

1-1-1996

## Viet Nam or Bust: Why Trademark Pirates are Leaving China for Better Opportunities in Viet Nam

Graziella M. Sarno

Follow this and additional works at: <http://elibrary.law.psu.edu/psilr>

 Part of the [Comparative and Foreign Law Commons](#), [Intellectual Property Law Commons](#), and the [International Law Commons](#)

---

### Recommended Citation

Sarno, Graziella M. (1996) "Viet Nam or Bust: Why Trademark Pirates are Leaving China for Better Opportunities in Viet Nam," *Penn State International Law Review*: Vol. 14: No. 2, Article 5.

Available at: <http://elibrary.law.psu.edu/psilr/vol14/iss2/5>

## COMMENTS

# Viet Nam or Bust: Why Trademark Pirates are Leaving China for Better Opportunities in Viet Nam\*

## I. Introduction

The lifting of the U.S. trade embargo against Viet Nam on February 3, 1994<sup>1</sup> was viewed as an economic bonanza to innumerable U.S. companies because of the investment and export opportunities that became available.<sup>2</sup> However, numerous legal ramifications exist in light of these recent developments. These ramifications include trademark piracy and counterfeiting<sup>3</sup> which are being conducted by pirates who have left China for new opportunities in Viet Nam.<sup>4</sup>

---

\* The writer would like to extend sincere thanks to Stephen M. D. Hayward of Lovell, White, Durrant, Hong Kong, for his assistance in securing English translations of the Vietnamese and Chinese trademark laws and F. Jeannie Smith of Baker and McKenzie, Hong Kong, for her assistance in securing other Vietnamese documents.

1. F. Jeannie Smith, *A Developing Vietnam Presents Challenges For U.S. Mark Owners*, NAT'L L.J., May 16, 1994, at C10. The U.S. trade embargo began after U.S. participation in the Viet Nam war. Additionally, U.S. companies had been prohibited from trading with Viet Nam by the U.S. Trading with the Enemy Act. Frederick Burke, *Trademark Protection in Vietnam*, 13 E. ASIAN EXEC. REP. 8, Oct. 15, 1991. Trademarks, however, have always been an exception to the trade embargo. See Smith, *supra*.

2. *Id.*

3. *Id.*

4. Amy Chew, *Vietnam Sees Rise in Piracy of Copyrights*, S. CHINA MORNING POST, Aug. 17, 1994, at 3.

Recent amendments to the Chinese trademark laws have prompted trademark pirates to leave China for Viet Nam. China's trademark law now contains criminal provisions that subject pirates to harsher penalties.<sup>5</sup> Trademark laws have existed in Viet Nam before the trade embargo was lifted and trademark registration has always been an exception to the embargo.<sup>6</sup> However, due to the embargo, few U.S. companies have taken advantage of the registration opportunity.<sup>7</sup> Thus, although the Vietnamese government has made efforts to minimize counterfeiting activities both before and after the lifting of the embargo,<sup>8</sup> the pirates continue to bypass these efforts and the nation's consumers continue to be bombarded with pirated or counterfeited products.<sup>9</sup>

If action is not taken to eliminate trademark infringement, the pirating operations may have surprising and unfortunate repercussions on U.S. businesses planning to invest in Viet Nam.<sup>10</sup> Accordingly, this Comment compares Viet Nam's trademark laws with their amended Chinese counterparts, in order to determine why trademark pirates are moving from China to Viet Nam. Further, this Comment analyzes the options available to U.S. companies under the current Vietnamese trademark laws to protect against infringement. Specifically, Part II of this Comment will explore the historical background and development of the Chinese and Vietnamese trademark laws. This Part also considers international conventions which are pertinent to the development of these laws and the continued development of trademark protections worldwide. Next, Parts III and IV will explain and analyze important sections of the Chinese and Vietnamese trademark laws, highlight the similarities and differences that exist between the two, and provide reasons why the Chinese laws have surpassed their Vietnamese counterparts in halting the spread of trademark counterfeiting and piracy. Part V then offers reasons why trademark pirates have fled China for Viet Nam. Finally, Part IV discusses measures that U.S. investors can take to protect against pirates in Viet Nam.

---

5. *Id.*; see also Tan Loke Khoon, *China Amends Trademark Law*, 15 E. ASIAN EXEC. REP. 9, Mar. 15, 1993.

6. Smith, *supra* note 1, at C10.

7. Burke, *supra* note 1, at 8.

8. Telephone Interview with Stephen M. D. Hayward, Partner, Lovell, White, Durrant, Hong Kong (Sept. 20, 1994).

9. Chew, *supra* note 4, at 3.

10. Smith, *supra* note 1, at C10.

## II. Overview of Trademark Protection

Protection of intellectual property, of which trademarks are a part, began with the drafting of the Paris Convention for the Protection of Industrial Property (the Paris Convention) in 1883.<sup>11</sup> This multilateral treaty became the cornerstone of international protection of intellectual property rights. The document was amended several times to provide for changes in international practices and policies.<sup>12</sup> The most recent amendment occurred at Stockholm in 1967.<sup>13</sup>

Among other protections, the Paris Convention provides that all members of the Union created by the Paris Convention must treat foreigners in the same manner as their own nationals with regard to intellectual property.<sup>14</sup> This means that a trademark registrant from a member nation of the Paris Convention must be treated the same in registering his trademark in another member nation as he would in his own nation.

---

11. The Paris Convention for the Protection of Industrial Property, Mar. 20, 1883, revised at Stockholm, July 14, 1967, 21 U.S.T. 1583, T.I.A.S. No. 6293, 828 U.N.T.S. 305. A partial list of Paris Convention signatories follows (this list is current to 1984, a more recent list was not available at time of publishing): Algeria, Argentina, Australia, Austria, Bahamas, Belgium, Benin, Brazil, Bulgaria, Burundi, Cameroon, Canada, Central African Republic, Chad, China, Congo, Cuba, Cyprus, Czechoslovakia, Denmark, Dominican Republic, Egypt, Finland, France, Gabon, Germany, Ghana, Greece, Guinea, Haiti, Holy See, Hungary, Iceland, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Ivory Coast, Japan, Jordan, Kenya, Korea (North), Korea (South), Lebanon, Libya, Liechtenstein, Luxembourg, Madagascar, Malawi, Mali, Malta, Mauritania, Mauritius, Mexico, Monaco, Morocco, Netherlands, New Zealand, Niger, Nigeria, Norway, Philippines, Poland, Portugal, Romania, Rwanda, San Marino, Senegal, South Africa, Spain, Sri Lanka, Sudan, Suriname, Sweden, Switzerland, Syria, Tanzania, Togo, Trinidad, Tunisia, Turkey, Uganda, United Kingdom, United States, U.S.S.R., Upper Volta, Uruguay, Viet Nam, Yugoslavia, Zaire, Zambia, Zimbabwe. BOWMAN & HARRIS, MULTILATERAL TREATIES, INDEX AND CURRENT STATUS 3 (London Butterworths 1984).

12. *Id.*

13. *Id.*

14. Article 2 of the Paris Convention states in part:

(1) Nationals of any country of the Union shall, as regards the protection of industrial property, enjoy in all the other countries of the Union the advantages that their respective laws now grant, or may hereafter grant, to nationals; all without prejudice to the rights specially provided for by this Convention. Consequently, they shall have the same protection as the latter, and the same legal remedy against any infringement of their rights, provided that the conditions and formalities imposed upon nationals are complied with.

GINSBURG ET AL., TRADEMARK LAW AND UNFAIR COMPETITION LAW, CASES AND MATERIALS, Stat. App. F, 49 (The Mitchie Company 1990).

In addition, the Paris Convention provides certain protections for trademarks. First, a right of priority is given to trademark registrants who have already registered their mark in another member nation, because of that prior registration.<sup>15</sup> The period of priority is six months from the date of filing in the prior countries.<sup>16</sup>

Further, the Paris Convention ensures that member states permit cancellation proceedings to be utilized by a trademark registrant who has a validly registered and well-known trademark in another member nation.<sup>17</sup> This protection is utilized if another individual or enterprise tries to register an identical or similar trademark in another member nation before the original trademark holder has had the opportunity to register the mark. Finally, the Paris Convention states that a trademark application may not be denied registration or invalidated in a member nation, if a valid certificate of registration from another member nation is presented and certain criteria are met.<sup>18</sup> These protections are all designed

---

15. Article 4, A(1) of the Paris Convention provides:

A.-(1) Any person who has duly filed an application for a patent, or for the registration of a utility model, or of an industrial design, or of a trademark, in one of the countries of the Union, or his successor in title, shall enjoy, for the purpose of filing in the other countries, a right of priority during the periods hereinafter fixed.

GINSBURG, *supra* note 14, at 50.

16. Article 4, C(1) of the Paris Convention states:

C.-(1) The periods of priority referred to above shall be twelve months for patents and utility models, and six months for industrial designs and trademarks.

GINSBURG, *supra* note 14, at 50.

17. Article 6 *bis* of the Paris Convention provides:

(1) The countries of the Union undertake, *ex officio* if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known [sic] mark or an imitation liable to create confusion therewith.

GINSBURG, *supra* note 14, at 52.

18. Article 6 *quinquies* of the Paris Convention states in part:

A.-(1) Every trademark duly registered in the country of origin shall be accepted for filing and protected as in the other countries of the Union. . . Such countries may, before proceeding to final registration, require the production of a certificate of registration in the country of origin, issued by the competent authority.

...

to make registration in another country easier for one who already has an established trademark in his own country.

Numerous other treaties have been signed which build upon and extend the ideals of the Paris Convention. Such treaties include the World Industrial Property Organization (WIPO)<sup>19</sup> and the Madrid Union.<sup>20</sup> The Madrid Union is based in Geneva and is a WIPO-affiliated organization.<sup>21</sup> There are currently twenty-eight members of the Madrid Union.<sup>22</sup> The agreement that is the basis for the Madrid Union permits owners of so-called "international registrations" to register trademarks in all other Madrid Union countries upon payment of a small fee.<sup>23</sup> Since the agreements reached in Paris and Madrid, trademark laws have continued to develop rapidly both at the national and international levels.

---

B.-Trademarks covered by this Article may be neither denied registration nor invalidated except in the following cases:

1. when they are of such a nature as to infringe rights acquired by third parties in the country where protection is claimed;
2. when they are devoid of any distinctive character, or consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, place of origin, of the goods, or the time of production, or have become customary in the current language or in the bona fide and established practices of the trade of the country where protection is claimed;
3. when they are contrary to morality or public order and, in particular, of such a nature as to deceive the public. It is understood that a mark may not be considered contrary to public order for the sole reason that it does not conform to a provision of the legislation on marks, except if such a provision itself relates to public order.

GINSBURG, *supra* note 14, at 55.

19. Burke, *supra* note 1, at 8.

20. *Id.*

21. *Id.*

22. *Id.* A partial list of Madrid Union signatories includes: Algeria, Australia, Belgium, China, Czechoslovakia, Egypt, France, Germany, Hungary, Italy, Korea (North), Liechtenstein, Luxembourg, Monaco, Morocco, Netherlands, Portugal, Romania, San Marino, Spain, Soviet Union, Sudan, Switzerland, Tunisia, Viet Nam and Yugoslavia. This list is current through 1984, as a more recent list was not available at the time of publication. *Madrid Agreement Concerning the International Registration of Marks*, 14 (WIPO - Geneva 1984) [hereinafter *Madrid Agreement*].

23. Burke, *supra* note 1, at 8. An International Registration is obtained by filing a trademark application in a country in which the applicant "has a real and effective industrial and commercial establishment." Thus, a registrant from a member state may obtain a registration in another Madrid Union country on the basis of their trademark registration in the home country. *Id.*

### A. *Trademark Protection in China*

China has a long history of trademark protection. This history dates back to the Tang dynasty, when traders began to use different marks to distinguish their goods from those of others.<sup>24</sup> However, the first formal trademark law was not promulgated until 1904 by the Qing government.<sup>25</sup> This set of laws was administered by foreigners who had assumed control of a substantial portion of China's trade law at that time.<sup>26</sup> The development of trademark law continued during the reign of the warlords in the early 1900's, when the Northern Warlord government issued a trademark law that was administered by a newly created trademark office of the Ministry of Agriculture and Commerce.<sup>27</sup> The Kuomintang government issued its own trademark law in 1931.<sup>28</sup>

After the founding of the People's Republic of China under Mao Tse Tong in 1949, the Provisional Regulations on Trademark Registration were promulgated.<sup>29</sup> These regulations provided a centralization of trademark registration.<sup>30</sup> They were replaced in 1963 by the Regulations for Administration of Trademarks.<sup>31</sup> These laws were revised in 1982 when a new set of trademark laws were adopted by the 24th Session of the Standing Committee of the 5th National People's Congress.<sup>32</sup> These laws became effective in 1983 and were followed in 1988 by the Implementing Rules of Trademark Law.<sup>33</sup>

The most recent amendments to China's trademark law occurred in 1993. One purpose of the amendments was to combat criticism that China was not providing adequate protection against trademark infringements and had limited enforcement of trademark rights.<sup>34</sup> At the 30th Session of the Standing Committee of the 7th National People's Congress, the laws were revised so that China would be in compliance with the requirements of the Paris Convention and the Madrid Union to which China became a recent

---

24. Khoon, *supra* note 5, at 9.

25. *Id.*

26. *Id.*

27. *Id.*

28. *Id.*

29. Khoon, *supra* note 5, at 9.

30. *Id.*

31. *Id.*

32. *Id.*

33. *Id.*

34. Khoon, *supra* note 5, at 9.

signatory.<sup>35</sup> These laws became effective on July 1, 1993 and were followed two weeks later by revisions to the Implementing Regulations.<sup>36</sup> Therefore, it is apparent that China has, throughout its history, endeavored to protect trademarks.

*B. Trademark Protection in Viet Nam*

Unlike China, Viet Nam does not have a long history of trademark protection, possibly due to the general policies of the communist regime that controls the government. However, Viet Nam has become a player in international trademark protection. This involvement has occurred because of an economic reform program which seeks aggressive economic integration with the nations of the world.<sup>37</sup> Viet Nam's attempt to comply with international standards is likely to continue now that the U.S. trade embargo against Viet Nam has been lifted.

