

SEMINAR MINUTES

Subject : VIPRI/IP Vietnam – SEAIPJ/JICA Seminar on Vietnam amended IP Law (“**Amended IP Law**”)

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Method : Offline at VIPRI meeting room in Hanoi and online via Zoom

Languages : Vietnamese & Japanese (non-simultaneously)

Agenda : (see page 21)

Contents:

A. Opening remarks	
Dr. Nguyen Huu Can, Deputy Director General	<p>Your Excellencies, distinguished guests, ladies, and gentlemen,</p> <p>Mr. Matsumoto Izumi, the Second Secretary, Embassy of Japan in Viet Nam,</p> <p>Mr. Watanabe Junya, Director, IP Department, JETRO Bangkok,</p> <p>Mr. Kondo Shigehiro, representative of SEAIPJ in Vietnam,</p> <p>Mr. Fushimoto Masanori, representative of INPIT,</p> <p>The representative of JICA in Vietnam,</p> <p>As you may know, for many recent months, VIPRI, JETRO and JICA had been cooperated comprehensively for this seminar today. This is also the first time we have the chance to work with Mr. Nishimoto Koji, the expert of JICA in Vietnam. We are also very glad that we can work with JICA to hold this seminar.</p> <p>Japan is one of the countries having the largest foreign investment into Vietnam recently. According to our survey, Japan’s investment capital into Vietnam in 2022 has increased for more than 45%. As per JETRO’s survey last year, it also shows that around 55% of Japanese investors in Vietnam are looking to expand their business in Vietnam. JETRO’s survey in more than 1,700 parent companies in Japan shows that Vietnam is the second most favorable place, after the US, for investments into by Japanese enterprises. We can see that the role of Japanese enterprises in Vietnam is very important for the economic growth of Vietnam recently. We know that most of the operation and business of Japanese enterprises in Vietnam relate to IP matters and IP regulations in Vietnam. As you may already know, on 16 June 2022, the National Assembly of Vietnam passed the Amended IP Law. This is the</p>

	<p>4th amendment of the IP Law, but I think this is the most important revision so far. We hope that, by this seminar, we can introduce the new amendments of the IP Law to Japanese enterprises, so that you can utilize and contribute more and more to the economic growth of both countries.</p> <p>Once again, I want to express my deepest gratitude to you, who are presenting at the seminar. Wish your health and prosperity. Thank you.</p>
<p>Mr. Kondo Shigehiro, Reader of SEAIPJ Vietnam Working Group</p>	<p>Ladies and gentlemen, I am Kondo Shigehiro. On behalf of SEAIPJ, I would like to deliver a speech in this seminar. First of all, last time we had thought about conducting a seminar about this topic, but because of the Covid situation, we could not hold one. We intended again to conduct this seminar in 19-20 February 2022. It has also been a very long time since we met the people at VIPRI. It is clear that the Covid pandemic has changed our world tremendously. In this stance, Vietnam has amended the IP Law for the 4th time, which takes effect from next year. We hope that this amendment may promote IP related activities in the future. Because of that, we are very happy that the experts in Vietnam can provide us with the amendments in this seminar. We have been looking forward to this seminar. For us enterprises, changes of the IP Law may help us perform our operation and business in a stable manner. Apart from the amendments of the IP Law, the implementation of the law is also vital. Therefore, we hope that in the upcoming periods, we can continue to work with the IP authorities of Vietnam to comment and revise this law if necessary. We hope that you will continue to support Japanese enterprises in the upcoming periods. Lastly, we would like to thank the Intellectual Property Office of Vietnam (“IP VIETNAM”), VIRPI and other related persons to spare time to attend this seminar today. Lastly, we would like to thank Dr. Nguyen Huu Can to have supported us all the way along and conducted this seminar today. We wish your health and happiness. Thank you.</p>
<p>Mr. Fushimoto Masanori, INPIT Dean & Managing Director for Development of Human Resources</p>	<p>Hi everyone, I am Fushimoto Masanori, I am in charge of development of human resources at INPIT. I would like to deliver a speech in this seminar.</p> <p>INPIT just signed a memorandum on cooperation with VIRPI in 2018. In this June, INPIT and VIPRI had discussed about human resources, IP matters and the Amended IP Law, so that this seminar could be conducted today. We would like to thank all related persons at VIPRI, JICA, JETRO and SEAIPJ to have conducted this seminar today. I want to share a little bit, I and Mr. Nishimoto were colleagues at the Patent Examination Division of Japan Patent Office. Mr. Nishimoto loves Vietnam and wants to be the one to connect IP matters between the two countries. I hope that this seminar will provide comprehensive information to the related persons, and to strengthen the relationship between the countries. I myself am looking forward to the presentations by Vietnam side. Thank you very much.</p>
<p>B. Presentations of Vietnam about Amended IP Law</p>	
<p>Mr. Hoang Anh, Deputy Director of</p>	<p><u>Topic: General Provisions - Related Provisions in Amended IP Law of Vietnam</u></p>

