Vietnam since Jan 2019.
- The EU-Vietnam Free Trade Agreement (EVFTA) has just been signed in June 2019.

Legal Framework



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graph TD; A([Legal Framework]) --> B[Constitution]; B --> C[Codes/Laws/Ordinances]; C --> D[Decrees, Circulars, Directives, Official Letters, Decisions];
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The diagram illustrates the hierarchy of the legal framework. It begins with 'Legal Framework' in a yellow oval at the top. A red arrow points down to a large rectangular box containing three levels of legal instruments. The first level is 'Constitution', followed by 'Codes/Laws/Ordinances', and finally 'Decrees, Circulars, Directives, Official Letters, Decisions'. Each level is connected to the one below it by a red arrow, indicating a top-down flow of authority.

Constitution

Codes/Laws/Ordinances

**Decrees, Circulars,
Directives, Official Letters,
Decisions**

Current main IP legislations

+ Civil Code 2015

Promulgated in 2015, entered into force as from 2017

+ IP Law

Promulgated in 2005, entered into force as from 2006, and amended twice in 2009 & 2019

+ Decrees and Circulars for implementing IP Law

+ Criminal Code, Customs Law, Civil Procedures Code, Competition Law, etc.

International Treaties to which Vietnam adheres

- **Paris Convention on Industrial Property Protection**
- **Berne Convention**
- **Madrid Agreement & Protocol**
- **Patent Cooperation Treaty (PCT)**
- **UPOV**
- **TRIPs**



Part III

Patent Protection in Vietnam



Special Notes for filing patent applications in Vietnam

“First-to-File” Principle

- ✚ In Vietnam, the priority right is determined based on the date of the first application.
- ✚ The rights shall be given to the entity who is the first to file the application.

Who is Entitled to File an Application

- Vietnamese entities/individuals, foreign entities/individuals permanently residing, or having an industrial/commercial establishment in Vietnam may file industrial property applications **directly** or **through a registered IP agent**.
- Foreign entities/individuals not permanently residing in Vietnam or having no industrial/commercial establishment in Vietnam shall file industrial property applications **through a registered IP agent**.

Foreign Filing Requirements

- ❑ An invention made in Vietnam and owned by Vietnamese citizen(s) **must be first filed in Vietnam before filing abroad**, to determine whether it is a secret invention.
- ❑ If the invention is determined as not a secret invention, the applicant(s) could file foreign application(s) **after the expiration of 6 months from the filing date in Vietnam**.

Foreign Filing Requirements (Cont'd)

- ❑ IP Vietnam **will not accept** the patent application filed for **an invention made in Vietnam and owned by Vietnamese citizen(s)** if such an invention has been already first filed abroad, even when filed directly with the WIPO.
- ❑ Noted that if there is at least one foreign applicant, then **the invention is not considered “owned by Vietnamese citizen(s)”**, and thus this case is **not governed** by the above provision **even when it is made in Vietnam**.

Requirements for patent specifications

Tips to avoid some common formality defects at the IP Vietnam:

- The title and the abstract should **reflect the main subject matters claimed in the claims**, and should not contain abbreviations;
- The description should contain **6 basic sections** with its headers in the right order, namely “Technical field of the invention”, “Background of the invention”, “Summary of the invention”, “Brief description of accompanied drawings” (if any), “Detailed description of invention”, and “Examples” (if any);
- **A single claim must not refer to more than one subject matter.**
- The following **claim formats are not allowable**:
 - + **use claim**, regardless of the claim wordings and technical fields;
 - + **method of treatment claim**, regardless of the claim wordings;
 - + **computer program claim per se**;
 - + **business method claim per se**;
 - + **omnibus claim** (omnibus claims are not accepted, except reference to parts that cannot be accurately described with words (such as amino acid sequences, diffraction charts, workflow diagrams, etc.).