Viet Nam's participation in the protection of trademark rights began at the international level. Viet Nam became a signatory of both the Paris Convention and the Madrid Union in 1949,<sup>38</sup> and is also a member of the World Intellectual Property Organization.<sup>39</sup>

However, Viet Nam's domestic policies on trademark protection were lacking until the promulgation of the Ordinance on Trademarks<sup>40</sup> in 1982. These laws specifically dealt with the registration and protection of trademarks.<sup>41</sup> The laws were followed in 1983 by Instruction No. 1258-SC which clarified the implementation of the trademark laws.<sup>42</sup> Then, in 1990, the trademark ordinance was amended in order to meet international standards.<sup>43</sup> Next, the Decree on Intellectual Property and Decree 140/HDBT were established to provide criminal and administrative sanctions and to define counterfeit goods, respectively.<sup>44</sup>

---

35. *Id.*

36. *Id.*

37. Chew, *supra* note 4, at 3.

38. BOWMAN & HARRIS, *supra* note 11, at 3. *See also Madrid Agreement, supra* note 22, at 14.

39. Burke, *supra* note 1, at 8.

40. Order No. 197 HDBT, Dec. 14, 1982.

41. Burke, *supra* note 1, at 8.

42. *Id.*

43. *Id.* The amendment was effectuated by Order No. 84-HDBT. *Id.*

44. Smith, *supra* note 1, at C10.



Finally, in 1993, a Circular which provided additional guidance on the registration of trademarks was published.<sup>45</sup> The Vietnamese continue to make efforts to update their trademark laws in an effort to meet the requirements of the Paris Convention and the Madrid Union.<sup>46</sup> Ultimately, it is hoped that the piracy problem will be eliminated.<sup>47</sup>

This explanation of the development of trademark law in China and Viet Nam indicates that efforts have been made by these countries to protect against trademark infringement. Although loopholes exist that pirates are able to exploit, if the development of trademark laws continues, the problems of piracy and counterfeiting in China and Viet Nam may be significantly reduced, if not completely eliminated.

### III. Trademark Piracy in China and Viet Nam

The piracy that occurs in China and Viet Nam consists of two main practices. The first type of piracy involves outright manufacture of counterfeit trademarks and goods or the use of empty trademark-bearing containers filled with the pirate's own product.<sup>48</sup> The product is then sold to unsuspecting consumers.<sup>49</sup> For example, a pirate either manufactures a tube of toothpaste with the likeness of a well-known trademark on it and sells it, or canvasses for empty tubes that are actually produced by the trademark owner. The pirate then will refill the tube with his own toothpaste and sell it.

The second major pirating scam involves registering a trademark owned by a foreign individual or enterprise in China or Viet Nam before its owner has had the opportunity to register the mark.<sup>50</sup> In this scenario, a U.S. based toothpaste company could attempt registration in China or Viet Nam for the first time and find that its trademark has already been registered. Thus, the trademark owner will not be able to manufacture a product with that trademark on it unless the owner is willing to buy out the pirate or license the trademark.

---

45. Circular No. 437/SC, Mar. 19, 1993.

46. See *supra* notes 11-23 and accompanying text, discussing such requirements.

47. Telephone Interview with Stephen M. D. Hayward, *supra* note 8.

48. Chew, *supra* note 4, at 3.

49. *Id.*

50. Smith, *supra* note 1, at C10.

#### IV. A Comparison of China's and Viet Nam's Trademark Laws

To understand why trademark pirates have left China for Viet Nam, it is useful to identify sections of their respective trademark laws which have an impact on the pirates' business. The laws of China and Viet Nam will then be compared to identify areas where discrepancies occur.

##### A. *China's Trademark Law*

China's trademark laws consist of three separate and distinguishable parts. These parts include: (1) the Laws themselves (the Laws); (2) the Implementing Regulations (the Regs); and (3) the Supplemental Criminal Provisions (the Criminal Provisions).<sup>51</sup> The Laws are basically a list of rules to be followed, the Regs explain the Laws and provide for ways in which they should be enforced, and the Criminal Provisions provide punishments for serious trademark infringements.

1. *The Trademark Law.*— The Laws consist of eight chapters which are further divided into forty-three Articles. However, only certain Articles which are relevant to this Comment will be discussed.

The first Chapter of the Chinese Laws contains four Articles that are relevant to a discussion and comparison of trademark protection. First, Article 2 establishes a Trademark Office and a department of the Administrative Authority for Industry and Commerce as the agency responsible for processing trademark registrations.<sup>52</sup>

Article 7 is another important Article within the first Chapter. Article 7 mandates that a registered trademark must carry some indication that it is registered.<sup>53</sup> This Article can protect unwary

---

51. For reference purposes, the Chinese Laws are listed in their entirety in Appendices A, B, and C.

52. Article 2 of the Laws provides:

Article 2 - The Trademark Office of the administrative authority for industry and commerce under the State Council shall be responsible for the registration and administrative control of trademarks throughout the country.

Trademark Law of the People's Republic of China [hereinafter T.L.P.R.C.], art. 2.

53. Article 7 of the Laws states:

Article 7 - Any word, design, or combination, used as a trademark, must be distinctive so that it be distinguishable. Where a registered trademark

consumers from being confused by unregistered imitations of a registered trademark.

However, Articles 9 and 10 appear to be the two most important Articles of the first chapter. These Articles deal with foreign enterprises that seek to register trademarks in China. Specifically, they mandate that a foreign enterprise is to file a trademark application in accordance with existing treaties or on the basis of reciprocity,<sup>54</sup> and that a foreign enterprise must authorize a Chinese state organization to act on its behalf in trademark matters.<sup>55</sup>

Other important Articles of the Laws are found in Chapter III. Article 18 contains the important "first to file" rule.<sup>56</sup> This rule awards trademark examination and, ultimately, registration to the party who is first in time to file the application.<sup>57</sup> However, Article 19 states that an opposition may be filed to contest a trade-

---

is used, it should carry the indication "Registered Trademark" or a sign indicating that it is registered.

*Id.* art. 7.

54. Article 9 of the Laws provides:

Any foreigner or foreign enterprise intending to apply for the registration of a trademark in China shall file an application in accordance with any agreement concluded between the People's Republic of China and the country to which the applicant belongs, or according to the international treaty to which both countries are parties, or on the basis of reciprocity.

*Id.* art. 9.

55. Article 10 of the Laws states:

Any foreigner or foreign enterprise intending to apply for the registration of a trademark, or to deal with other matters concerning a trademark in China, shall entrust the organization designated by the State to act on his or its behalf.

*Id.* art. 10. Presumably the reasoning for this is so that foreign companies will not expend additional resources to constantly monitor the status of the trademark.

56. Article 18 of the Laws provides:

Where two or more applicants apply for the registration of identical or similar trademarks for the same or similar goods, the preliminary approval, after examination, and the publication shall be made for the trademark which was first filed. Where applications are filed on the same day, the preliminary approval, after examination, and the publication shall be made for the trademark which was the earliest used, and the applications of the others shall be refused and (their trademarks) shall not be published.

*Id.* art. 18.

57. This rule is important because it makes it possible for a trademark pirate to file a trademark registration before the true owner. This is the manner in which pirates attempt to capture legal rights to use the trademark from an enterprise that has been using the trademark in another country.

mark that has received preliminary approval.<sup>58</sup> An opposition must be filed within three months of the approval and must meet certain conditions to be heard.<sup>59</sup> Article 20 creates a Trademark Review and Adjudication Board (the Board) to settle disputes such as oppositions.<sup>60</sup> Finally, Articles 21 and 22 provide for a review if a party is dissatisfied with a decision to reject a trademark application<sup>61</sup> or to grant or deny an opposition.<sup>62</sup>

Another key Article of the Laws is the recently amended Article 27.<sup>63</sup> This Article provides for cancellation of a trademark if it is obtained through fraudulent or other illegal means.<sup>64</sup> This

---

58. Article 19 of the Law provides:

Any person may, within three months from the date of the publication, file an opposition against the trademark which, after examination, has been preliminarily approved. If no opposition is filed, or if it is decided that the opposition is not justified, registration shall be approved, a trademark registration certificate shall be issued and (the trademark) shall be published. If it is decided that the opposition is justified, no registration shall be approved.

T.L.P.R.C., *supra* note 52, art. 19. Preliminary approval is discussed in Chapter III, Article 16 of the Laws.

59. *Id.*

60. Article 20 of the Law states:

The Trademark Review and Adjudication Board, established under the administrative authority for industry and commerce under the State Council, shall be responsible for handling trademark disputes.

*Id.* art. 20.

61. Article 21 of the Law provides:

Where the application for registration of a trademark is refused and no publication of the trademark is made, the Trademark Office shall notify the applicant in writing. Where the applicant is dissatisfied, he may, within fifteen days from the receipt of the notification, apply for a review. The Trademark Review and Adjudication Board shall make a final decision and notify the applicant in writing.

*Id.* art. 21.

62. Article 22 of the Law states:

Where an opposition is filed against the trademark which, after examination, has been preliminarily approved and published, the Trademark Office shall hear the opponent and the applicant state facts and grounds and shall, after investigation and verification, make a decision. Where any party is dissatisfied, it may, within fifteen days from the receipt of the notification, apply for review, and the Trademark Review and Adjudication Board shall make a final decision, and notify the opponent and the applicant in writing.

*Id.* art. 22.

63. This article was one of the 1993 amendments discussed earlier in this Comment. See *supra* note 34 and accompanying text.

64. Article 27 of the Law provides:

Where a registered trademark contravenes the provision of Article 8 of this Law, or the registration is obtained by fraudulent or other illegitimate means, the Trademark Office shall cancel the registered trademark;

section gives the Trademark Office the authority to cancel a trademark if it discovers that the trademark was illegally registered.<sup>65</sup> Further, *any* person disputing a registered trademark may file an application to cancel if the cancellation application is filed within one year.<sup>66</sup> Therefore, an outside enterprise may challenge a prior registration which has appropriated the use of its trademark.<sup>67</sup> However, Article 28 puts a restraint on Article 27 because it does not allow a cancellation application to be filed against a trademark that already has been the subject of an opposition decision on the same grounds.<sup>68</sup> In essence, this provision bars a second dispute for policy reasons similar to the doctrine of *res judicata*.

Other important Articles of the Laws are located in Chapter VII. The Articles in this Chapter ensure exclusive rights in a registered trademark. For example, Article 37 states that the trademark registrant has the exclusive right to use a registered trademark.<sup>69</sup> This right is protected by law and is meant to prohibit others from counterfeiting or otherwise copying a registered trademark. Article 38 then goes on to codify the factors

---

other entries or individuals may request the Trademark Review and Adjudication Board to make a decision canceling the registered trademark.

With the exception of the events stipulated in the preceding paragraph, any person disputing a registered trademark may, within one year from the date of approval of the trademark registration, apply to the Trademark Review and Adjudication Board for adjudication.

The Trademark Review and Adjudication Board shall, after the receipt of the application for adjudication, notify the interested parties and request them to respond with arguments within a specified period.

T.L.P.R.C., *supra* note 52, art. 27. Illegal means are further discussed in Article 25 of the Regs.

65. *Id.*

66. *Id.*

67. *Id.*

68. Article 28 of the Law states:

Where the trademark, before being approved for registration, has been the object of opposition and decision, no application for adjudication, based on the same facts and grounds may be made.

*Id.* art. 28.

69. Article 37 of the Law provides:

The exclusive right to use a registered trademark is limited to the trademark which has been approved for registration and to the goods in respect of which the use of the trademark has been approved.

T.L.P.R.C., *supra* note 52, art. 37. The exclusive right to use is also reserved in an assignee or licensee of the trademark owner. *See* the Regs, art. 23.

that constitute an infringement,<sup>70</sup> while the newly amended Article 39<sup>71</sup> and Article 40 provide for remedies if infringement occurs.<sup>72</sup>

---

70. Article 38 of the Law provides:

Any of the following acts shall be an infringement of the exclusive right to use a registered trademark:

(1) to use a trademark which is identical with or similar to the registered trademark in respect of the same or similar goods without the authorization of the proprietor of the registered trademark;

(2) to sell goods, well knowing that they bear a passed-off registered trademark;

(3) to counterfeit, or make without authorization, representations of the registered trademark of another person or sell representations of a registered trademark which are counterfeited or made without authorization;

(4) to cause, in other respects, prejudice to the exclusive right to use the registered trademark of another person.

*Id.* art. 38.

71. This Article, along with Article 40, is another of the 1993 amendments previously discussed. *See supra* note 34 and accompanying text.

72. Articles 39 and 40 of the Law respectively state:

In the case of any of the acts infringing the exclusive right to use a registered trademark as provided for in Article 38 of this Law, the party whose right was infringed may request the administrative authority for industry and commerce, at or above the county level to handle the matter. The administrative authority for industry and commerce concerned shall have the power to order the infringer to stop the infringing act immediately and to compensate the party whose right was infringed for the damages suffered. The amount of compensation shall be the profit which the infringer has earned through the infringement during the period of the infringement. If the circumstances are serious, the said authority may, in addition, impose a fine. Any party who is dissatisfied with the decision of the administrative authority for industry and commerce on handling the matter, i.e., ordering the infringing act to be stopped and imposing a fine, may institute proceedings with the people's court within fifteen days from the receipt of the notice. If no proceedings are instituted or if there is no performance (complying with the decision imposing the fine) by the expiration of the said period, the administrative authority for industry and commerce concerned may ask the people's court for compulsory execution.

Where the exclusive right to use the registered trademark was infringed, the party whose right was infringed may institute proceedings directly with the people's court.

Article 40 - Any party that passes off the registered trademark of another person, constituting a crime, shall, in addition to compensating for the damages suffered by the party whose right has been infringed, be prosecuted, according to law, in respect of criminal responsibility.

Any party that counterfeits or makes without authorization the representations of the registered trademark of another person, or sells the representations of the registered trademark which are counterfeited or made without authorization, constituting a crime, in addition to compensating for the damages suffered by the party whose right has been infringed, be prosecuted, according to law, in respect of criminal responsibility.

2. *The Implementing Regulations.*— The Regs, like the Laws, also are divided into Chapters and Articles. However, the Regs contain seven Chapters and fifty Articles which explain the Laws in greater detail as well as govern their implementation. An illustration of the greater detail is provided by Article 3 which states that a foreign individual or enterprise shall entrust the formalities of trademark registration to a Chinese state organization.<sup>73</sup>

Article 8 is also important because it establishes the Trademark Review and Adjudication Board as the final arbiter of disputes in trademark matters.<sup>74</sup> This Article facilitates the implementation of the Laws because an apparatus for dispute resolution exists to oversee trademark matters.<sup>75</sup>

Other relevant Articles are located within Chapter II. Article 13 further explains the “first to file” rule and specifically discusses

Any party that sells goods, well knowing that they bear a passed-off registered trademark, constituting a crime, shall, in addition to compensating for the damages suffered by the party whose right has been infringed, be prosecuted, according to law, in respect of criminal responsibility.

T.L.P.R.C., *supra* note 52, arts. 39, 40.

73. The Implementing Regulations under the Trademark Law of the People's Republic of China [hereinafter The Regs], provides:

Article 3 - In applying for the registration of a trademark, or for the approval of the assignment or renewal of a registered trademark, or for the modification of the name of address of a registrant, or for the re-issuance of a trademark registration certificate, or intending to attend to other trademark matters, the applicant may entrust the formalities to a trademark agency approved by the State Administration for Industry and Commerce, or may go through the formalities by itself or himself.

A foreigner or foreign enterprise applying for the registration of a trademark or attending to other trademark matters shall entrust the formalities to a trademark agency designated by the State Administration for Industry and Commerce.