<p>the Legislation and Policy Division, IP Vietnam</p>	<p>Mr. Watanabe Junya, Director, IP Department, JETRO Bangkok, Mr. Nguyen Huu Can, Deputy Director General of VIPRI, and ladies and gentlemen,</p> <p>It is my honor to be here today to, on behalf of IP VIETNAM, introduce to you the amendments of the Amended IP Law. This is the second time for me to present. The first one took place in IP VIETNAM office, which was less formal compared to this seminar. At that time, we discussed about the draft of the Amended IP Law, but the that was also the version submitted to the National Assembly of Vietnam, and it does not have many material changes compared to the issued version. Since the interpretation is not simultaneously, my presentation shall only be 30 minutes, instead of 01 hour, so I will skip sections that are not related to enterprises. I look forward to having your questions if necessary. I would like to sit and present so that I can smoothly handle the slides.</p> <p>My presentation consists of 03 sections, including (1) purpose of promulgating the Amended IP Law, (2) the structure of the Amended IP Law, and (3) the amendments provided for by the Amended IP Law, of which the third section is the key, so I will only briefly mention the first two sections in a couple of minutes.</p> <p>I. Purpose of promulgating the Amended IP Law:</p> <ol style="list-style-type: none"> 1. To institutionalize the guidelines of the Communist Party and policies of the State; 2. To overcome the shortcomings in the implementation of the IP Law, and the issues arising between provisions of the IP Law and other legal documents promulgated by the National Assembly; 3. To transpose Vietnam’s international commitments to be in line with international practices. This point is very important because Vietnam has entered into many international commitments recently. <p>As you may already know, in 16 June 2022, the National Assembly passed the Amended IP Law with the approval rate of 95.78%. The Amended IP Law takes effect from 01 Jan 2023, but some provisions take effect earlier to be in line with the international commitments, you can refer to the transitional clause therein.</p> <p>II. Structure of the Amended IP Law</p> <p>The structure of the Amended IP Law consists of 4 articles. Article 1 amends and supplements a total of 102 articles of the IP Law, of which 88 articles are amended and 14 articles are newly supplemented, and remove 02 articles. Concurrently, the Amended IP Law also revised 4 related laws, including the Law on Customs (control of goods passing through the border), the Law on Science and Technology and the Law on Management and Use of Public Property (matters related to science research), and the Law on Price (only one article related to patent, which will not be discussed here today).</p> <p>Now we move on to the amendments provided for by the Amended IP Law.</p>
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III. Amendments provided for the Amended IP Law

A. General matters

1. Article 5 is removed due to overlapping with and inconsistency with some related laws.
2. Article 8 is revised and supplemented to clarify that the State's policy is to provide financial, tax incentives, credit and investment support to encourage and promote innovation, creativity, and exploitation of IP.
3. Article 128 is revised in relation to protection of test data, which is very beneficial for pharmaceutical and agrochemical enterprises. To be specific, regarding pharmaceuticals, authorities in charge of approving pharmaceutical circulation must publish on its web portal or website information of the information of submitted application for pharmaceutical circular within 05 months before the pharmaceutical is approved for circulation. This provision is beneficial for enterprises to be informed of the new pharmaceuticals and to promptly take actions to protect their rights. Regarding agrochemicals, the test data thereof shall be protected for 10 years.
4. Regarding industrial property representation, I will only briefly mention herein.

- First, the representation activity is divided into 02 separate activities, comprising of commercial indication representation, and representation related to subjects that require creativity (inventions, industrial designs, and semi-conducting closed circuits).

- One new clause is added, that is lawyers can now practice commercial indication representation in the industrial property sector, if he/she has graduated from the training course on industrial property.

With these two basic changes, we hope that there will be more companies providing representation services to support the enterprises.

5. Regarding complaints about establishment of industrial property rights. The IP Law must also observe general provisions provided by the Law on Complaints. I would like to only mention herein specific provisions provided by the Amended IP Law.

- Method of filing complaints: (1) Vietnamese organizations and individuals, foreign individuals permanently residing in Vietnam, and foreign organizations and individuals having production and business establishments in Vietnam shall file complaints directly or indirectly (through their legal representatives); (2) foreign individuals not permanently residing in Vietnam and foreign organizations and individuals without production or business

	<p>establishments in Vietnam shall file complaints directly (through their lawful representatives in Vietnam).</p> <ul style="list-style-type: none"> - The formality of the filing: The formality of the application can be in hard copies or by electronic means, of which the latter one is the new one. As you may already know, IP VIETNAM has started using an online public service system, and we have had a survey showing that 7% of the applications submitted via such online system are electronic. The old provisions require that submission must be made in hard copies. Now we supplement the way of using electronic means. - Regarding complaints related to industrial property, there are many cases that require us to re-examine the industrial property subjects. In such cases, the re-examination process must be conducted and the applicants must pay the fee therefor. The time for re-examination, time for amending and supplementing complaint dossiers is not included in the time limit for complaint settlement. The time limit for re-examination is equal to two-thirds of the time limit for the first examination, and for complicated cases, it may be extended but not exceeding the time limit for the first examination (according to Article 119). - Now I would like to introduce a new provision provided by the Amended IP Law, that is to separately differentiate the two concepts of (1) a third party's opinion, and (2) a third party's objection to the industrial property registration application. <ul style="list-style-type: none"> o For third party's objection to the industrial property registration application under Article 112a, evidence must be submitted, the fees must be paid and the objection can only be made in certain periods corresponding to a particular subject in question. This opinion is deemed an official objection, and the IP VIETNAM is obliged to respond to that opinion. o Applicants can opt to use the concept of submission of a third party's opinion. The supplementation to Article 112 stipulates that such an opinion by a third party shall be a reference source in the process of handling the application, which means that the IP VIETNAM shall not be obliged to officially respond to such an opinion. The applicants are not required to pay the fees. - The next section is related to the grant of protection titles. We think that these amendments are very basic and supportive to enterprises. In the old law, if the refusal notice of IP VIETNAM indicates that the application is only partially eligible for protection, and the applicant responds that it does not agree with that refusal or fails to respond to that refusal notice, the IP VIETNAM will refuse to grant the protection title in full. We think that this provision is unfavorable to the applicants because the refusal notice itself specifically
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stipulates that part of the application is eligible for protection. The rejection to grant the protection title in such cases is only due to the administrative procedure issue. Therefore, the amendment provided by the Amended IP Law now stipulates that, in such cases, the IP VIETNAM will not issue a refusal notice, but will issue a notice of intention to grant the protection title to the part of the application that is eligible for protection. If the applicant responds that it does not agree to the part that is not eligible for protection, or does not respond at all, the IP VIETNAM will issue a decision to grant the protection title to the part that is eligible for protection. This is more favorable for the applicants.