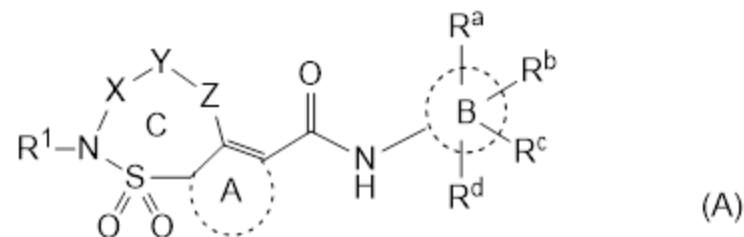
Use-related claims

- All use-related claims, regardless of the claim wordings and technical fields, **are not accepted by the IP Vietnam.**
- **Notes:**
 - **Compound claims**: A compound of formula (I) **wherein X, Y, Z is ... for use** in the treatment of diseases.
 - **Use claims**: The compound of claim I **for use** in the treatment of diseases.

Use-related claims (cont'd)

* acceptable claims:

1. A compound of Formula (I-A)



or a stereoisomer or tautomeric form thereof, wherein ...

for use in the prevention or treatment of an HBV infection in a mammal.

- Claim 1 is **acceptable** by the IP Vietnam **since apart from the intention of use, it contains essential technical features to define the structure of the compound, and therefore considered a compound claim.**

Software/computer programs

- **Computer program (software) *per se* is excluded from patentability.** The software itself is protected under copyrights, not under patent system.
- However, in practice, computer program/software-related inventions with the claim wording **in tangible form**, for example, “*a computer-readable medium encoded with computer-executable instructions for performing ...*”; “*a computer-readable medium loading computer program for ...*”; “*a device/system installed with computer software for performing ...*” **have been accepted for granting patent.**

Business methods

- **Business model (or business method) *per se* are exempted from patent protection.** However, Vietnam IP Law and Regulations do not provide for any definition of what constitutes a "business method".
- In practice, **a claim that is drafted exactly as “a method of doing business ...” may be rejected.**
- However, an invention that is by nature a business method, **but not claimed exactly as “a business method ...”**, for example claimed as “*a method for purchasing pre-paid vouchers and re-charging pre-paid accounts for goods and services*”, may be **patentable as long as it has a technical character involved.** An invention has a technical character if there are technical considerations involved. Technical considerations may lie either in the underlying problem solved by the claimed invention, in the means constituting the solution of the underlying problem, or in the technical effects achieved in the solution of the underlying problem.



Patent Enforcement in Vietnam

Patent Right Enforcement

- **Legal actions against patent right infringement:**
 - ✓ administrative measure;
 - ✓ civil measure;
 - ✓ border measure;
 - ✓ criminal measure is not applicable to patent matter.
- **Notes:**
 - ✓ Vietnam has not had a specialized IP court.
 - ✓ IP litigation before civil courts is not popular.
 - ✓ Most of the IP infringement cases are handled **via administrative route**.

Patent enforcement facts

	Civil route	Administrative route
Popularity	Not popular (costly, time consuming)	More popular (more feasible and effective in terms of time and cost)
Competent authority	Civil court in the province where the defendant resides/ works/ has its head office	The Inspectorate of Ministry of Science and Technology (IMOST)
Time	~ 6-18 months or even longer to obtain the first instance court's verdict ~ 4-8 months or even longer to obtain the appellate court's verdict	~ 4-8 months or even longer



Recent Updates on Patent Matters

CPTPP and Amended Vietnam IP Law

- In Vietnam, the **Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)** was officially approved on 12 November 2018, and **takes effect as of 14 January 2019.**
- Vietnam IP Law has just been **amended** (in June 2019) to comply with the provisions regarding the protection of IP rights of the **CPTPP.**

Amended Vietnam IP Law

Novelty grace period

BEFORE Amendment	Amended IP Law 2019
<p>3 non-prejudicial disclosure cases:</p> <ul style="list-style-type: none">(i) <i>the invention was disclosed by third person without permission of the authorized applicant;</i>(ii) <i>the invention was disclosed by the applicant in a scientific report;</i>(iii) <i>the invention was displayed by the applicant at a Vietnam national exhibition or an official or recognized as official international exhibition,</i> <p><i>provided that the applicant files an application for the invention within 6 months from the publication date.</i></p>	<p>The invention shall not be considered as lacking novelty if:</p> <ul style="list-style-type: none">✓ publicly disclosed by the applicant or a person that obtained the information directly or indirectly from the applicant, provided that✓ the application for the invention is filed with the IP Vietnam within 12 months from the disclosure date.