The international registration of a trademark shall be handled in accordance with the Madrid Agreement concerning the International Registration of Marks.

The Regs, art. 3. This Article in the Regs is tied into Article 10 of the Laws. *See supra* note 55 and accompanying text.

74. Article 8 of the Regs provides:

The Trademark Review and Adjudication Board established under the State Administration for Industry and Commerce, shall make a final decision or ruling on matters for review and adjudication, for which applications are filed according to the provisions of the Trademark Law and these Regulations.

The Regs, *supra* note 73, art. 8.

75. This Article also echoes a section of the Laws. *See supra* note 60 and accompanying text.

the procedures for identical trademark registrations filed on the same day.<sup>76</sup> Article 14 is a particularly important Article for foreign enterprises. It requires that a foreign applicant that has employed an organization within China to oversee trademark issues submit a power of attorney to the organization.<sup>77</sup> The purpose of the power of attorney is to define the scope of the power granted to the state agency by the foreign applicant.<sup>78</sup> Finally, Article 15 is important to foreigners because it enumerates the criteria for filing a right of priority.<sup>79</sup>

Two other relevant Articles within the Regs are Articles 18 and 19. These Articles deal with filing of oppositions<sup>80</sup> and

---

76. Article 13 of the Regs provides:

Where two or more applicants apply for the registration of identical or similar trademarks for the same or similar goods on the same day, each applicant shall, according to the notification of the Trademark Office, submit to it within 30 days a certificate of the date of first use of the mark. If the applicants used the mark for the first time on the same day or if none of them has used the mark, they shall try to resolve the matter through consultation; if unanimity of opinion is achieved, a written agreement shall be submitted within 30 days to the Trademark Office; if an agreement cannot be reached when the 30 day time limit is exceeded, the applicants shall decide the matter by lot, or by a ruling of the Trademark Office.

The Regs, *supra* note 73, art. 13.

77. Article 14 of the Regs states:

An applicant entrusting a trademark agency with the formalities of applying for the registration of a trademark or for dealing with other matters concerning trademarks shall submit a power of attorney. The power of attorney shall indicate the content of agency and the scope of power entrusted. A power of attorney submitted by a foreigner or a foreign enterprise shall also indicate the nationality of the entrusting party.

A foreigner or foreign enterprise applying for the registration of a trademark or for dealing with other matters concerning trademarks shall use the Chinese language. The notarization and authentication of the power of attorney and the relevant evidentiary documents shall be handled on the principle of reciprocity. Any document in a foreign language shall be accompanied by a Chinese translation.

*Id.* art. 14.

78. *Id.*

79. Article 15 of the Regs provides:

The Trademark Office shall accept and handle a claim for a right of priority submitted at the same time as the filing of an application for the registration of a trademark. The specific procedure shall be followed in accordance with the rules published by the State Administration for Industry and Commerce.

*Id.* art. 15. The right of priority is one of the protections granted under the Paris Convention. See *supra* note 17 and accompanying text.

80. Article 18 of the Regs states:



appeals of opposition decisions.<sup>81</sup> Articles 18 and 19 explain and expand upon the opposition requirements set forth in Article 19 of the Laws.<sup>82</sup>

Articles 24 and 25 of the Regs further expand upon Article 27 of the Laws by providing for adjudication of a disputed registered trademark<sup>83</sup> and describing what constitutes a registration by

---

Where an opposition is filed against a trademark which, after examination, has been preliminarily approved and published by the Trademark Office, the opponent shall file an Opposition to a Trademark in duplicate with the Trademark Office. The page number and the issue number of the Trademark Gazette on which the proposed trademark is published, and the number of examination and preliminary approval of the opposed trademark, shall be indicated in the notice of opposition. The Trademark Office shall send the Opposition to a Trademark to the opposed party for its reply within 30 days from the receipt of the notification, and make a decision on the opposition on the basis of the facts and grounds stated by both parties; where no reply is made on expiration of the time limit, the Trademark Office shall make a decision on the opposition and notify the interested parties.

In respect of an opposed trademark the registration of which is published before the coming into effect of the decision on the opposition, the publication of the registration of the opposed trademark shall not be valid.

The Regs, *supra* note 73, art. 18.

81. Article 19 of the Regs provides:

Any interested party dissatisfied with the decision of the Trademark Office on the opposition shall, within 15 days from the receipt of the decision on the opposition to the trademark, apply to the Trademark Review and Adjudication Board for a review by filing an Application for Review of the Opposition to a Trademark in duplicate with the Board.

The Trademark Review and Adjudication Board shall make a final decision, notify the interested parties in writing and turn the case over to the Trademark Office for handling.

A trademark to which the opposition is found unjustified shall be approved by the Trademark Office for registration after the decision on the opposition comes into effect.

*Id.* art. 19.

82. *See supra* note 58 and accompanying text.

83. Article 24 of the Regs states:

Where a trademark registrant disputes a registered trademark of another person, he shall, within one year from the date of publication of the registered trademark of the other person in the Trademark Gazette, send an Application for Adjudication of a Disputed Trademark in duplicate to the Trademark Review and Adjudication Board for Adjudication.

The Trademark Review and Adjudication Board shall make a final ruling to uphold or cancel the disputed registered trademark and transfer the case to the Trademark Office for handling. Where the reason for cancellation only part of the contents of the registration, that part of the registration shall be canceled. Where it is ruled that the registered trademark should be canceled, the original registrant of the trademark shall, within 15 days from the date of receipt of the notification of the

fraudulent or illegal means.<sup>84</sup> Articles 24 and 25 are important because they allow a party other than the Trademark Office to take

---

ruling, return the Certificate of Trademark Registration to the Trademark Office.

The Regs, *supra* note 73, art. 24.

84. Article 25 of the Regs provides:

The following acts come under the acts of obtaining registration by fraudulent or other illegitimate means referred to in Article 27(1) of the Trademark Law:

- (1) an act of registering a trademark by fabricating or withholding fact or falsifying the application or relevant documents;
- (2) an act of registering a trademark by copying, imitating or translating a trademark of another person which is already well known to the public in contravention of the principle of honesty and credibility;
- (3) an act of registering a trademark of a client by the agent in the agent's name without authorization;
- (4) an act of registering a trademark by infringing the lawful right of priority of another person;
- (5) other acts of obtaining registration by other illegitimate means.

A trademark registrant not satisfied with the cancellation of the registration of its or his trademark by the trademark Office in accordance with the provision in Article 27(1) of the Trademark Law may, within 15 days from the date of receipt of the notification of the decision, send an Application for Review of the Cancellation of an Improperly Registered Trademark to the Trademark Review and Adjudication Board and apply for adjudication. The Trademark Review and Adjudication Board shall make a final decision, notify the applicant in writing and transfer the case to the Trademark Office for handling.

Any entity or individual deeming a trademark to be improperly registered may send an Application for the Cancellation of an Improperly Registered Trademark in duplicate to the Trademark Review and Adjudication Board and apply for adjudication. The Trademark Review and Adjudication Board shall make a final ruling, notify the relevant party in writing and transfer the case to the Trademark Office for handling.

An improperly registered trademark which has been canceled shall be published by the Trademark Office. The original registrant of the trademark shall, within 15 days from the date of receipt of the decision or the notification of the ruling, return the Certificate of Trademark Registration to the Trademark Office.

In respect of a trademark whose registration is canceled in accordance with Article 27(1) or (2) of the Trademark Law, its exclusive right of use shall be deemed to be non-existent from the beginning.

The decision or adjudication on the cancellation of a registered trademark has no retroactive effect on a judgment or decision already made and executed by the People's Court or the administrative authority for industry and commerce on a case of trademark infringement, or on a trademark assignment or license contract already performed. However, in respect of damages caused to others in bad faith on the part of the registrant, compensation shall be made.

*Id.* art. 25.

action against a trademark applicant. Further, Article 25 clearly lists grounds for the registered trademark.<sup>85</sup>

Next, Article 26 mandates that goods bearing a registered trademark must include some indication that the trademark is registered.<sup>86</sup> This requirement mirrors Article 7 of the Laws and likely exists to prevent imitations of valid trademarks from deceiving the public. The intent to protect the integrity of valid trademarks is further developed in Article 34 which makes it illegal for anyone to make, print, buy, or sell an imitation trademark.<sup>87</sup>

Finally, Article 41 of the Regs lists acts of infringement that are punishable under the Laws,<sup>88</sup> Article 42 provides for an investigation,<sup>89</sup> and Articles 43 and 45 provide remedies for

---

85. *Id.*

86. Article 26 of the Regs states:

Where a registered trademark is used, it shall carry the indication "Registered Trademark" or the registration sign or R. If it is convenient to mark the indication or the sign on the goods, it shall be marked on the packaging or description or other attachments to the goods.

*Id.* art. 26.

87. Article 34 of the Regs provides:

No person shall illegally make, print, buy or sell representations of trademarks. Where the provisions as stated above are violated, the administrative authority for industry and commerce shall stop such illegal activities, seize the representations of the trademark, and may, in addition, according to circumstances, impose a fine amounting to not more than 20% of the illegal turnover. If the proprietor of a registered trademark sells the representations of his own registered trademark, the registered trademark may also be canceled by the Trademark Office; however, where another person's exclusive right to use a registered trademark is infringed, the case shall be handled according to the provisions of Article 43 of these regulations.

*Id.* art. 34.

88. Article 41 of the Regs states:

Any of the following acts shall be an act of infringement of the exclusive right to use a registered trademark as provided for in Article 38(4) of the Trademark Law:

(1) to sell goods which the seller clearly knows or should know are infringing the exclusive right of another person to use a registered trademark;

(2) to use any word or design which is identical with or similar to the registered trademark of another person in respect of the same or similar goods as the designation of the goods or the decoration of the goods, sufficient to cause mistaken recognition;

(3) to intentionally provide facilities, such as storage, transportation, mailing and concealment, for an act of infringement of the exclusive right to use a registered trademark of another person.

The Regs, *supra* note 73, art. 41.

89. Article 42 of the Regs provides:

Where the exclusive right to use a registered trademark is infringed, any person may lodge complaints with or report the offence to the adminis-

infringements.<sup>90</sup> The primary purpose of these Articles is to

---

trative authority for industry and commerce at or above the county level of the location where the infringer has domicile or establishment or of the place where the infringing act is committed. The infringed party may also institute proceedings directly in the People's Court.

Where the administrative authority for industry and commerce holds that the act of the person constitutes infringement of the exclusive right to use a registered trademark, it may exercise the following functions and powers in investigating the act and obtaining evidence:

- (1) asking questions of relevant parties;
- (2) inspecting articles related to the infringing activities and where necessary, ordering them to be sealed up;
- (3) investigating acts related to the infringing activities;
- (4) examining and copying business data related to the infringing activities, such as contracts and account books.

The relevant parties shall give assistance to the administrative authority when it exercises the functions and powers listed in the preceding section and shall not refuse to give such assistance.

*Id.* art. 42.

90. Articles 43 and 45 of the Regs respectively state:

Where the exclusive right to use a registered trademark has been infringed, the administrative authority for industry and commerce may adopt the following measures to stop the infringing act:

- (1) ordering the offender to immediately stop all sales;
- (2) seizing and destroying the infringing representations of the trademark;
- (3) removing the infringing trademarks on the goods in stock;
- (4) seizing the dies, plates, etc., used specially in the infringement of the trademark and other tools for committing the offence;
- (5) ordering and supervising the destruction of the infringing articles by the offender where the adoption of the above four measures is insufficient to stop the infringing act or where the infringing trademark is difficult to be separated from the goods.

In respect of an act which has infringed the exclusive right to use a registered trademark but has not constituted a crime, the administrative authority for industry and commerce may, according to circumstances, impose a fine of not more than 50% of the illegal turnover or not more than five times the profit obtained through the infringement. As to the person directly responsible in the entity infringing the exclusive right to use the registered trademark, the administrative authority for industry and commerce may, according to circumstances, impose on him or her a fine not exceeding RMB10,000 yuan.

The administrative authority for industry and commerce may, in response to the request of the infringed party, order the infringer to compensate for the former's losses. A dissatisfied party may institute proceedings in the People's Court.

Article 45 - Where someone passes off the registered trademark of another person, anyone may lodge a complaint with or report the offence to the administrative authority for industry and commerce or to any procuratorial organ.

Where the complaint is lodged with, or the offence is reported to, the administrative authority for industry and commerce, the said authority shall deal with it in accordance with the provisions of Article

identify punishable acts and explain the consequences of infringement. The punishments for infringement range from fines to compensation for the victim to criminal prosecution.<sup>91</sup> Finally, appeal proceedings are provided for in Article 44.<sup>92</sup>

3. *The Criminal Provisions.*— The Criminal Provisions of China's Trademark Laws provide for jail terms of up to three years for individuals who use copies of registered trademarks without authorization,<sup>93</sup> who knowingly sell copied trademarks,<sup>94</sup> or who

43 of these Regulations. Where the circumstances related to the complaint or report are so serious as to constitute a crime, the person committing the passing-off shall be prosecuted by the judicial organs in respect of his criminal responsibility according to law.

*Id.* arts. 43, 45.

91. See *supra* notes 88-90.

92. Article 44 of the Regs provides:

Any interested party dissatisfied with the decision made by the administrative authority for industry and commerce on dealing with the relevant infringing act according to the provisions of Sections 1 and 2 of the preceding Article may, within 15 days from the date of receipt of the notification of the decision, apply to the administrative authority for industry and commerce at the next higher level for reconsideration of the decision. The said authority at the next higher level shall, within two months from the date of receipt of the application for reconsideration of the decision, make a decision on the application for reconsideration. An interested party dissatisfied with the decision on reconsideration may, within 15 days from the date of receipt of the notification of the decision on reconsideration, institute proceedings in the People's Court. If no application is filed for reconsideration, no proceedings are instituted, nor is the decision complied with when the time limit is exceeded, the administrative authority for industry and commerce shall apply to the People's Court for compulsory execution.

The Regs, *supra* note 73, art. 44.

93. Article 1, Section 1 of the Criminal Provisions states:

1. Where a trademark which is identical with a registered trademark is used in respect of the same goods without the authorization of the proprietor of the registered trademark while the amount of the illegal income is large or there are other aggravating circumstances, the offender shall be sentenced to fixed-term imprisonment of not more than three years or criminal detention, or he may concurrently or exclusively be sentenced to pay a fine; where the amount of the illegal income is exceedingly large, he shall be sentenced to fixed-term imprisonment of not less than three years and not more than seven years and concurrently be sentenced to pay a fine.

Supplementary Provisions of the Standing Committee of the National People's Congress for the Punishment of Crimes of Passing Off Registered Trademarks, art. 1, §1 [hereinafter Supplementary Provisions].