B. Inventions and industrial designs

In this section, there are three parts, (1) protection of inventions, (2) protection of industrial designs, and (3) subjects that are the results from using State budget. I will skip part (3) since it does not relate to foreign enterprises to a great extent.

B.1. Inventions

1. The definition of “secret invention” is supplemented. A secret invention is an invention that has been identified by a competent organization as a State secret in accordance with the Law on Protection of State secrets. Only the definition thereof is currently provided in the Amended IP Law. Provisions on procedures to handle these types of applications are under drafting process.
2. In regard to the novelty of an invention in Article 60, the Amended IP Law adds that an invention is deemed new if the invention is not disclosed in another patent application with an earlier filing date or priority date but published on or after the filing date or priority date of that patent application. As you may know, under the old law, the novelty of an invention is based on its public disclosure. Under the Amended IP Law, an invention that has not been disclosed, i.e. having applied for a protection but not yet publicly disclosed, may be deemed new.
3. Another new provision in Article 86 is related to inventions of organizations and individuals that are assigned to manage genetic resources, provide genetic resources, and provide traditional knowledge about genetic resources. This provision mainly applies to inventions in pharmaceuticals, under which one party provides technology and one party provides genetic resources. Under the old law, the party providing genetic resources does not have the right to register for protection of such inventions.
4. A new provision regarding security controls for inventions before filing overseas patent applications. This new provision concentrates on inventions (i) that are in the sector of nation defense and security, (ii) created in Vietnam, and (iii) belong to the registration right of a Vietnamese citizen residing in Vietnam, or of an organization legally