Amended Vietnam IP Law

Right to self-protection

New clauses in Article 198, amended IP Law

- ✓ If concluded to not commit acts of IP infringement, **defendants may request plaintiffs to compensate them reasonable lawyer fees.**
- ✓ Entities/individuals suffering from acts of abusing IP protection procedures by others **may request the Court to force the abusers to compensate for damages caused by the abuse,** including reasonable lawyer costs.

Circular 16

POA Matters

Circular No. 16/2016/TT-BKHCN (**Circular 16**), amending and supplementing Circular No. 01/2007/TT-BKHCN, takes effect as from **15 January 2018**.

BEFORE Circular 16	Circular 16
Possible to late submit the PoA without any explanation on the late submission	NOT possible to late submit the PoA <u>unless</u> the applicant could submit verifiable evidence proving that he/she encountered some force majeure event or objective obstacle so that he/she could not submit the original PoA to the IP Vietnam in time.
No provisions require that the signing date indicated in the PoA must not be later than the date of filing the application with the IP Vietnam.	The signing date indicated in the PoA must not be later than the date of filing the application with the IP Vietnam, <u>unless</u> there are specific agreements between the applicant and his/her authorized representative stated in such PoA as regards the effective date and/or the scope of work (e.g., the specific PoA which specifies specific application number)

Circular 16

Patent Matters

- **All use-related claims**, regardless of the claim wordings and the technical fields, are not accepted.
- **Late entry of PCT application** into the Vietnam national phase is **no longer available**, except in case the applicant encounters a verifiable force majeure event or objective obstacle.
- **Late request for substantive examination** is **no longer available**, except in case the applicant encounters a verifiable force majeure event or objective obstacle.
- **Post-grant amendment** to a patent means **removing one or more claims only**.

Accelerated examination programs

i) Request for expedited examination **according to Vietnam IP Law and Regulations**

ii) Request for application of **pilot Patent Prosecution Highway (PPH) program between the IP Vietnam and the JPO & KIPO**

iii) Request for expedited examination according to the ASEAN Patent Examination Co-operation (**ASPEC**) program.

Expedited examination according to Vietnam IP Law and Regulations

- ✓ According to the laws, it is possible to file a request for accelerated examination with the IP Vietnam.
- ✓ However, the expedited examination request must be approved by relevant officials (examiner, manager in charge, etc.).
- ✓ Easier to be accepted **if** a corresponding application in another jurisdiction (eg., EU, US, JP, CN, KR) has been allowed
 - + VN claims are identical to those allowed claims.

Pilot PPH programs

- The pilot PPH program between IP Vietnam & JPO commenced in 2016 for 3 years at first, and **has just been extended for another 3 years, commencing from 1 April 2019**. Now, maximal number of PPH requests is **200 per year**, being divided into two periods: **maximal 100 PPH requests from 1 April to 30 September; the remaining from 1 October to 31 March** (the following year).
- The pilot PPH program between IP Vietnam & KIPO has just commenced on **1 June 2019** for **2 years at first**. Maximal number of PPH requests is **100 per year**.
- If there is a **JP or KR family patent**, applicants can request expedited examination of the VN application based thereon, **provided that** no substantive Office Action for the VN application has been issued.
- **A pilot PPH program with EPO** is under negotiation now.

ASPEC program

- ASPEC is **the first regional patent work-sharing program** among **9 ASEAN IP Offices** (Brunei, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, and Vietnam).
- Applicants can file ASPEC request if positive examination reports have been issued by any of the above nine ASEAN IP Offices. Such a request may be filed at any time before the IP Vietnam issues a Decision on Refusal or a Decision on Patent Grant.
- At recent practice, the IP Vietnam **shall try to issue Office Actions within 9 months from the date of ASPEC request.**

THANK YOU

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