94. Article 1, Section 2 of the Criminal Provisions provides:

Whoever sells goods, well-knowing they bear a passed-off registered trademark, and the amount of illegal income is large, shall be sentenced to fixed-term imprisonment of not more than three years or criminal

counterfeit registered trademarks.<sup>95</sup> Jail terms of up to seven years are permitted in extreme cases.<sup>96</sup>

The Criminal Provisions also apply to enterprises that engage in trademark infringement. The enterprise itself is fined, while the chief executive, or person in charge, is sentenced to prison.<sup>97</sup>

Finally, government officials who overlook trademark infringement or fail to prosecute offenders may be subject to imprisonment under the Criminal Provisions.<sup>98</sup> This provision ensures that government officials actively work to prevent and prosecute pirates.

### *B. Viet Nam's Trademark Law*

Viet Nam's trademark laws essentially consists of a series of documents. These documents include the Ordinance on Trademark

---

detention, or he may concurrently or exclusively be sentenced to pay a fine; where the amount of the illegal income is exceedingly large, the offender shall be sentenced to fixed-term imprisonment of not less than three years and not more than seven years and concurrently be sentenced to pay a fine.

*Id.* art. 1, § 2.

95. Article 2 of the Criminal Provisions provides:

Whoever counterfeits or, without authorization, makes representations of the registered trademark of another person, or sells representations of a registered trademark which are counterfeited or made without authorization while the amount of the illegal income is large, or there are other aggravating circumstances, shall be punished in accordance of the provision of Article 1, Section 1.

*Id.* art. 2. For Article 1, Section 1, *see supra* note 93.

96. *See supra* notes 93, 94, and 95.

97. Article 3 of the Criminal Provisions provides:

Where an enterprise or institution commits the two criminal acts mentioned above, the enterprise or institution shall be sentenced to pay a fine while the persons in charge who are directly responsible and other persons who are directly responsible shall be prosecuted in respect of criminal responsibility in accordance with the provisions of the two articles above.

Supplementary Provisions, *supra* note 93, art. 3.

98. Article 4, Sections 1 and 2 of the Criminal Provisions state:

Any functionary of the State who takes advantage of his office to intentionally screen from prosecution an enterprise, institution or individual that he clearly knows to be guilty of the criminal acts enumerated in these Provisions, shall be prosecuted in respect of criminal responsibility by applying *mutatis mutandis* the provision of Article 188 of the Criminal Law.

Where a functionary of the State whose duty is to prosecute those criminal offenders enumerated in these Provisions fails to perform his duty of prosecution provided by law, he shall be prosecuted in respect of criminal responsibility in accordance with Article 187 or by applying *mutatis mutandis* the provision of Article 188 of the Criminal Law.

*Id.* art. 4, §§ 1, 2.

(the Ordinance),<sup>99</sup> the Circular Providing Additional Guidance on Registration of Trademarks (the Circular),<sup>100</sup> the Decree on Intellectual Property, and Decree 140/HDBT.<sup>101</sup> In addition, criminal provisions exist and authorize punishment of those who manufacture counterfeit goods.<sup>102</sup>

The Ordinance is the trademark law of Viet Nam and is basically a list of rules, while the Circular gives additional guidance on the meaning and implementation of the Ordinance. Finally, the Decree on Intellectual Property and Decree 140/HDBT define infringing activities and enumerate enforcement procedures, while the criminal provisions provide punishments for counterfeiters.

1. *The Ordinance on Trademark.*— The Ordinance consists of five chapters which are further divided into eighteen sections and several paragraphs. First, Section 1, paragraph 4 states that the principle of reciprocity applies. Thus, foreign enterprises benefit from the Ordinance in accordance with International Conventions to which Viet Nam is a party.<sup>103</sup> In addition, foreign enterprises that do not maintain an office in Viet Nam must apply for trademark registration through an intellectual property agency.<sup>104</sup>

Next, Section 4, paragraph 1 authorizes the National Office of Inventions,<sup>105</sup> now known as the National Office of Industrial

---

99. For referencing purposes, the Ordinance is printed in its entirety in Appendix D.

100. For referencing purposes, the Circular is reprinted in its entirety in Appendix E.

101. The Decree on Intellectual Property was not available to the author at the time of this writing and secondary sources were relied upon. However, Decree 140/HDBT can be found in its entirety in Appendix F.

102. For referencing purposes, the Criminal Provisions can be found in their entirety in Appendix G.

103. Section 1, Paragraph 4 of the Ordinance provides:

Natural persons or legal entities of foreign countries shall benefit from the rights granted by this Ordinance according to the international conventions to which Viet Nam is party or to the principal of reciprocity.

Natural persons, legal entities having no residence, headquarter or representative offices in Viet Nam apply for the legal protection of marks in Viet Nam through an industrial property agency.

Ordinance No. 84/HDBT, § 1, para. 4.

104. *Id.*

105. Section 4, Paragraph 1 of the Ordinance states:

The registration of marks shall be carried out by the National Office on Inventions attached to the State Committee for Science and Technology.

In order to obtain legal protection for marks, legal entities or natural persons shall file an application for registration thereof with the National Office on Inventions.

*Id.* § 4, para. 1.

Property or NOIP,<sup>106</sup> to carry out the provisions of the Ordinance. Additionally, this governmental organization handles matters relating to trademark registration.

Another relevant portion of the Ordinance is the "first to file" rule found in Section 6.<sup>107</sup> Like its Chinese counterpart, this Section awards a trademark registration to the first in time to file.

Several important sections are located within Chapter III of the Ordinance. First, Section 9 reserves an exclusive right of use for the owner of a trademark registration.<sup>108</sup> This right is protected from the date of registration<sup>109</sup> and remains effective unless the right is terminated by renunciation, demise of the individual or

---

106. F. JEANNIE SMITH, *TRADEMARK LAW IN INDOCHINA: PRACTICE AND PROCEDURES IN VIETNAM, CAMBODIA AND LAOS* 8 (International Trademark Assoc., 1994).

107. Section 6 of the Ordinance provides:

Where two or more persons file applications for the registration of identical or confusingly similar marks for goods of the same kind, priority shall be granted to the person who filed his application first in relation to the following dates:

(a) the date on which the National Office on Inventions received the application, or the date of postal dispatch;

(b) the date of filing of the initial application in [sic] another country pursuant to the provisions of international conventions to which Viet Nam is party;

(c) the date on which the product bearing the mark was displayed in an official exhibition in Viet Nam, if the application for registration of the mark has been filed within six months following the date on which the product was displayed.

Ordinance No. 84/HDBT § 6.

108. Section 9 of the Ordinance states:

(1) During the term of validity, the owner of the mark shall have the exclusive right to use the mark to designate goods appearing in the list of goods that are to bear the mark in question, in connection with all productive, commercial or service activities on the territory of Viet Nam.

(2) The owner of the mark shall be entitled to assign the right to use the mark by contract, either partially or totally, to other industrial or commercial establishments, provided that the assignee establishment ensures the characteristics and quality of the goods that bear the mark. In the case of partial assignments, the contract shall provide for the right of the owner of the mark to verify the quality of the goods.

(3) The contract for assignment of the right to use the mark must be registered with the National Office on Inventions before it can produce its legal effects, and the owner of the mark must pay the required fee.

*Id.* § 9.

109. Section 8, Paragraph 1 of the Ordinance provides:

(1) A mark shall be protected as from the date on which the National Office on Inventions rendered its decision to grant the certificate of registration.

*Id.* § 8, para. 1.



enterprise, or discontinued use.<sup>110</sup> In addition, any person who discovers that a trademark has been registered in a manner contrary to the Ordinance may request cancellation.<sup>111</sup>

Finally, Sections 14 and 15 discuss infringement and the resulting consequences. Section 14 states that unauthorized use of a registered trademark is a violation of the exclusive right of use.<sup>112</sup> Section 15 subjects one who violates another's trademark rights to legal sanction dependant on the degree of the violation.<sup>113</sup>

2. *The Circular Providing Additional Guidance on the Registration of Trademarks.*— The Circular is composed of eight sections and various subsections. First, subsection 5.1 provides that

110. Section 11 of the Ordinance states:

The legal protection of trademarks shall terminate in the following cases:

(a) where the owner of the mark files a request for the purpose of renouncing the protection of the mark prior to the expiry of the term of validity;

(b) where the industrial or commercial establishment that owns the mark no longer exists or no longer carries on its activity without there being any legal successor to the right to use the mark;

(c) where the mark has not been used or assigned for five years following the date of decision to grant the certificate of registration, and the owner of the mark has not given legitimate reasons for his inaction.

*Id.* § 11.

111. Section 12 of the Ordinance provides:

Throughout the term of validity of the certificate of registration of the mark, any organization or person who discovers that a mark has been registered in a manner contrary to the provisions of this Ordinance shall have the right to file a declaration with the National Office on Inventions requesting for cancellation of the legal protection of the mark concerned.

*Id.* § 12.

112. Section 14 of the Ordinance states:

(1) Any person or organization shall be regarded as having violated the right of use of the owner of the mark if he or it has made use without authorization of a mark belonging to another person, or made use of identical or similar signs liable to be confused by the consumer with a mark belonging to another person, for goods appearing in the list for that mark.

(2) The owner of the mark shall have the right to apply to the competent authorities for the imposition of a sanction in cases of violation of the right to use the mark.

Ordinance No. 84/HDBT § 14.

113. Section 15, Paragraph 2 of the Ordinance provides:

Organizations or persons who have violated the right of the owner of the mark provided for in Section 14(1) shall be subjected to legal sanction according to the degree and consequence of the violation.

*Id.* § 15, para. 2.

a trademark will not be protected if it misrepresents the origin of a commodity.<sup>114</sup> A Trademark misrepresents the origin of a commodity if it causes misunderstanding about who produced the good, where the good was produced, or if the trademark is a copy or imitation of another's mark.<sup>115</sup>

Trademarks protected by the Ordinance include those which are protected by international conventions to which Viet Nam is a signatory.<sup>116</sup> These conventions include the Paris Convention and the Madrid Union.<sup>117</sup>

The most important section of the Circular, however, is Section 6.1. This section permits a person to file for cancellation of a registered trademark anytime during the period of validity if one of two criteria is met.<sup>118</sup> A request for cancellation will be

114. Article 5.1 of the Circular states:

Signs liable to mislead the public as to the origin of the goods shall include:

a) Any sign that may cause a misunderstanding about the producer or the place where the goods are made (or a misunderstanding about the service supplier or the place where the service is supplied); and/or

b) Any sign being a copy, an imitation, a modification of a mark which has already been used by another person, to the effect that the consumers may mistake the product, or service, bearing the sign for that produced, or supplied, by that person.

Circular No.437/SC art. 5.1.

115. *Id.*

116. Article 5.2 of the Circular provides:

The marks under protection of an international convention to which Vietnam is a party shall mean those protected in Vietnam on the basis of an international application made under the Madrid Agreement concerning the international registration of marks or those considered well-known in accordance with the Paris Convention on the protection of industrial property.

*Id.* art. 5.2.

117. *Id.*

118. Article 6.1 of the Circular states:

Within the period of validity of a certificate of a trade mark registration, any organization and individual shall have the right to lodge a claim and to ask for invalidation of the certificate which has been issued in accordance with the procedure and formalities provided for in detail in Article 72 of Circular No. 1134/SC, with the following additions to the ground for the claim:

a) The mark for which the registration certificate is granted is excluded from protection as a reuser of the signs causing a misunderstanding about the origin of the product (or the service) as indicated in sub-article 5.1 above.

b) The mark for which the registration certificate is granted is identical or so similar to a trade mark considered well-known as to cause confusion with the latter.

granted (1) if a trademark is in a category that is to be excluded from registration or (2) if the trademark is identical to or confusingly similar to a trademark that is considered to be well-known.<sup>119</sup> To utilize the second criterion, however, several factors must be shown to exist. One must show that, prior to the trademark application, another individual or enterprise made widespread use of a mark that is similar or identical to the disputed mark and that the application was made with the knowledge of the prior widespread use.<sup>120</sup>

Finally, Section 6.3 defines a well-known trademark. In order for a trademark to qualify as well-known, evidence must be presented regarding (1) the number of consumers using the product; (2) the territories in which the product is being circulated; (3) turnover from sales or volume of the product sold; (4) the duration of continued use of the mark; (5) the widespread reputation of the product; and (6) the number of countries in which the trademark is protected.<sup>121</sup> This evidence must be documented

---

*Id.* art. 6.1.

119. *Id.*

120. Article 6.2 of the Circular provides:

Where the claim is made on the ground specified in sub-article 5.1 b) the following facts shall have to be evidenced by the claimant.

a) Prior to the filing of the application for registration, there has been an organization or individual (other than the applicant) using continuously and extensively a trade mark which is identical or so similar as to cause confusion with the trademark being filed for registration for the same product or for the same kind of product.

b) At the time of application, the applicant is aware of, or cannot fail to be aware of, the existence and use of the mark as stated in paragraph a) above.

Circular 437/SC art. 6.2.

121. Article 6.3 of the Circular states:

Where the claim is made on the grounds specified in sub-article 6.1 b) the claimant shall have to produce evidence to prove that the identical or confusing mark is one considered to be well-known.

The criteria for a mark to be considered well-known shall consist in the number of consumers being aware of the mark through buying and using the product (or the service) bearing the mark or through advertisement; the size of the territory where the product (the service) bearing the mark is circulated; the sale revenue of the product bearing the mark or the quantity of the product sold out; the time of continued use of the mark; prestige of the product (the service) bearing the mark; and the number of nations protecting the mark.

The claimant shall have to present pieces of evidence to justify the ground for his claim.

*Id.* art. 6.3.

in order to be presented. If the NOIP determines the dispute to be genuine, the trademark may be canceled.<sup>122</sup>

3. *Decree on Intellectual Property and Decree 140/HDBT.*—The Decree on Intellectual Property and Decree 140/HDBT were promulgated to fill the gaps that existed in the laws. The Decree on Intellectual Property discusses criminal and administrative sanctions<sup>123</sup> for trademark infringements,<sup>124</sup> while Decree 140/HDBT defines counterfeit goods,<sup>125</sup> sets up enforcement bodies,<sup>126</sup> and provides penalties for counterfeiters.<sup>127</sup>

122. Article 7 of the Circular provides:

If the settlement of a claim made in accordance with Article 6 above justifies the ground on which it is based, the Director-General of the National Office on Inventions shall issue a decision to invalidate, partly or wholly, the certificate of trade mark registration concerned.

*Id.* art. 7.

123. For further discussion of criminal sanctions see *infra*, notes 136-38 and accompanying text.

124. Smith, *supra* note 1, at C10.

125. Article 4 of Decree 140/HDBT states in part:

Any product or item of goods shall be deemed counterfeit if and when one of the following signs is detected:

1. The product or item of goods (including imported goods) bears an imitation trade mark or one owned by another manufacturer without the agreement of the latter.

2. The product or item of goods the trade mark of which, being identical or so similar, may likely lead the consumers into mistaking it for a mark owned by another manufacturing or trading enterprise and duly registered by the latter with the authority in charge of protection of industrial property (National Office on Inventions) or currently protected under the terms of an international convention to which Vietnam is a party.

3. The product or item of goods bears a trade mark which is not the same as that registered with the authority administering quality standards and measures.