	<p>established under the laws of Vietnam. Such applications may only be filed overseas if they have already been filed for the purpose of security control in Vietnam. Detailed regulations on the procedure to perform security control are under drafting process, but the total time limit for security control shall not exceed 6 months.</p> <ol style="list-style-type: none">5. Regarding the invention registration application under Article 100, the dossier must include documentation explaining the origin of genetic resources or traditional knowledge of genetic resources in the patent application, if the concerned invention is directly created based on genetic resources or traditional knowledge of genetic resources. This new provision is based on the Law on Biodiversity. To be specific, the Law on Biodiversity provides for the profit sharing for the party supplying the genetic resources to create the products. With the new provision that documentation regarding genetic resources shall be disclosed in the registration application dossier as per the Amended IP Law, the interest of the party supplying the genetic resources may be ensured.6. Regarding formality examination in Article 109, we supplement the case where the application is rejected if it fails to comply with security control regulations, as mentioned above.7. Regarding substance examination of the invention in Article 114, there is a new provision supplemented. In particular, we, IP VIETNAM, may use the results by a foreign IP authority for the same invention. As you may know, we have not met the timeline for examination of inventions quite often, we hope that this provision will help us keep up with the timeline.8. Article 117 is supplemented with cases where IP VIETNAM will refuse to grant the protection titles:<ul style="list-style-type: none">- Disclosure of information related to an invention exceeds the scope of disclosure stated in the original description of the patent application;- The description of the invention is not sufficient and clear;- For inventions that are created based on genetic materials or traditional knowledge about genetic materials, the patent application does not disclose or incorrectly discloses the origin of such genetic materials or traditional knowledge about genetic materials;- An invention registration application is filed contrary to the regulations on security controls for inventions.9. Cases for invalidating the protection titles are similar to the cases I have just mentioned above.
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	<p>10. Provisions on compensation to patent owners for delays in approving circular of pharmaceutical products are supplemented in Article 131a. These provisions are to comply with Vietnam’s international commitments.</p> <p>11. Another new provision is under Article 145, relating to mandatory licensing of inventions. In particular, an invention shall be compelled to be licensed if the use of the invention is to meet the needs of drugs for prevention and treatment of other countries that are eligible for import under international treaties to which Vietnam is a contracting party. This provision is in line with TRIPS.</p> <p>B.2. Industrial designs</p> <p>1. Definition of industrial designs (Article 4): An industrial design is the external appearance of a product or of a part for assembly into a complex product, represented by shapes, lines, colors or a combination of these elements, and eligible to be observed during the use of a product or a complex product. This provision is to comply with the Hague Agreement Concerning the International Deposit of Industrial Designs.</p> <p>2. There is a small change to the registration application dossier to simplify the procedure under Article 103. In the old law, it is required that the detailed description of the industrial design must be submitted, now it has been removed. The Amended IP Law only requires submission of photos or drawings to understand the nature of the industrial design in question. The description only needs to list out, in order, the photos and drawings in the set of photos, drawings and design features of the industrial design.</p> <p>3. Another provision that is beneficial to the enterprises is allowing late publication of industrial design applications in Article 110, which protects an enterprise’s secrets from its competitors. The time limit for late publication shall not exceed 7 months from the date of application.</p> <p>C. Trademarks and geographical indications</p> <p>C.1. Trademarks</p> <p>1. Sound marks are now eligible for protection (excluding national anthems of Vietnam and other countries). The sample of the sound mark enclosed with applications for registration must be comprised of an audio file and a graphical representation of that sound. Provisions regarding sound trademarks have taken effect, therefore, at the moment, one can apply for protection of a sound trademark at IP VIETNAM.</p> <p>2. A sign that is ineligible for protection as a trademark is the inherent shape of the goods or is required by the technical characteristics of the goods (Article 73.6).</p> <p>3. Additional provisions on the distinctiveness of 3-dimensional trademarks are supplemented. To be specific, a trademark is not considered</p>
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	<p>distinctive if the usual shape of the goods or part of the goods, the usual shape of the packaging or the container has been in regular use and is widely acknowledged prior to the date of application (Article 74.2(b)).</p> <ol style="list-style-type: none"> 4. A trademark is not considered distinctive if a sign that significantly adds value to the goods, unless the mark has acquired distinctiveness through use prior to the date of application (Article 74.2(c)). This is to handle the case where an applicant registers an industrial design as a trademark to have that industrial design protected for an unlimited period of time. As you may already know, under the laws of Vietnam, an industrial design is protected for a period of up to 15 years, whereas a trademark is protected for an unlimited period of time as long as the applicant still has the need to use such a trademark. 5. Another addition to avoid overlapping the rights between a trademark and an industrial design under Article 74.2(n) is that a trademark is not considered distinctive if it is identical with or not significantly different from another person’s industrial design that was or is being protected on the basis of an industrial design registration application. 6. Regarding well-known trademarks: The Amended IP Law amends the definition to a mark widely known by the relevant public in the territory of Vietnam. It is stipulated under the Amended IP Law that the consideration and assessment method of well-known marks utilizes <i>some or all</i> of the criteria listed in the IP Law. 7. Integrated trademarks have been removed. 8. Article 110 regarding publication of applications for registration of trademarks is revised: Trademark registration applications that have not yet been duly accepted by the State management agency in charge of industrial property rights shall be made public immediately upon receipt. This provision enables enterprises to be informed of their competitors’ intentions as soon as possible, and thus, to better protect their IP. 9. Applicants can now request to suspend the examination, which allows them to remove the evidences showing that they have not used the trademark in concern for 05 years continuously. 10. A mark shall be deemed to be indistinctive if a sign identical with or confusingly similar to another person’s mark which has been registered for identical or similar goods or services, the registration certificate of which has been invalidated for no more than <i>three years</i>, instead of <i>five years</i>. 11. The time of collecting trademarks that are used for the distinctiveness-test is the time of the submission of the application (Articles 74.2(a, b, c, dd, and i)). 12. Per Article 74.2(o), a trademark is not considered distinctive if it is identical with or confusingly similar with names of plant varieties that
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	<p>were or are being protected in Vietnam. Per Article 74.2(p), a trademark is not considered distinctive if it is identical with or confusingly similar with the name and image of the character or image in the work covered by the copyright protection of another person that was widely known before the date of application. These provisions are to avoid overlapping the rights between a trademark, a plant variety and a copyright.</p> <p>13. IP VIETNAM will refuse to grant the protection title if there are grounds to determine that the applicant applies for registration of a mark with malicious intent. Definition of “malicious intent” is under drafting process, we hope to have it released at the date of effectiveness of the Amended IP Law.</p> <p>14. Effectiveness of the protection titles based on international applications, and termination of effectiveness of protection titles are supplemented based on EVFTA, to which Vietnam is a contracting State. To be specific, the validity of a protection title shall be terminated if (i) the use of a protected mark for goods or services by the owner of the mark or a person authorized by the owner of the mark causes consumers to misunderstand the nature, quality, or local origin of the goods or services, or (ii) the protected mark becomes the common name of the goods or services registered for that particular mark.</p> <p>15. Another case for invalidating the effectiveness of a trademark is due to malicious intent of the applicant.</p> <p>C.2. Geographical indications</p> <p>Since this concept is not commonly used by enterprises, I will skip this section.</p> <p>C.3. Unfair competition</p> <p>The Amended IP Law clarifies conditions to be considered unfair competition between domain names and pre-existing trademarks, trade names and geographical indications in Article 130.1(d). To be specific, the act of possessing or using a domain name identical or confusingly similar to another’s trademark, protected trade name or geographical indication that one does not have the right to use with malicious intent, taking advantage of its reputation or reputation of trademarks, trade names, and geographical indications in order to gain illicit profits shall be deemed an unfair competition act.</p> <p>Thank you for listening.</p>
<p>Ms. Do Thi Xuan Huong, Director of the Expertise and Valuation Division</p>	<p><u>Topic: IPRs Enforcement - Related Provisions in Amended IP Law of Vietnam</u></p> <p>Hello everyone, I am Do Thi Xuan Huong, Director of the Expertise and Valuation Division of VIPRI. I would like to present some provisions related to IPRs</p>

enforcement in the Amended IP Law, and from that, share some recommendations to enterprises in general, and to Japanese enterprises in particular.

There are some main contents regarding enforcement of IPRs.

- First, Article 198 supplements some provisions to require provision of rights management information or apply other technological measures to prevent IPR infringement. Sub-clause 1.b also requires removal and deletion of infringing content on the telecommunications network and the Internet. Pursuant to Article 198.1a, intellectual property right holders may authorize other organizations or individuals to apply the measures to protect their intellectual property rights.
- Article 212 supplements that legal entities are subject to criminal sanctions when infringing IPRs.
- Article 213 splits the provisions regarding counterfeit trademark goods and goods with fake geographical indications for better administration and to be in line with Vietnam's international commitments.
- Article 214 removes specific methods of administrative sanctions applicable to IPR infringements, because they have already been stipulated in the Law on Handling Administrative Violations.
- Articles 216 and 218 further provides for measures to control goods in export and import in relation to IP, and the procedure for applying the measure of temporary suspension of customs procedures customs, so that customs authorities will be more proactive.

Above revisions are meant to be in line with the Vietnam's commitments, as well as to ensure that the law shall conform with the current situation. The reasons for above changes are:

- First, change of business environment. The breakout of Internet is inevitable, Vietnam is also included. With the growth of e-commerce, IP matters, for example, counterfeiting trademark of goods, infringing upon copyrights or IPR disputes, are getting more and more complex. In that stance, there is a need for detailed mechanisms to settle disputes on the Internet.
- Secondly, IPR infringements are increasing, becoming more complicated on a large scale. Pursuant to the report of the Market Management Department, we have seen a growth in IPR infringements recent years, there are 4,000 violations that were handled in 2021 alone, of which more than 3,000 violations are e-commerce related, and the penalty imposed for 2021 alone amounts to more than VND 20 billion. Notably, this statistics has not shown all IPR infringements since Vietnam is territory for goods to be transited from neighboring countries. Therefore, a statutory mechanism is needed for enforcement of IP rights, so that authorities can use and implement.

- Another reason is that the old law is not sufficient to effectively handle IPR infringements today. On the other hand, there are overlapping provisions regarding handling IPR infringements, for example, specific methods of administrative sanctions applicable to IPR infringements have already been stipulated in the Law on Handling Administrative 2012, or legal entities are not mentioned as subjects of criminal sanctions in the old Article 212.

Now I would like to explain the influences imposed by the Amended IP Law:

- First, influences on enterprises: The Amended IP Law helps enterprises to protect their IPR more effectively, in particular, helps the enterprises to determine what specific measures can be taken instead of general measures as provided as before. The Amended IP Law provides other mechanisms for enterprises to handle IPR infringements on the Internet, like compelling to remove or delete violated contents, etc. By these amendments, enterprises now can authorize other entities or individuals to protect their IPR instead of handling it themselves.
- Second, influences on authorities in charge of IPR enforcement: The Amended IP Law specifically divide the authorization of each authority in charge of IPR enforcement. Additions to the rights of customs authority when handling import and export are appropriate in the current situation. Per the old IP law, owners of the IPR must have taken remedies themselves and the customs authorities only enforce upon requested, which decreases the effectiveness and timeliness of the enforcement. Therefore, it is reasonable for customs authorities to be delegated with the authorization to handle IPR infringements.

Enterprises need to keep in mind the following matters to protect their IPRs:

- Enterprises should apply technological measures to monitor the IPR infringements that are conducted online, and send the notices to intermediary service suppliers to handle the infringements in a timely manner.
- Enterprises may protect their IPRs by themselves or to authorize others to do so.
- If enterprises incur damage or likely to incur damage from unfair competition acts, enterprises may request competent authorities to apply civil measures. It should be noted that administrative measures are not applied in these cases. The claimant must prove the actual damage incurred.
- Enterprises may refer to Law on Handling Administrative 2012 to find the rate of sanctions applicable to IPR infringements.

	<ul style="list-style-type: none"> ○ In upcoming periods, enterprises may request to assess the IPR subjects of any organizations or individuals, not only the subjects that are related to them. ○ Nowadays, enterprises can trust the effectiveness of IPR enforcement in Vietnam, especially since customs authorities are more proactive in handling IPR infringements. <p>Thank you for listening.</p>
<p>Dr. Nguyen Huu Can, VIPRI, Deputy Director General</p>	<p><u>Topic: Scientists’ Motivation to Patent and Commercialize their Inventions in Universities and Research Institutes</u></p> <p>My topic aims to supplement the section already delivered by Mr. Hoang Anh regarding scientists’ motivation to patent and commercialize their inventions in universities and research institutes. I hope that this topic may change the atmosphere a little bit, since we have been studying the laws for the whole morning.</p> <p>My presentation relates to inventions/subjects of inventions that use State budget. Japanese enterprises may rarely use these provisions because Japanese enterprises may not create inventions funded by Vietnam State. However, these provisions are made in the Amended IP Law to encourage persons working in enterprises to create inventions.</p> <p>First, I refer to Article 86 of the IP Law, which sets out a very general principle that when an organization funds a creation of an invention, that organization shall be the owner of that invention. The Amended IP Law does not change that approach provided by Article 86. Article 86a, however, is the wholly new provision. Article 86a stipulates that the right to register the invention belonging to the organization that manages the invention (e.g., a university or a research institution), not the organization that funds the invention as provided for by Article 86. This is to ensure that the invention managing organization to have the autonomy in deciding the inventions they create. When invention management organizations are delegated with such a right, what are the reasons and motivations for the scientists in that institution to register and commercialize such inventions? Per our survey, there are 14 reasons that one person may register the inventions, of which the 6 reasons below are important:</p> <ul style="list-style-type: none"> ○ To create benefits for society; ○ To give a message about the inventions; ○ To ensure usability of the inventions; ○ To prevent others from obtaining the exclusivity; ○ To create opportunities to license patents and earn income; ○ To prevent patent duplication.