Decree No. 140/HDBT art. 4.

126. Article 6 of Decree 140/HDBT provides:

For control of production and trading of counterfeit goods and measures dealing therewith, the following bodies shall be the competent authorities, to the extent of their respective responsibilities:

- \* The market control office, at all levels.
- \* The authority administering quality standards and measures.
- \* The authority in charge of protection of industrial property.
- \* The authority in charge of public health administration.
- \* The State inspection authority.
- \* The public security authority.
- \* The Customs.

*Id.* art. 6.

127. Articles 10, 11, and 12 of Decree 140/HDBT state in part:

Decree 140/HDBT contains articles that are of special relevance to trademark holders. Article 4 lists circumstances in which products or goods are deemed to be counterfeit.<sup>128</sup> This list includes instances which involve trademarks.<sup>129</sup> Article 6 lists the authorities that are responsible for overseeing control of counterfeit goods.<sup>130</sup> However, these organizations are rather broadly defined and the extent of their powers is not codified.<sup>131</sup>

Finally, Articles 10, 11, and 12 deal with penalties for counterfeiters. Penalties range from investigation and seizure<sup>132</sup> to destruction of the offending goods<sup>133</sup> to fines or criminal proceedings.<sup>134</sup>

4. *Criminal Provisions.*— Viet Nam also has criminal punishments for those who counterfeit goods. The applicable provision is found in Article 167 of the Criminal Code.<sup>135</sup> The

Article 10.- Upon receipt of a denunciation . . . the authority dealing with the matter . . . shall proceed with measures of examination, drawing up necessary reports, search, sealing, temporary seizure of the goods in question, temporary suspension of production . . . and forms of treatment in regard to the organizations and individuals involved in the production and trading of counterfeit goods.

Article 11.- Products and goods concluded as being counterfeit shall be dealt as follows:

1. Destruction, if the goods directly affect the health of consumers or the environment and social security.

2. Withdrawal from circulation, if the goods do not directly affect the health of consumers, the environment and social security or do not have any desired utility value.

3. If, after inspection, the counterfeit goods are found to be usable and harmless to the environment and social security, they may be allowed for circulation . . .

Article 12.- Any organization or individual involved in the production and trading of counterfeit goods with harmful effects . . . shall be subject to a fine ranging from one to three times the value of the illicit goods according to the provisions of Ordinance on punishment of administrative offenses or from one to ten times the value of such goods according to the relevant provisions of the Criminal Code . . .

*Id.* arts. 10, 11, and 12.

128. *See supra* note 125.

129. *Id.*

130. *See supra* note 126.

131. *Id.*

132. *See supra* note 127, art. 10.

133. *See supra* note 127, art. 11.

134. *See supra* note 127, art. 12.

135. Article 167 of the Criminal Code provides:

The crime of making or trading in fake goods.

penalties for an individual who makes or trades in counterfeit goods can be quite severe. The jail terms range anywhere from 6 months<sup>136</sup> to life imprisonment.<sup>137</sup> In addition, if the offense is serious enough, a death sentence may be imposed.<sup>138</sup>

## V. Why Trademark Pirates have Fled China for Viet Nam

In comparing the trademark laws of China and Viet Nam, one is struck immediately by the fact that China's laws are much more detailed and more organized than Viet Nam's laws.<sup>139</sup> The differences do not end there. There are general differences in the laws of both nations which provide for trademark protections. However, there are also differences in the laws which specifically address the two different types of piracy. Despite all of these differences, some similarities exist between the laws.

### A. Differences and Similarities Between the Laws

A general comparison of the laws must begin with the organizations that are established to oversee the registration and protection of trademarks. In China, the organization given the task is the Trademark Office of the Administrative Authority for Industry and Commerce.<sup>140</sup> Additionally, the Chinese have established a Trademark Review and Adjudication Board to resolve trademark disputes.<sup>141</sup> The Vietnamese, however, have

---

1. The penalty for anyone who makes or trades in fake goods is from 6 months to 5 years in prison.

2. The penalty for this crime in one of the following cases is from 3 to 12 years in prison:

a) If the fake goods are grain, food products or medicine;

b) If it is organized;

c) If it is committed through the use of a person's public position or authority or by using the name of a state agency or social organization;

d) If the quantity of fake goods is large or if the resulting illegitimate profit is large;

e) If it is a dangerous repeat offense.

3. The penalty for this crime in especially serious cases is from 10 to 20 years in prison, life in prison or the death penalty.

Article 167 of the Criminal Code of the Socialist Republic of Vietnam.

136. *Id.* ¶ 1.

137. *Id.* ¶ 3.

138. *Id.*

139. This is made immediately apparent by a comparison of the laws as appended to this Comment.

140. *See supra* note 52 and accompanying text.

141. *See supra* notes 60, 74 and accompanying text.

only determined that their National Office of Industrial Property will oversee trademark functions. Although Viet Nam's Decree 140/HDBT establishes organizations to oversee counterfeited goods, these organizations are all broad, governmental organizations.

In this area, China's Laws are superior because they establish a specific authority to address trademark concerns as well as a specific body to handle disputes. The Vietnamese provide only that broadly defined governmental organizations will handle trademark and counterfeiting issues. Viet Nam's approach may produce difficulties with bureaucracy because the Office of Industrial Property handles more than trademark disputes, and the bodies set up under Decree 140/HDBT to enforce the counterfeiting laws are not well organized. In China, on the other hand, trademark questions are addressed directly by the Trademark Office which has administrative and investigative powers.<sup>142</sup>

A second area of comparison is the procedures for foreigners to register their trademarks. China's laws require that a foreign person or enterprise must register through the provisions of applicable treaties or on the basis of reciprocity.<sup>143</sup> However, the Chinese Laws also state that a foreigner shall entrust the formalities of trademark registration to a Chinese state organization.<sup>144</sup> Viet Nam's laws state only that foreigners will benefit from the provisions of the law through applicable international conventions.<sup>145</sup> Therefore, it appears that the Vietnamese laws are more simplistic in their registration requirements.

Although the Chinese laws grant protections under international treaties, the laws go on to require that a foreigner must entrust a state organization with the formalities of trademark registrations.<sup>146</sup> This requirement seems to conflict with the Paris Convention's requirement that foreign nationals be treated in the same manner as nationals of the host country.<sup>147</sup> Viet Nam's laws, however, remain consistent with the Paris Convention because the same benefits that nationals enjoy are granted to foreigners.<sup>148</sup>

One final area of comparison is review of decisions. The Chinese provide for review of cases if a party is not satisfied with

---

142. See *supra* notes 60, 89 and accompanying text.

143. See *supra* note 54.

144. See *supra* notes 55, 73.

145. See *supra* note 103.

146. See *supra* note 55.

147. See *supra* note 14.

148. See *supra* note 103.

the result.<sup>149</sup> Likewise, the Vietnamese provide an appeal for counterfeiting cases.<sup>150</sup> This review option is important because if a party feels that it has been treated unfairly, recourse is available.

### *B. Protections Against Counterfeiters*

Another area of comparison is how well the laws of China and Viet Nam protect against counterfeiters. The laws of both countries give trademark registrants an exclusive right to use the trademark.<sup>151</sup> This is an internationally accepted practice and is intended to protect the registered trademark from counterfeiters. However, the Chinese laws expand upon this right by requiring trademark holders to place an indication of registration on the items that bear the trademark.<sup>152</sup> This practice not only protects the registrant by demonstrating that he is the lawful owner of the trademark, but also protects the public by eliminating confusion as to the product's origin.

The next area of importance regarding protection against counterfeiters encompasses infringements against registered trademarks. China's Laws and Implementing Regulations specifically detail what constitutes trademark infringement.<sup>153</sup> Indeed, one who copies a trademark may be held liable for counterfeiting activities. Further, one who knowingly uses a copied trademark on his goods may be held liable. In fact, *any* activity that endangers a trademark holder's exclusive right of use may be subject to punishment under China's Laws. Thus, the Chinese Laws protect trademark holders against counterfeiting and they also deter others from assisting counterfeiters because punishment is possible.

Viet Nam's trademark law, however, is somewhat vague with regard to infringement. The laws state only that one who makes use of a trademark that is similar or identical to a registered

---

149. See *supra* notes 61, 62, and 81.

150. Article 14 of Decree 140/HDBT provides in part:

Any offending organization or individual may appeal to the authority immediately superior to the body or person issuing the decision of punishment, in accordance with Article 36 of the Ordinance on punishment of administrative offenses. Any such appeal shall not, however, suspend the execution of the decision of punishment already issued.

Decree No. 140/HDBT art. 14.

151. See *supra* notes 69, 108.

152. See *supra* notes 53, 86.

153. See *supra* notes 70, 88.



trademark has violated the owner's exclusive right to use the mark.<sup>154</sup> Additional categories of infringement are not enumerated by the Vietnamese laws.

Finally, and most importantly, are the remedies provided for in the case of a trademark infringement. Again, China's trademark laws are extremely detailed and, in addition to the trademark laws, criminal provisions exist for trademark violations. The Trademark Office is given the authority to conduct investigations to determine whether a violation has taken place.<sup>155</sup> If a violation or infringement has occurred, remedies are available.<sup>156</sup> In addition, under the Criminal Provisions, authorities of the Chinese government may be punished if they facilitate counterfeiting activities or if they fail to prosecute counterfeiters.<sup>157</sup>

Due to these stringent remedies, counterfeiting may be less likely to occur in China. Rather, trademark pirates will likely look for less dangerous territory in which to work. The pirates will likely venture into other areas which do not have the long entrenched and more thorough practices of China.

The crackdown on trademark pirates in China may be part of the reason that the pirates are becoming prominent in Viet Nam. This may be especially true in light of trade talks which took place between the U.S. and China in 1995.<sup>158</sup> During those talks, China agreed to stricter enforcement of its anti-piracy laws in order to avoid a trade war with the U.S.<sup>159</sup> If China continues to honor its agreement with the U.S., it is likely that pirates will continue to find their way into Viet Nam.

Viet Nam may be ill-prepared to meet the trademark pirates which are making their way from China. This is due, in part, to Viet Nam's laws, which are vague in detailing available remedies for infringement. The Vietnamese laws provide only that a trademark owner may apply to the competent authority for a legal sanction.<sup>160</sup> The laws do not clarify who the competent authority

---

154. See *supra* note 112.

155. See *supra* note 89.

156. Chinese remedies may include fines, compensation, or prosecution, depending on the degree of the violation. See *supra* note 90.

157. See *supra* note 98.

158. David R. Sands, *Copyright Pirating Global Worry for U.S., China Deal First of Many Needed*, WASH. TIMES, Feb. 27, 1995, at A1.

159. *Id.* The Chinese have claimed recent success in upholding their U.S. obligations by conducting a seizure of polo shirts containing counterfeit Chicago Bulls emblems. Robert Fachel, *Sports Fanfare - Basketball*, WASH. POST, Dec. 8, 1995, at B2.

160. See *supra* note 112.

is. One must assume that the competent authority is the Office of Industrial Property, but no rules exist to prescribe how that organization is to proceed or act. Additionally, the only remedy provided for in the laws is a legal sanction dependent on the degree of the violation.

Decree 140/HDBT provides some insight on how Viet Nam will confront trademark piracy. Although the Decree provides penalties for infringement, enforcement continues to be a problem because the organizations that deal with counterfeiting problems are large and broad based. Also, because there are no guidelines as to what punishment is proper for particular types of infringement or how far-reaching the powers of enforcement are, an enterprise may have a difficult time protecting its trademark from counterfeiters. Due to the vagueness in the Vietnamese laws and the confusion surrounding the authority responsible for issuing punishment, it appears that pirates could easily conduct their illegal activities in Viet Nam.

However, the Vietnamese laws provide stringent criminal punishments for counterfeiters.<sup>161</sup> The potential of a lengthy term of imprisonment may deter counterfeiters from carrying on their illegal activities.

Thus, it may appear that China's and Viet Nam's laws provide equal protection and preventative measures against counterfeiters. However, the Chinese laws are superior in that their enforcement procedures are more well-defined than those of their Vietnamese counterparts. Because one specific, trademark office is responsible for overseeing trademark practices, it is easier for a trademark owner to prevent or stop counterfeiting activities. This ability to prevent trademark infringement in China is one reason why pirates are leaving China for Viet Nam.

### *C. Protections Against Pirates Who Register Trademarks Before Original Owners Have the Opportunity*

The next area to be examined concerns the problem of pirates who register trademarks in China or Viet Nam before the original owner, usually a foreigner, has had the opportunity. This type of "one-upmanship" is possible because of the "first to file" rule that exists in both China and Viet Nam.<sup>162</sup> This type of rule is accepted internationally and generally works well. However, because of

---

161. See *supra* note 135.

162. See *supra* notes 56, 76, and 107.

the unique nature of trademarks, problems may result at the international level. Accordingly, it is necessary for nations to implement measures to protect trademark owners' rights when they engage in business in other countries.

Both China and Viet Nam have instituted methods to combat this type of piracy. The Chinese method has two levels. First, an individual or enterprise may file an opposition to a trademark application before it has been approved.<sup>163</sup> Filing an opposition is possible because China preliminarily approves and publishes all trademark applications.<sup>164</sup> However, an opposition must be filed within three months of the publication.<sup>165</sup> If an owner of an original trademark has missed the opposition deadline, there is a second option. This second method allows for the filing of a cancellation application after a trademark has been approved.<sup>166</sup> A cancellation application must be filed within one year of the approval of a trademark.<sup>167</sup> Thus, a backup mechanism exists for an individual or enterprise not meeting the opposition deadline. However, there is a limitation on the cancellation proceedings. A trademark that has already been the subject of an opposition decision may not be disputed a second time in a cancellation proceeding.<sup>168</sup> The reasoning is that the party disputing the registration already has had a chance to contest the trademark, therefore a second hearing is not permitted.

While China's Laws provide reasonably good coverage against this type of piracy, Viet Nam's laws are actually better in this area. The Vietnamese Ordinance provides for cancellation,<sup>169</sup> while the Circular expands upon the cancellation proceedings and lists criteria for cancellation.<sup>170</sup> Specifically, these laws provide protection for those who have trademarks registered abroad.<sup>171</sup> Protection is based on whether the trademark is considered to be well-

---

163. See *supra* note 58.

164. Article 16 of the Chinese Laws provides:

Where the trademark for which registration has been applied for is in conformity with the relevant provisions of this Law, the Trademark Office shall, after examination, preliminarily approve the trademark and publish [it].

T.L.P.R.C., *supra* note 52, art. 16.

165. See *supra* note 58.

166. See *supra* note 64.

167. *Id.*

168. See *supra* note 68.

169. See *supra* note 111.

170. See *supra* note 118.

171. See *supra* note 116.

known. A well-known trademark is determined through a list of criteria set forth in the Circular.<sup>172</sup>

Additionally, unlike the Chinese Laws, Viet Nam's trademark laws contain no time limit for a cancellation application.<sup>173</sup> For example, in China, an enterprise would be without recourse after the one year time limit has expired, but that same enterprise would be protected indefinitely in Viet Nam. This aspect of Viet Nam's law is helpful to a foreign enterprise which may not plan on conducting business in Viet Nam immediately and may not be aware of the registration for the first year.