	<p>There are 02 important motivations that drive scientists to register the inventions:</p> <ul style="list-style-type: none"> ○ To bring satisfaction to the author of the inventions himself/herself; ○ There exists specialized departments that support the scientist to register the inventions. <p>Reasons for commercializing the inventions are similar to the above cases. Moreover, one more reason for a scientist to register the inventions is because he/she has a comprehensive relationship with the enterprise.</p> <p>Overall, our study shows that:</p> <ul style="list-style-type: none"> ○ In order to motivate the personnel at R&D departments to create and register inventions, enterprises have to come up with a technical problem for the inventors to solve. Money may not be as important as the feeling of being up to the challenge. ○ Enterprises need to have a specialized department to handle the IPR. ○ Enterprises do not need to create the inventions themselves, but may request scientists in institutions to create the inventions for them.
<p>Dr. Nguyen Huu Can, VIPRI, Deputy Director General</p>	<p><u>Topic: Using Expert Evidence in IPR Dispute and Infringement Settlement</u></p> <p>My topic aims to supplement Ms. Huong’s topic regarding IPR enforcement. As you may already be aware, to settle an IPR infringement case, evidence must be provided. This topic discusses what is deemed expert evidence, in reference to Article 201 of the Amended IP law.</p> <p>First of all, evidence, as provided for by the Civil Procedure Code and Criminal Procedure Code, is anything that (i) is real, lawfully provided or obtained, and related to the matter under consideration; and (ii) can therefore be used as a basis for conclusions on the matter of fact. In Vietnam, evidence provided by an expert, in a form of an expert opinion, can be deemed expert evidence, which is commonly used in IPR infringement cases. In other countries, for example, in Japan, expert evidence is mainly used in civil enforcement, but in Vietnam, expert evidence is not only used in civil enforcement but mainly used in administrative enforcement. As you may know, there are many administrative authorities that have authorities over handling IPR infringements. They can be market management authorities, customs authorities, etc. In Japan, there are similar authorities, but expert evidence is mainly used by the courts. Expert evidence is called judicial research official in Japan. There are only 11 of those experts in Japan. In the US or in EU, there are similar positions, namely advocate general/attorney. In European Court of Justice, there are 10 of those experts. Although in those countries, courts are not bound by the experts’ opinions, the experts’ opinions play an important role for the court to decide a case, for instance, 60% of the judgments delivered by US courts rely on expert evidence, and for EU, 67%.</p>

	<p>Let’s get back to the amended Article 201 of the Amended IP Law, which defines the expert evidence by setting out the IP assessment. IP assessment means the use by competent organizations or individuals of their professional knowledge and expertise to make an assessment of and conclusions on matters related to IPRs. From the perspective of the Civil Procedure Code and the Criminal Procedure Code, IP assessment is deemed expert evidence. Regarding the binding effect of expert evidence, we would like to refer to the report of 10 years of implementation of the IP Law: “Most enforcement agencies when dealing with IPR infringements still have to rely heavily on the opinions of assessment organizations”.</p> <p>IP assessment includes 3 types as follows: (a) assessment of copyright and related rights, (b) assessment of industrial property rights, (c) assessment of rights to plant varieties. The principles for assessment are provided in Article 201, of which we can note that any and all individuals, organizations and enforcement authorities have the right to request for IP assessment, and the IP assessment shall be implemented on the basis of agreement.</p> <p>It is also important to note that, under Article 201.5, the IP assessment conclusion shall be deemed one of the sources of evidence for competent agencies to handle and settle the case. The assessment conclusion does not conclude on the IPR infringement or concludes on the dispute. VIPRI has conducted many IP assessments, and our conclusions do not conclude on the acts committed but only on the elements of IPR infringement. Based on our conclusions, enforcement authorities may use them as evidence to deliver the final judgment regarding IPR infringements in question. I want to emphasize the legal validity of the assessment conclusion: Due to the nature that expert evidence is an expert’s opinion, it is not legally binding upon enforcement authorities, and is not an administrative decision. Therefore, in case the parties do not agree on the assessment conclusion, the parties can request the organization that conducted the assessment to explain, but cannot pursue administrative lawsuits against such an organization.</p>
<p>Ms. Nguyen Thi Minh Hang, Director of the Research Division</p>	<p><u>Topic: IP Indicators for Evaluating the Performance of Research Organizations and Enterprises</u></p> <p>1. Operation efficiency</p> <p>First, let’s take a look at one definition that we use daily in both official and non-official documents, which is “efficiency”. Efficiency is a category that reflects the level of use of resources to achieve certain goals, and is evaluated in relation to the outcome produced. In other words, efficiency reflects the quality of operation. Depending on the objective of the operation, efficiency can be divided into socio-economic efficiency, business efficiency and investment efficiency. Efficiency of enterprises can be classified as business efficiency, whereas efficiency of research organizations can be classified as scientific research efficiency.</p> <p>So, what is the role of IP in enterprises and research organizations? IP will create advantages in the market, as well as competitive advantages for products and services bearing such IP. IP assets may create a benefit to the enterprises. Due to novelty and creativity of inventions, products created based on inventions can create advantages for enterprises in the market. For example, with two products of the</p>

same or equivalent quality, the labelling of a well-known brand or a new brand that has just entered into the market will lead to different prices for these two products. Enterprises may also receive remuneration from licensing of IP. For example, main income of IBM of USA came from licensing. IP is considered an important asset of enterprises, and therefore, can be deemed the reason, or even the goal for an enterprise to pursue. Thus, using IP indicators to evaluate performance of enterprises is a trend nowadays.

There are many different IP indicators. However, choosing which IP indicators relies on two main principles: The first principle is that it has a relationship with and reflects the activities of the enterprise or the research organization, and the second principle is having the ability to collect information. The use of IP indicators has the one strong point that IP information will always be highly detailed, because it will always be updated in many different databases (national, international and regional databases). However, using the IP indicators encounters a number of difficulties:

- There is a chance that an IP will be double counted, because an IP can be co-owned or co-authored, an invention can have different classifications, a trademark can be classified in different types of shapes.
- Data latency. IP data is not updated immediately, but periodically. So any IP database will incur certain delay.
- Different countries may have different conditions and standards for granting protection titles, therefore, the quality of protection titles may vary.