One problem that exists under Viet Nam's trademark law, however, is that the National Office of Industrial Property must decide whether the trademark qualifies as well-known. Although this may seem easy to prove, in practice it is not. The documentation may be difficult to compile and the decision of the Office is subjective.<sup>174</sup> However, if a trademark holder has kept good records, this problem may be overcome.

Thus, Viet Nam does have some tools necessary to combat situations in which a pirate registers a trademark before the original owner has the opportunity to do so. This type of piracy may be prevented or eliminated in Viet Nam if foreign enterprises are vigilant and become well-versed in Vietnamese trademark law.

#### VI. Actions U.S. Trademark Owners Can Take To Protect Against Infringement

U.S. companies have increased business dealings in China because of the market economy operating there. Americans may not be as familiar with Viet Nam's economy, despite the fact that trademark registration has been an exception to the twenty-five year embargo between the United States and Viet Nam.<sup>175</sup> However, trademark holders can protect their trademarks in both nations so long as they are aware of the laws.

Protection against counterfeiters is easy to accomplish in China. A U.S. company need only apply to the Trademark Office for action. However, a U.S. company that has not yet registered its trademark should register it as soon as possible if the company intends to do business in China. U.S. companies also have the

---

172. See *supra* note 121.

173. See *supra* note 118.

174. See Smith, *supra* note 1, at C10.

175. *Id.*

benefit of China's promise to crack down on the trademark pirates that do business there.<sup>176</sup>

The situation in Viet Nam is not quite as simple. Although trademark laws exist, it may be difficult to enforce them because of the lack of organization within the governmental organizations that oversee trademark registration. It is possible to use Viet Nam's laws to protect trademarks if counterfeiting is taking place. However, because of the bureaucracy which may be involved, it may be simpler to exercise a form of "self help." Trademark holders who become aware of counterfeiting activities may send a "letter of warning" to the counterfeiters in an attempt to stop the infringement.<sup>177</sup> Legal action should then be taken if the infringing activities continue. If legal action is necessary, a foreign enterprise should gather as much evidence as possible, because it will carry the burden at trial.<sup>178</sup> Additionally, a Vietnamese attorney or an attorney well-versed in the law of Viet Nam may be of invaluable help in protecting an enterprise's trademark in Viet Nam.<sup>179</sup>

## VII. Conclusion

Although Viet Nam does not have as long a history of trademark protection as China, it has made great strides in providing protection against trademark pirates. There are still some concerns for a U.S. enterprise intending to register a trademark and conduct business in Viet Nam. However, if the trademark laws are consistently applied and enforcement procedures are improved, the pirates who have left China for Viet Nam may have to look again for greener pastures.

*Graziella M. Sarno*

---

176. *See supra* note 158, at A1.

177. Smith, *supra* note 1, at C11.

178. *Id.*

179. *Id.* at C10.

## APPENDIX A

The Trademark Law of the People's Republic of China as adopted by the 5th National People's Congress in 1982 and as amended by the 6th National People's Congress provides as follows:

### Chapter I - General Provisions

Article 1 - This Law is enacted for the purposes of improving the administration of trademarks, of protecting the exclusive right to use a trademark, and of encouraging producers to guarantee the quality of their goods and maintain the reputation of their trademarks, with a view to protecting consumer interests and to promoting the development of socialist commodity economy.

Article 2 - The Trademark Office of the administrative authority for industry and commerce under the State Council shall be responsible for the registration and administrative control of trademarks throughout the country.

Article 3 - Registered trademark means a trademark which has been approved and registered by the Trademark Office. The trademark registrant shall enjoy an exclusive right to use the trademark, (which right shall be) protected by law.

Article 4 - Any enterprise, institution or individual producer or trader, intending to acquire the exclusive right to use a trademark for the goods produced, manufactured, processed, selected or marketed by it or him, shall file an application for the registration of the trademark with the Trademark Office.

Any enterprise, institution, or individual producer or trader, intending to acquire the exclusive right to use a trademark for the services provided by it or him, shall file an application for the registration of the service mark.

The provisions of this Law concerning goods marks shall apply also to service marks.

Article 5 - Where the State prescribes that certain kinds of goods must bear a registered trademark, registration of a trademark must be applied for in respect of such goods. Where no trademark registration has been granted, such goods shall not be sold in the market.

Article 6 - Any user of a trademark shall be responsible for the quality of the goods in respect of which the trademark is used. The administrative authorities for industry and commerce at all levels shall, through the administrative control of trademarks, exercise supervision over the quality of the goods and shall stop any practice that deceives consumers.

Article 7 - Any word, design, or combination, used as a trademark, must be distinctive so that it be distinguishable. Where a registered trademark is used, it should carry the indication "Registered Trademark" or a sign indicating that it is registered.

Article 8 - In trademarks, the following words or designs shall not be used:

(1) those identical with or similar to the State name, national flag, national emblem, military flag, or decorations of the People's Republic of China;

(2) those identical with or similar to the State names, national flags, national emblems, or military flags, of foreign countries;

(3) those identical with or similar to the flags, emblems or names, of international governmental organizations;

(4) those identical with or similar to the symbols, or names, of the Red Cross or the Red Crescent;

(5) those relating to generic names or designs of the goods in respect of which the trademark is used;

(6) those having direct reference to the quality, main raw materials, function, use, weight, quantity or other features of the goods in respect of which the trademark is used;

(7) those having the nature of discrimination against any nationality;

(8) those having the nature of exaggeration and deceit in advertising goods;

(9) those detrimental to socialist morals or customs, or having other unhealthy influences.

The names of administrative divisions at or above the county level or foreign geographic names well-known to the public shall not be used as trademarks, with the exception, however, of those geographic names having other meanings. Registered trademarks in which geographic names are used shall remain valid.

Article 9 - Any foreigner or foreign enterprise intending to apply for the registration of a trademark in China shall file an application in accordance with any agreement concluded between the People's Republic of China and the country to which the applicant belongs, or according to the international treaty to which both countries are parties, or on the basis of reciprocity.

Article 10 - Any foreigner or foreign enterprise intending to apply for the registration of a trademark, or to deal with other matters concerning a trademark in China, shall entrust the organization designated by the State to act on his or its behalf.

Chapter II - Application for Trademark Registration

Article 11 - Any application for the registration of a trademark shall, in a form, indicate, in accordance with the prescribed classification of goods; the class of the goods and the designation of the goods in respect of which the trademark is intended to be used.

Article 12 - Where any applicant intends to use the same trademark for goods in different classes, an application for registration shall be filed in accordance with the Classification of Goods.

Article 13 - Where a registered trademark is intended to be used in respect of other goods of the same class, a new application for registration shall be filed.

Article 14 - Where any word and/or design of a registered trademark is to be altered, a new registration shall be applied for.

Article 15 - Where, after the registration of a trademark, the name, address or other registered matters concerning the registrant change, an application regarding the change shall be filed.

### Chapter III - Examination for, and Approval of, Trademark Registration

Article 16 - Where the trademark for which registration has been applied for is in conformity with the relevant provisions of this Law, the Trademark Office shall, after examination, preliminarily approve the trademark and publish (it).

Article 17 - Where the trademark for which registration has been applied for is not in conformity with the relevant provisions of the Law, or where it is identical with or similar to the trademark of another person which, in respect of the same or similar goods, has been registered or, after examination, preliminarily approved, the Trademark Office shall refuse the application and shall not publish (the said trademark).

Article 18 - Where two or more applicants apply for the registration of identical or similar trademarks for the same or similar goods, the preliminary approval, after examination, and the publication shall be made for the trademark which was first filed. Where applications are filed on the same day, the preliminary approval, after examination, and the publication shall be made for the trademark which was the earliest used, and the applications of the others shall be refused and (their trademarks) shall not be published.

Article 19 - Any person may, within three months from the date of the publication, file an opposition against the trademark which, after examination, has been preliminarily approved. If no opposition is filed, or if it is decided that the opposition is not justified, registration shall be approved, a trademark registration



certificate shall be issued and (the trademark) shall be published. If it is decided that the opposition is justified, no registration shall be approved.

Article 20 - The Trademark Review and Adjudication Board, established under the administrative authority for industry and commerce under the State Council, shall be responsible for handling trademark disputes.

Article 21 - Where the application for registration of a trademark is refused and no publication of the trademark is made, the Trademark Office shall notify the applicant in writing. Where the applicant is dissatisfied, he may, within fifteen days from the receipt of the notification, apply for a review. The Trademark Review and Adjudication Board shall make a final decision and notify the applicant in writing.

Article 22 - Where an opposition is filed against the trademark which, after examination, has been preliminarily approved and published, the Trademark Office shall hear the opponent and the applicant state facts and grounds and shall, after investigation and verification, make a decision. Where any party is dissatisfied, it may, within fifteen days from receipt of the notification, apply for review, and the Trademark Review and Adjudication Board shall make a final decision, and notify the opponent and the applicant in writing.

#### Chapter IV - Renewal, Assignment and Licensing of Registered Trademarks

Article 23 - The period of validity of a registered trademark shall be ten years counted from the date of the approval of the registration.

Article 24 - Where (the registrant) intends to continue to use the registered trademark beyond the expiration of the period of validity, an application for renewal of the registration shall be made within six months before the said expiration. Where no such application could be filed within the said period, an extension period of six months may be allowed. If no application is filed by the expiration of the extension period, the registered trademark shall be canceled.

The period of validity of each renewal of registration shall be ten years.

Any renewal of registration shall be published after approval.

Article 25 - Where a registered trademark is assigned, the assignor and assignee shall jointly file an application with the Trademark Office. The assignee shall guarantee the quality of the goods in respect of which the trademark is used.

The assignment of the registered trademark shall be published after approval.

Article 26 - Any trademark registrant may, by signing a trademark license contract, authorize other persons to use his registered trademark. The licensor shall supervise the quality of the goods in respect of which the licensee uses his registered trademark, and the licensee shall guarantee the quality of the goods in respect of which the registered trademark is used.

Where another person's registered trademark is authorized to be used, the name of the licensee and the origin of the goods must be indicated on the goods bearing the registered trademark.

The trademark license contract shall be submitted to the Trademark Office for the file.

#### Chapter V - Adjudication of Disputes Concerning Registered Trademarks

Article 27 - Where a registered trademark contravenes the provision of Article 8 of this Law, or the registration is obtained by fraudulent or other illegitimate means, the Trademark Office shall cancel the registered trademark; other entries or individuals may request the Trademark Review and Adjudication Board to make a decision canceling the registered trademark.

With the exception of the events stipulated in the preceding paragraph, any person disputing a registered trademark may, within one year from the date of approval of the trademark registration, apply to the Trademark Review and Adjudication Board for adjudication.

The Trademark Review and Adjudication Board shall, after the receipt of the application for adjudication, notify the interested parties and request them to respond with arguments within a specified period.

Article 28 - Where the trademark, before being approved for registration, has been the object of opposition and decision, no application for adjudication, based on the same facts and grounds may be made.

Article 29 - After the Trademark Review and Adjudication Board has made the final decision maintaining or canceling the disputed registered trademark, it shall notify the interested parties in writing.

#### Chapter VI - Administrative Control of the Use of Trademarks

Article 30 - Where any person who uses the registered trademark commits any of the following, the Trademark Office shall order him to rectify (the situation) within a specified period or shall cancel the registered trademark:

(1) where any word, design, or their combination, of the registered trademark is altered unilaterally (that is, without the required registration);

(2) where the name, address or other registered matters concerning the registrant of a registered trademark are changed unilaterally (that is, without the required application);

(3) where the registered trademark is assigned unilaterally (that is, without the required approval);

(4) where the registered trademark has ceased to be used for three consecutive years.

Article 31 - Where the registered trademark is used in respect of goods which have been roughly or poorly manufactured, or whose superior quality has been replaced by inferior quality, (so that) consumers are deceived, the administrative authorities for industry and commerce at all levels shall, according to the circumstances, order the rectification (of the situation) within a specified period, and may, in addition, circulate a notice of criticism or impose a fine, or the Trademark Office may cancel the registered trademark.

Article 32 - Where the registered trademark is canceled or has expired and not been renewed, the Trademark Office shall not approve, during one year from the date of the cancellation or the removal (on account of expiration), applications for registration of trademarks identical with or similar to the said trademark.

Article 33 - In the case of any person violating the provisions of Article 5 of this Law, the local administrative authorities for industry and commerce shall order him to file an application for registration within a specified period, and may, in addition, impose a fine.

Article 34 - Where any person who uses an unregistered trademark commits any of the following, the local administrative authorities for industry and commerce shall stop the use of the trademark, order him to rectify (the situation) within a specified period, and may, in addition, circulate a notice of criticism or impose a fine:

(1) where the trademark is falsely represented as registered;

(2) where any provision of Article 8 of this Law is violated;

(3) where the manufacture is rough or poor, or where superior quality is replaced by inferior quality, (so that) consumers are deceived.

Article 35 - Any party dissatisfied with the decision of the Trademark Office to cancel the registered trademark may apply for review within fifteen days from the receipt of the (corresponding)

notice. The Trademark Review and Adjudication Board shall make a final decision and notify the applicant in writing.

Article 36 - Any party dissatisfied with the decision of an administrative authority for industry and commerce imposing a fine under the provisions of Article 31, Article 33, or Article 34 may institute proceedings with the people's court within fifteen days from the receipt of the (corresponding) notice. If no proceedings are instituted or if there is no performance (complying with the decision imposing the fine) by the expiration of said period, the administrative authority for industry and commerce concerned may ask the people's court for compulsory execution.

#### Chapter VII - Protection of the Exclusive Right to Use Registered Trademarks

Article 37 - The exclusive right to use a registered trademark is limited to the trademark which has been approved for registration and to the goods in respect of which the use of the trademark has been approved.

Article 38 - Any of the following acts shall be an infringement of the exclusive right to use a registered trademark:

(1) to use a trademark which is identical with or similar to the registered trademark in respect of the same or similar goods without the authorization of the proprietor of the registered trademark;

(2) to sell goods, well knowing that they bear a passed-off registered trademark;

(3) to counterfeit, or make without authorization, representations of the registered trademark of another person or sell representations of a registered trademark which are counterfeited or made without authorization;

(4) to cause, in other respects, prejudice to the exclusive right to use the registered trademark of another person.

Article 39 - In the case of any of the acts infringing the exclusive right to use a registered trademark as provided for in Article 38 of this Law, the party whose right was infringed may request the administrative authority for industry and commerce, at or above the county level to handle the matter. The administrative authority for industry and commerce concerned shall have the power to order the infringer to stop the infringing act immediately and to compensate the party whose right was infringed for the damages suffered. The amount of compensation shall be the profit which the infringer has earned through the infringement during the period of the infringement. If the circumstances are serious, the said authority may, in addition, impose a fine. Any party who is

dissatisfied with the decision of the administrative authority for industry and commerce on handling the matter, i.e., ordering the infringing act to be stopped and imposing a fine, may institute proceedings with the people's court within fifteen days from the receipt of the notice. If no proceedings are instituted or if there is no performance (complying with the decision imposing the fine) by the expiration of the said period, the administrative authority for industry and commerce concerned may ask the people's court for compulsory execution.

Where the exclusive right to use the registered trademark was infringed, the party whose right was infringed may institute proceedings directly with the people's court.

Article 40 - Any party that passes off the registered trademark of another person, constituting a crime, shall, in addition to compensating for the damages suffered by the party whose right has been infringed, be prosecuted, according to law, in respect of criminal responsibility.

Any party that counterfeits or makes without authorization the representations of the registered trademark of another person, or sells the representations of the registered trademark which are counterfeited or made without authorization, constituting a crime, in addition to compensating for the damages suffered by the party whose right has been infringed, be prosecuted, according to law, in respect of criminal responsibility.

Any party that sells goods, well knowing that they bear a passed-off registered trademark, constituting a crime, in addition to compensating for the damages suffered by the party whose right has been infringed, be prosecuted, according to law, in respect of criminal responsibility.

#### Chapter VIII - Supplementary Provisions

Article 41 - Any application for trademark registration and any other proceeding in trademark matters shall be subject to the payment of a fee. The rate of the fees shall be set by the administrative authority for industry and commerce.

Article 42 - The Implementing Regulations of this Law shall be drawn up by the administrative authority for industry and commerce under the State Council. They shall enter into force after they have been submitted to and approved by the State Council.

Article 43 - This Law shall enter into force on March 1, 1983. The "Regulations Governing Trademarks" promulgated by the State Council on April 10, 1963, shall be abrogated at the same

date, and any other provisions concerning trademarks contrary to this Law shall cease to be effective at the same time.

Trademarks registered before this Law enters into force shall continue to be valid.

Translation by the Trademark Office. In case of discrepancy, the original version in Chinese shall prevail. As reprinted in China Patents and Trademarks, No. 2, 1993.

## APPENDIX B

The Implementing Regulations under the Trademark Law of the People's Republic of China provide as follows:

## Chapter I - General Provisions

Article 1 - These Implementing Regulations are formulated in accordance with the provision of Article 42 of the Trademark Law of the People's Republic of China (hereinafter referred to as the Trademark Law).

Article 2 - An applicant for the registration of a trademark shall be a legally established enterprise, institution, public organization, individual industrial or commercial household, individual partnership, or a foreigner or foreign enterprise as provided for under Article 9 of the Trademark Law.

The provisions concerning goods marks in these Implementing Regulations shall apply to service marks.

Article 3 - In applying for the registration of a trademark, or for the approval of the assignment or renewal of a registered trademark, or for the modification of the name of address of a registrant, or for the re-issuance of a trademark registration certificate, or intending to attend to other trademark matters, the applicant may entrust the formalities to a trademark agency approved by the State Administration for Industry and Commerce, or may go through the formalities by itself or himself.

A foreigner or foreign enterprise applying for the registration of a trademark or attending to other trademark matters shall entrust the formalities to a trademark agency designated by the State Administration for Industry and Commerce.

The international registration of a trademark shall be handled in accordance with the Madrid Agreement concerning the International Registration of Marks.

Article 4 - Fees shall be paid according to regulations when filing an application for trademark registration, for the assignment of a registered trademark, for the renewal of a trademark registration, for the modification of the name or address of a registrant, for the re-issuance of a registration certificate, for the review and adjudication of a trademark, or for the handling of other matters concerned.

Article 5 - The Trademark Office of the State Administration for Industry and Commerce (hereinafter referred to as the Trademark Office) shall establish a Trademark Register in which all registered trademarks and other related matters shall be recorded.

The Trademark Office shall compile and publish the Trademark Gazette which carries trademark registrations and other matters concerned.

Article 6 - In accordance with the provision of Article 3 of the Trademark Law, collective marks and certification marks shall be protected by law after being approved for registration at the Trademark Office.

The procedures for the registration and administration of collective marks shall be separately formulated by the State Administration for Industry and Commerce jointly with the relevant departments of the State Council.

Article 7 - Pharmaceutical products for human use and tobacco products shall bear registered trademarks.

Where the State prescribes that certain kinds of other goods shall bear registered trademarks, the State Administration for Industry and Commerce shall publish the designation of the goods.

Article 8 - The Trademark Review and Adjudication Board established under the State Administration for Industry and Commerce, shall make a final decision or ruling on matters for review and adjudication, for which applications are filed according to the provisions of the Trademark Law and these Regulations.

#### Chapter II - Application for Trademark Registration

Article 9 - When applying for the registration of a trademark, a separate application shall be filed in respect of each class of goods according to the published Classification of Goods. Each application for trademark registration shall be filed with the Trademark Office in writing, accompanied by 10 copies of the reproduction of the trademark (if colour is claimed, ten copies of the colour reproduction of the trademark shall be attached) and a black and white design.

The reproduction of the trademark must be clear and easy to paste and shall be printed on smooth and clean durable paper or substituted by a photograph. Its length and breadth shall not be more than 10 cm or less than 5 cm each.

Article 10 - The documents or forms relating to an application for trademark registration or for other matters concerning trademarks shall be written and filled out with a pen, a Chinese writing brush or a typewriter. The writing shall be clear and neat.

The applicant's name and seal shall be the same as approved or registered. The goods listed in the application shall not go beyond the scope of business as approved or registered. The goods shall be listed in the application according to the Classification of



Goods. If the goods are not listed in the Classification, a description of the said goods shall be attached.

Article 11 - Any application for the registration of a trademark in respect of a pharmaceutical product for human use shall be accompanied by a certificate issued by the health administrative authority.

Any application for the registration of a trademark in respect of cigarettes, cigars and packaged cut tobacco shall be accompanied by a certificate of authorization for manufacture issued by the competent authority of the State in charge of tobacco products.

Any application for the registration of a trademark in respect of other goods which, as prescribed by the State, must bear registered trademarks, shall be accompanied by a certificate of approval issued by the competent authority concerned.

Article 12 - The filing date of an application for trademark registration shall be the date on which the Trademark Office receives the application. If the formal requirements of the application are fulfilled and the application form is filled out according to the rules concerned, the Trademark Office will allot to it a serial number of filing and issue to it a Notice of Acceptance. If the formal requirements are not fulfilled or the application form is not filled out according to the rules concerned, the application shall be returned to the applicant and the date of filing shall not be retained.

Where the formal requirements are basically fulfilled or the application form is filled out basically according to the rules concerned, the Trademark Office shall notify the applicant to make corrections and require it or him to correct it according to the contents prescribed and re-submit it to the Trademark Office within 15 days from the day he receives the notification. Where the application is corrected and re-submitted to the Trademark Office within the time limit, the date of filing shall be retained. Where the application is not corrected or the time limit is exceeded, the date of filing shall not be retained.

Article 13 - Where two or more applicants apply for the registration of identical or similar trademarks for the same or similar goods on the same day, each applicant shall, according to the notification of the Trademark Office, submit to it within 30 days a certificate of the date of first use of the mark. If the applicants used the mark for the first time on the same day or if none of them has used the mark, they shall try to resolve the matter through consultation; if unanimity of opinion is achieved, a written agreement shall be submitted within 30 days to the

Trademark Office; if an agreement cannot be reached when the 30 day time limit is exceeded, the applicants shall decide the matter by lot, or by a ruling of the Trademark Office.

Article 14 - An applicant entrusting a trademark agency with the formalities of applying for the registration of a trademark or for dealing with other matters concerning trademarks shall submit a power of attorney. The power of attorney shall indicate the content of agency and the scope of power entrusted. A power of attorney submitted by a foreigner or a foreign enterprise shall also indicate the nationality of the entrusting party.

A foreigner or foreign enterprise applying for the registration of a trademark or for dealing with other matters concerning trademarks shall use the Chinese language. The notarization and authentication of the power of attorney and the relevant evidentiary documents shall be handled on the principle of reciprocity. Any document in a foreign language shall be accompanied by a Chinese translation.

Article 15 - The Trademark Office shall accept and handle a claim for right of priority submitted at the same time as the filing of an application for the registration of a trademark. The specific procedure shall be followed in accordance with the rules published by the State Administration for Industry and Commerce.

#### Chapter III - Examination for Trademark Registration

Article 16 - The Trademark Office shall examine, in accordance with the Trademark Law, the applications which have been accepted. Those trademarks which conform to the relevant provisions of the trademark Law and are distinctive, shall be preliminarily approved and published. Where an application for trademark registration is rejected, the Trademark Office shall issue a written notification of the rejection to the applicant.

Where the Trademark Office holds that the contents of an application for trademark registration may be revised, it shall issue to the applicant an Office Action requiring it or him to make the revision within 15 days from the date of receipt of the notification. Where the revision is not made, or made after the expiration of the time limit, or the application still fails to conform to the relevant provisions of the Trademark Law after the revision, the application shall be rejected and the applicant shall be issued with a Notice of Rejection.

Article 17 - When applying for review of a rejected trademark, the applicant shall, within 15 days from the receipt of the notification of rejection, apply to the Trademark Review and Adjudication Board for a review by sending an Application for Review of a

Rejected Trademark, accompanied by the original Application for Trademark Registration, ten copies of the original reproduction of the trademark, a black and white design and the Notice of Rejection.

The Trademark Review and Adjudication Board shall make a final decision, notify the applicant in writing and turn the case over to the Trademark Office for handling.

Article 18 - Where an opposition is filed against a trademark which, after examination, has been preliminarily approved and published by the Trademark Office, the opponent shall file an Opposition to a Trademark in duplicate with the Trademark Office. The page number and the issue number of the Trademark Gazette on which the proposed trademark is published, and the number and the number of examination and preliminary approval of the opposed trademark, shall be indicated in the notice of opposition. The Trademark Office shall send the Opposition to a Trademark to the opposed party for its reply within 30 days from the receipt of the notification, and make a decision on the opposition on the basis of the facts and grounds stated by both parties; where no reply on expiration of the time limit, the Trademark Office shall make a decision on the opposition and notify the interested parties.

In respect of an opposed trademark the registration of which is published before the coming into effect of the decision on the opposition, the publication of the registration of the opposed trademark shall not be valid.

Article 19 - Any interested party dissatisfied with the decision of the Trademark Office on the opposition shall, within 15 days from the receipt of the decision on the opposition to the trademark, apply to the Trademark Review and Adjudication Board for a review by filing an Application for Review of the Opposition to a Trademark in duplicate with the Board.

The Trademark Review and Adjudication Board shall make a final decision, notify the interested parties in writing and turn the case over to the Trademark Office for handling.

A trademark to which the opposition is found unjustified shall be approved by the Trademark Office for registration after the decision on the opposition comes into effect.

#### Chapter IV - Modification, Assignment, and Renewal of Registered Trademarks and Adjudication of Disputes over Registered Trademarks

Article 20 - When applying for changing its or his name, the registrant of a trademark shall, for each application, send an Application for Changing the Name of the Trademark Registrant,

accompanied by a certificate of the change to the Trademark Office, and return the original Certificate of Trademark Registration. Where the Trademark Office, after examination, approves the application, it shall publish the application and return to the registrant the Original Certificate of Trademark Registration on which the approval has been marked.

When applying for changing the address of the trademark registrant or other items in the registration, the trademark registrant shall, for each application, file an Application for Changing the Address of the Trademark Registrant or an Application for Changing Other Items of Trademark Registration, together with a certificate of the relevant change, with the Trademark Office, and the original Certificate of Trademark Registration shall be returned to the Office. Where the Trademark Office, after examination, approves the application, it shall publish the application and return to the registrant the original Certificate of Trademark Registration on which the approval has been marked.

Where the name or address of a trademark registrant is changed, the trademark registrant shall go through the formalities of making the change to all its or his trademark registrations.

Article 21 - When applying for the assignment of a registered trademark, the assignor and assignee shall file with the Trademark Office an Application for Assignment of a Registered Trademark accompanied by the original Certificate of Trademark Registration. The formalities of applying for the assignment of the registered trademark shall be gone through by the assignee. The assignee must meet the requirement of Article 2 of these Implementing Regulations. Where the Trademark Office, after examination, approves the application, it shall publish the application and issue to the assignee the original Certificate of Trademark Registration on which the approval has been marked.

When assigning a registered trademark, the trademark registrant must also assign all other identical or similar trademarks registered in respect of the same or similar goods. When assigning a mark in respect of any of the goods provided for in Article 7 of these Implementing Regulations, the assignor shall in accordance with the provision of Article 11 of these Implementing Regulations, provide a certificate issued by the relevant department.

Any application for the assignment of a registered trademark that may cause mistaken recognition, confusion or other adverse effects shall not be approved by the Trademark Office but shall be rejected.

Article 22 - When applying for the renewal of a trademark registration, the applicant shall file with the Trademark Office an Application for Renewal of Trademark Registration, accompanied by five copies of the reproduction of the registered trademark and return the original Certificate of Trademark Registration to the Trademark Office. Where the application is approved after examination, the Trademark Office shall publish it and return to the applicant the original Certificate of Trademark Registration on which the approval has been marked; where the application is found not to conform to the relevant provisions of the Trademark Law, it shall not be approved by the Trademark Office but be rejected.

The period of validity of a trademark with its registration renewed shall be calculated from the day after the expiration of its previous period of validity.

Article 23 - Where any applicant is dissatisfied with the rejection by the Trademark Office of his application for assignment or renewal, he shall, within 15 days from the receipt of the notification of rejection, send an Application for Review of a Rejected Assignment or an Application for Review of a Rejected Renewal to the Trademark Review and Adjudication Board for review, accompanied by the original Application for Assignment of a Registered Trademark or Application for Renewal of a Registered Trademark and the notification of rejection.

The Trademark Review and Adjudication Board shall make a final decision, and notify the applicant in writing. Where the Board finally decides to approve the application for assignment or for renewal, it shall transfer the case to the Trademark Office for handling.

Article 24 - Where a trademark registrant disputes a registered trademark of another person, he shall, within one year from the date of publication of the registered trademark of the other person in the Trademark Gazette, send an Application for Adjudication of a Disputed Trademark in duplicate to the Trademark Review and Adjudication Board for adjudication.

The Trademark Review and Adjudication Board shall make a final ruling to uphold or cancel the disputed registered trademark and transfer the case to the Trademark Office for handling. Where the reason for cancellation only part of the contents of the registration, that part of the registration shall be canceled. Where it is ruled that the registered trademark should be canceled, the original the original registrant of the trademark shall, within 15 days from

the date of receipt of the notification of the ruling, return the Certificate of Trademark Registration to the Trademark Office.