2. IP indicators for evaluating the performance of enterprises:

The operation of enterprises will normally be evaluated by certain standards. Traditional performance evaluation method is based on accounting, i.e. the evaluation based on the efficiency of increasing economic value or return on investment. However, due to global change, enterprises must focus more on strategy. As a result, enterprises change their business orientation, from production orientation to strategy orientation. Enterprises need another method of evaluation based on strategy orientation, instead of finance orientation. In that context, several performance evaluation models have been identified: matrix; results – determining factors; pyramid; balanced scorecard; EFQM model; effective lens. According to these models, financial and non-financial factors, internal and external to the business, are used to evaluate the performance of the enterprises. Among them, a number of models (in particular, the results – determining factors, and the EFQM model) use criteria related to enterprise innovation and improvement. In addition, the relationship between IP and business performance has also been demonstrated experimentally for different types of enterprises, in respect of general IP and of specific types of IP. For example, according to a study by the European IP authority, enterprises that own IP will generate more revenue/labor than enterprises that do not own IP. Also according to this study, enterprises that only own patents, trademarks or industrial designs also have better performance than those that do not own any IP. Similarly, a number of studies by academics around the world show that start-ups have positive performance with the number of patents in the first 5 years of

operation. The exclusive ownership of an industrial design also has an impact on business performance. According to the above studies, IP indicators such as the number of IPs, IP types, have reflected the performance of enterprises.

In fact, some international rating systems also use IP indicators to assess the innovation capacity and competitiveness of world economies, in which enterprises are part of those economies, for instance:

- The Global Innovation Index, which is an indicator of the capacity and innovation performance of world economies, used by WIPO. It can be seen that IP indicators are used a lot to evaluate innovation capacity, which include indexes of number of patents, amount of money to be paid to obtain IPs, number of patent applications, number of utility solution applications, proceeds from IP licensing, number of trademarks, number of industrial designs, global brand value.
- Next is the European Innovation Scoreboard. This scoreboard bases on more than 30 different indicators, among which the IP indicators are also used as the basis of assessment, and are grouped into one IP category: PCT patent applications, trademark applications and design applications.
- The Global Competitiveness Index by the World Economic Forum is used to assess competitiveness through 12 pillars and is divided into 3 groups, including number of patent applications and the number of trademark applications.

Through the above, it can be seen that IP indicators have been used to evaluate the performance, innovation and competitiveness of enterprises.

3. IP indicators for evaluating the performance of research organizations

For a research organizations, IP indicators, and indicators about inventions in particular, are clear indications of the success of research and development activities. Thus, they have been used as the basis for assessment of operation of research organizations for a long time. These indicators are divided into 4 groups: IP list, IP commercialization, IP influence, and collaboration and connectivity. Nowadays, the use of IP indicators to evaluate the activities of universities, research organizations, etc. is quite common. For example, the World Bank uses IP indicators to evaluate public research institutions; the Australian IP agency uses IP indicators to evaluate the performance of universities; in Vietnam, IP indicators are also used to evaluate the activities of research organizations.

4. Our recommendations to enterprises

- Using IP indicators to evaluate the performance of enterprises, and from that, control, adjust, and reorganize activities of the enterprises and to evaluate, motivate and encourage employees;
- Focusing on investment and development of innovation activities to improve operational efficiency of enterprises.

C. Q&As	
Participant:	Per the Amended IP Law, anyone can request an assessment, not only the entities that relate to the IP in question. So, I understand that, even the end-users, after buying a product, if he/she deems that the product is infringing an IPR, he/she can request for assessment. Is this correct?
Ms. Do Thi Xuan Huong:	Yes, it is correct.
Participant:	At that time, can the customer request to handle the store that sells counterfeit goods?
Ms. Do Thi Xuan Huong:	Yes, but he/she must be able to prove that the owner of the mark is not the party that affixed the counterfeit mark on the product. If the store owner cannot prove the origin of the goods, they will be handled.
Participant:	Thank you.
Dr. Nguyen Huu Can:	I would like to explain more about the mechanism related the case where a consumer requests for handling of IPR infringements. For example, someone bought a fake Yamaha product at a certain store. When there is a conclusion of an assessment organization, the market management agency can be requested to handle that store. In order for market management agency to handle the store, market management agency has to contact Mr. Kondo to check if the product is fake branded goods or not. If Yamaha Company confirms that it is fake, the market management agency will rely on the assessment conclusion to handle the store. What I want to emphasize here is that the cooperation between the right holder and the enforcement agency is necessary to be able to handle the violation.
Participant:	Per the old law, there has already been a mechanism for one party to request an assessment, even if that party is not related to the IP in question. What is the new amendment in the Amended IP Law?
Dr. Nguyen Huu Can:	The amendment here is only in Article 201.5, which is the change in the legal validity of the assessment conclusion. In the past, assessment conclusion was considered as a source of evidence in a decree issued by the Government decrees. Now, it has been incorporated into the law. However, the principle that “other related organizations and individuals shall have the right to request an IP assessment in order to protect the legitimate rights and interests of such holder, organization or individual” has not changed since then.
Participant:	I have a question regarding expert evidence. To my knowledge, if a person requests an assessment, he/she work with VIPRI to agree on the terms of the assessment. After VIPRI has issued the assessment

<p>Dr. Nguyen Huu Can:</p> <p>Participant:</p> <p>Dr. Nguyen Huu Can:</p>	<p>conclusion, there is a chance that the assessment conclusion may be objected by a third party, and that third party does not agree with the assessment conclusion of VIPRI. How can that party handle such a case?</p> <p>Is the third party here related to the person that is requested to be assessed?</p> <p>When I ask this question, I also assume that the person requesting the assessment is the right holder. If there is an infringing element in the assessment conclusion, the objecting party will be the party that was requested to be assessed.</p> <p>If that objecting party sends a request to VIPRI, VIPRI is not obliged to respond to that request, because as I said at the beginning, the nature of the transaction here is based on the agreement between VIPRI and the right holder. So, VIPRI is obligated to keep confidentiality for the right holder, and not to explain to a third party. So what are the solutions? One, the objecting party will settle disputes with the right holder itself. Two, the objecting party has to prove to the competent authority that it does not infringing upon the IPRs in question. Three, the objecting party may request VIPRI to conduct an assessment according to the agreement between VIPRI and that third party.</p>
<p>Participant:</p> <p>Dr. Nguyen Huu Can:</p> <p>Participant:</p>	<p>In reference to Article 12a, how are the rights related to a work that is “co-owned” treated under the Amended IP Law? I understand that, in the old law, there is also that scheme, but there is no such a case in practice, is that correct? I also want to ask whether or not decrees and circulars have more specific provisions on this matter? Are there cases of enterprises using such co-owned works in practice?</p> <p>The principle of co-ownership in the Amended IP Law has not changed compared to the previous regulations. Article 86.2 of the Amended IP Law stipulates that individuals jointly investing in creating an invention will be co-owners of the invention. From that principle, the right will be divided according to each owner’s contribution. The distribution of benefits is also according to the proportion of contributions of the co-owners. At present, detailed regulations on the rights and interests of co-owners are being drafted and not yet issued.</p> <p>In Japan, there are also regulations on co-ownership, for example, if A and B are co-owners, when licensing or assigning the IP subject, a consensus is required. For normal use of the IP subject, a consensus is not required. I also understand that these regulations will be detailed later, so I will wait. Thank you.</p>
<p>Mr. Nishimoto Koji:</p>	<p>Regarding Mr. Hoang Anh’s presentation, if the Japanese side needs to ask anything, please send it to me so that I can forward them to Mr. Hoang Anh to answer.</p>

Mr. Watanabe Junya:	Regarding Ms. Huong's presentation, we understand that online sales are now quite popular, and counterfeit goods is increasing very quickly. We also receive such information from enterprises. I understand that the old regulations have already provided for measures to prevent and handle violations in the telecommunications and internet environment. The Amended IP Law is clearer, so it is easier to apply/enforce it, is this correct?
Ms. Do Thi Xuan Huong:	Yes, it is correct.
Participant:	In Ms. Hang's presentation, IP assets increase enterprise value. I want to ask, currently retaining employees, even in big cities like Ho Chi Minh City, is quite a headache, so I am wondering whether having additional IP will help this human resource problem? The second question is, the planning orientation of Ho Chi Minh City in the future is to re-plan and renovate industrial zones, so, will IP registration like this have a good impact on the relevant plans?
Ms. Nguyen Thi Minh Hang:	IP will definitely help businesses, especially in the long run, not the short term. Of course, IP has the potential to attract workers. Regarding human resource policy, Mr. Can will answer.
Participant:	Thank you, Ms. Hang. Retention of employees is quite difficult, we will pass this information on to Japanese enterprises.
Dr. Nguyen Huu Can:	Regarding your question, there are many studies that, if an enterprise owns and exploits IP, it will always increase the income source for employees. For example, in Vietnam, Japanese enterprises owning many technologies and brands are creating more additional income for Vietnamese employees. Therefore, the aim to expand industrial zones is also expanding exploitation of IP, creating creative motivation for employees and increasing income for employees. That should be best environment to retain employees.
Participant:	Thank you.
D. Closing remarks	

AGENDA

Moderator: Watanabe Junya (Mr.), Director, IP Department, JETRO Bangkok

08:00 – 08:15

Opening Remarks

VIPRI: Dr. Nguyen Huu Can, Deputy Director General

SEAIPJ Vietnam Working Group: Mr. Kondo Shigehiro

INPIT: Mr. Fushimoto Masanori, Dean & Managing Director for Development of Human Resources

08:15 – 09:15

Presentation of Vietnam amended IP Law by IP Vietnam

General Provisions - Related Provisions in Amended IP Law of Vietnam

Mr. Hoang Anh, Deputy Director of the Legislation and Policy Division, IP Vietnam

09:15 – 09:30

Short Break

09:30 – 11:30

Presentation of Vietnam amended IP Law by VIPRI

IPRs Enforcement - Related Provisions in Amended IP Law of Vietnam

Ms. Do Thi Xuan Huong, Director of the Expertise and Valuation Division

Scientists' Motivation to Patent and Commercialize their Inventions in Universities and Research Institutes

Dr. Nguyen Huu Can – Deputy Director General of VIPRI

Using Expert Evidence in IPR Dispute and Infringement Settlement

Dr. Nguyen Huu Can – Deputy Director General of VIPRI

IP Indicators for Evaluating the Performance of Research Organizations and Enterprises

Ms. Nguyen Thi Minh Hang – Director of the Research Division

11:30 – 12:15

Q&A Session

12:15 – 12:30

Closing Remarks

JICA: Mr. Nishimoto Koji, Japan International Cooperation Agency (JICA) Expert

VIPRI: Dr. Nguyen Huu Can, Deputy Director General

JETRO Bangkok: Mr. Watanabe Junya, Director, IP Department