Article 25 - The following acts come under the acts of obtaining registration by fraudulent or other illegitimate means referred to in Article 27(1) of the Trademark Law:

(1) an act of registering a trademark by fabricating or withholding fact or falsifying the application or relevant documents;

(2) an act of registering a trademark by copying, imitating or translating a trademark of another person which is already well known to the public in contravention of the principle of honesty and credibility;

(3) an act of registering a trademark of a client by the agent in the agent's name without authorization;

(4) an act of registering a trademark by infringing the lawful right of priority of another person;

(5) other acts of obtaining registration by other illegitimate means.

A trademark registrant not satisfied with the cancellation of the registration of its or his trademark by the Trademark Office in accordance with the provision in Article 27(1) of the Trademark Law may, within 15 days from the date of receipt of the notification of the decision, send an Application for the Review of the Cancellation of an Improperly Registered Trademark to the Trademark Review and Adjudication Board and apply for adjudication. The Trademark Review and Adjudication Board shall make a final decision, notify the applicant in writing and transfer the case to the Trademark Office for handling.

Any entity or individual deeming a trademark to be improperly registered may send an Application for the Cancellation of an Improperly Registered Trademark in duplicate to the Trademark Review and Adjudication Board and apply for adjudication. The Trademark Review and Adjudication Board shall make a final ruling, notify the relevant party in writing and transfer the case to the Trademark Office for handling.

An improperly registered trademark which has been canceled shall be published by the Trademark Office. The original registrant of the trademark shall, within 15 days from the date of receipt of the decision or the notification of the ruling, return the Certificate of Trademark Registration to the Trademark Office.

In respect of a trademark whose registration is canceled in accordance with Article 27(1) of the Trademark Law, its exclusive right of use shall be deemed to be non-existent from the beginning.

The decision or adjudication on the cancellation of a registered trademark has no retroactive effect on a judgment or decision already made and executed by the People's Court or the administrative authority for industry and commerce on a case of trademark infringement, or on a trademark assignment or license contract already performed. However, in respect of damages caused to others in bad faith on the part of the registrant, compensation shall be made.

#### Chapter V - Administrative Control of the Use of Trademarks

Article 26 - Where a registered trademark is used, it shall carry the indication "Registered Trademark" or the registration sign or R . If it is convenient to mark the indication or the sign on the goods, it shall be marked on the packaging or description or other attachments to the goods.

Article 27 - Where the Certificate of Trademark Registration is lost or damaged, it is necessary to apply for re-issuance of the Certificate. The registrant of the trademark shall send an Application for Re-issuance of Certificate of Trademark Registration accompanied by five copies of the reproduction of the trademark to the Trademark Office. Where the Certificate is lost, the registrant shall declare the loss of the Certificate by publishing a declaration in the Trademark Gazette. Where the Certificate is damaged, it shall be sent back to the Trademark Office.

Where a Certificate of Trademark Registration is forged or falsified, a fine of not more than RMB20,000 yuan shall be imposed on the offender by the administrative authority for industry and commerce of the place where the offender has domicile or establishment, the amount to be determined according to circumstances, and the forged or falsified documents shall be confiscated.

Article 28 - In respect of any of the acts referred to in Article 30 (1), (2) and (3) of the Trademark Law, the administrative authority for industry and commerce concerned shall order the trademark registrant to rectify the situation within a time limit. If the registrant refuses to comply, the administrative authority for industry and commerce of the place where the offender has domicile or establishment shall submit the case to the Trademark Office for cancellation of the trademark.

Article 29 - In respect of the act referred to in Article 30(4) of the Trademark Law, any person may apply to the Trademark Office for cancellation of the registered trademark and explain the circumstances. The Trademark Office shall notify the trademark registrant and require it or him to furnish within three months proof of use of the mark in the three years before the date of filing

of the application, or a justified reason for its non-use. If no proof of use is furnished after the time limit is exceeded or the proof is invalid, the Trademark Office shall cancel its or his registered trademark.

The use of a trademark referred to in the preceding section includes its use on the goods, the packaging or container of the goods and documents of sale or purchase of the goods, or its use in advertisement, promotion, display and other business activities.

Article 30 - The applying for registration of a trademark identical with or similar to the trademark canceled under the provisions of Article 29 of the Regulations in respect of the same or similar goods, shall not be subject to the provisions of Article 32 of the Trademark Law.

Article 31 - In respect to any of the acts referred to in Article 31 or 34(3) of the Trademark Law, the administrative authority for industry and commerce shall order the offender to rectify the situation within a specified period, circulate a notice criticizing the offender and impose on the offender a fine amounting to not more than 20% of his turnover or not more than two times his illegal profit. If the goods are poisonous or harmful or without any use value, they shall be destroyed; if the goods bear registered trademarks, the said marks shall be canceled in accordance with the provision of the Trademark Law.

Article 32 - In respect to any of the acts referred to in Article 34(1) and (2) of the Trademark Law, the administrative authority for industry and commerce shall prohibit the offender from engaging in advertisement or promotion, seal or seize the representations of the trademark, order the rectification of the situation within a specified period, and may, in addition, according to circumstances, circulate a notice of criticism and/or impose a fine amounting to not more than 20% of the illegal turnover.

Article 33 - Where the provisions of Article 5 of the Trademark Law are violated, the administrative authority for industry and commerce shall prohibit the sale and advertisement of the goods, seal or seize the representations of the trademark, and may, in addition, according to circumstances, impose a fine amounting to not more than 10% of the illegal turnover.

Article 34 - No person shall illegally make, print, buy or sell representations of trademarks.

Where the provisions as stated above are violated, the administrative authority for industry and commerce shall stop such illegal activities, seize the representations of the trademark, and may, in addition, according to circumstances, impose a fine amounting to



not more than 20% of the illegal turnover. If the proprietor of a registered trademark sells the representations of his own registered trademark, the registered trademark may also be canceled by the Trademark Office; however, where another person's exclusive right to use a registered trademark is infringed, the case shall be handled according to the provisions of Article 43 of these Regulations.

Article 35 - Where a trademark registrant authorizes another person to use his registered trademark, a license contract for use of the registered trademark shall be signed between them. The licensor and the licensee shall, within three months from the date of conclusion of the license contract, submit a copy of the contract to the administrative authority for industry and commerce at the county level where the licensor has domicile or establishment to be filed for future reference. The licensor shall submit a copy of the contract to the Trademark Office for the record and the Trademark Office shall publish the contract.

Anyone contravening the provisions of the preceding section shall be ordered by the administrative authority for industry and commerce in the place where the licensor or licensee has domicile or establishment to rectify the situation within a prescribed time limit. Where the offender refuses to comply, the said authority shall impose on it or him a fine of not more than RMB10,000 yuan and may submit the matter to the Trademark Office for cancellation of the registered trademark.

Where anyone contravenes the provision of Article 26(2) of the Trademark Law, the administrative authority for industry and commerce in the place where the licensee has domicile or establishment shall order the offender to rectify the situation within a prescribed time limit, seize its or his representations of the trademark, and may, according to circumstances, impose a fine of not more than RMB50,000 yuan.

Article 36 - Where a trademark registrant authorizes another person to use his registered trademark, the licensee shall conform to the provision of Article 2 of these Implementing Regulations.

Where the licensor authorizes another person to use a goods mark of his as provided in Article 7 of these Regulations, the licensee, in submitting a copy of the license contract to the competent authorities for the file, shall attach a certificate of the department concerned in accordance with the provision of Article 11 of these Regulations.

Article 37 - Where the Trademark Office makes a decision to cancel a registered trademark according to the provisions of Article 30 or 31 of the Trademark Law, or Article 28, 29, 31, 34 or 35 of

these Regulations, it shall notify in writing the trademark registrant and the administrative authority for industry and commerce of the place where it or he has domicile or establishment.

A trademark registrant dissatisfied with the decision of the Trademark Office to cancel its or his registered trademark shall, within 15 days from the date of receipt of the notification of the cancellation, send an Application for Review of a Canceled Trademark to the Trademark Review and Adjudication Board for review.

The Trademark Review and Adjudication Board shall make a final decision, notify in writing the trademark registrant and the administrative authority for industry and commerce in the place where it or he has domicile or establishment and transfer the case to the Trademark Office for handling.

Article 38 - Where a trademark registrant applies for the removal of his registered trademark from the Register, he shall send an Application for Trademark Removal and return the original Certificate of Trademark Registration to the Trademark Office.

Article 39 - A registered trademark that is canceled or removed shall be published by the Trademark Office. The exclusive right to use the trademark shall be forfeited from the date of cancellation or removal. In respect of a registered trademark that is canceled, the administrative authority for industry and commerce in the place where the original trademark registrant has domicile or establishment shall seize the Certificate of Trademark Registration and return it to the Trademark Office.

Article 40 - Any interested party dissatisfied with the decision made by the administrative authority for industry and commerce according to the provisions of Chapter 6 of the Trademark Law and Chapter 5 of these Regulations on the handling of a case may, within 15 days from the receipt of notification of the decision, apply to the administrative authority for industry and commerce at the next higher level for reconsideration of the decision. The said authority shall, within two months from the receipt of the application for reconsideration of the decision, make a decision on the application. The interested party still dissatisfied with the decision on the application for reconsideration may, within 15 days from the receipt of the notification of the decision on the application for reconsideration, institute proceedings in the People's Court. Where the decision is not complied with and no proceedings are instituted within the said time limit, the administrative authority for industry

and commerce shall apply to the People's Court for compulsory execution.

#### Chapter VI - Protection of the Exclusive Right to Use a Registered Trademark

Article 41 - Any of the following acts shall be an act of infringement of the exclusive right to use a registered as provided for in Article 38(4) of the Trademark Law:

(1) to sell goods which the seller clearly knows or should know are infringing the exclusive right of another person to use a registered trademark;

(2) to use any word or design which is identical with or similar to the registered of another person in respect of the same or similar goods as the designation of the goods or the decoration of the goods, sufficient to cause mistaken recognition;

(3) to intentionally provide facilities, such as storage, transportation, mailing and concealment, for an act of infringement of the exclusive right to use a registered trademark of another person.

Article 42 - Where the exclusive right to use a registered trademark is infringed, any person may lodge complaints with or report the offense to the administrative authority for industry and commerce at or above the county level of the location where the infringer has domicile or establishment or of the place where the infringing act is committed. The infringed party may also institute proceedings directly in the People's Court.

Where the administrative authority for industry and commerce holds that the act of the person constitutes infringement of the exclusive right to use a registered trademark, it may exercise the following functions and powers in investigating the act and obtaining evidence:

(1) asking questions of relevant parties;

(2) inspecting articles related to the infringing activities and where necessary, ordering them to be sealed up;

(3) investigating acts related to the infringing activities;

(4) examining and copying business data related to the infringing activities, such as contracts and account books.

The relevant parties shall give assistance to the administrative authority when it exercises the functions and powers listed in the preceding section and shall not refuse to give such assistance.

Article 43 - Where the exclusive right to use a registered trademark has been infringed, the administrative authority for industry and commerce may adopt the following measures to stop the infringing act:

(1) ordering the offender to immediately stop all sales;

(2) seizing and destroying the infringing representations of the trademark;

(3) removing the infringing trademarks from the goods in stock;

(4) seizing the dies, plates, etc., used specially in the infringement of the trademark and other tools for committing the offense;

(5) ordering and supervising the destruction of the infringing articles by the offender where the adoption of the above four measures is insufficient to stop the infringing act or where the infringing trademark is difficult to be separated from the goods.

In respect of an act which has infringed the exclusive right to use a registered trademark but has not constituted a crime, the administrative authority for industry and commerce may, according to circumstances, impose a fine of not more than 50% of the illegal turnover or not more than five times the profit obtained through infringement. As to the person directly responsible in the entity infringing the exclusive right to use the registered trademark, the administrative authority for industry and commerce may, according to circumstances, impose on him or her a fine not exceeding RMB10,000 yuan.

The administrative authority for industry and commerce may, in response to the request of the infringed party, order the infringer to compensate for the former's losses. A dissatisfied party may institute proceedings in the People's Court.

Article 44 - Any interested party dissatisfied with the decision made by the administrative authority for industry and commerce on dealing with the relevant infringing act according to the provisions of Sections 1 and 2 of the preceding Article may, within 15 days from the receipt of the notification of the decision, apply to the administrative authority for industry and commerce at the next higher level for reconsideration of the decision. The said authority at the next higher level shall, within two months from the date of receipt of the application for reconsideration of the decision, make a decision on the application for reconsideration. An interested party dissatisfied with the decision on reconsideration may, within 15 days from the receipt of the notification of the decision on reconsideration, institute proceedings in the People's Court. If no application is filed for reconsideration, no proceedings are instituted, nor is the decision complied with when the time limit is exceeded, the administrative authority for industry and commerce shall apply to the People's Court for compulsory execution.

Article 45 - Where someone passes off the registered trademark of another person, anyone may lodge a complaint with or

report the offense to the administrative authority for industry and commerce or to any procuratorial organ.

Where the complaint is lodged with, or the offense is reported to, the administrative authority for industry and commerce, the said authority shall deal with it in accordance with the provisions of Article 43 of these Regulations. Where the circumstances related to the complaint or report are so serious as to constitute a crime, the person committing the passing-off shall be prosecuted by the judicial organs in respect of his criminal responsibility according to law.

#### Chapter VII - Supplementary Provisions

Article 46 - Any interested party applying for review according to the provisions of Articles 21, 22 and 35 of the Trademark Law and Articles 23 and 25 of these Regulations, shall go through the procedures within the specified time limit. The party may, on the ground of force majeure or for other justified reasons, apply for an extension of 30 days before the expiration of said time limit. Whether the extension is granted shall be decided by the Trademark Review and Adjudication Board.

The date of receipt or dispatch of a document shall be determined by the date indicated by the postmark. Where the postmark is absent or illegible, the twentieth day after dispatch by the Trademark Office and the twentieth day before receipt by the Trademark Office shall be taken respectively as the date of receipt or dispatch by the interested party.

Article 47 - The forms applying for the registration of marks or handling other trademark matters shall be formulated and published by the State Administration for Industry and Commerce.

The schedule of fees for the application for trademark registration and for the handling of other trademark matters shall be formulated and published by the State Administration for Industry and Commerce in accordance with the relevant provisions made by the State.

The classification of goods for the purposes of registration of trademarks shall be published by the State Administration for Industry and Commerce.

Article 48 - A service mark already in continuous use up to 1 July 1993 which is identical with or similar to the service mark of another person already registered in respect of the same or similar services (with the exception of a service mark well known to the public) may continue to be used in accordance with the relevant stipulations of the State Administration for Industry and Commerce.

Article 49 - The State Administration for Industry and Commerce shall be responsible for the interpretation of these Regulations.

Article 50 - These Regulations shall enter into force from the date of publication.

Unofficial Translation as reprinted in *China Patents & Trademarks No. 4, 1993*: 80-86.

## APPENDIX C

## Supplementary Provisions of the Standing Committee of the National People's Congress for the Punishment of Crimes of Passing Off Registered Trademarks

With a view to punishing criminal acts of passing off registered trademarks the following supplementary provisions are added to the Criminal Law:

1. Where a trademark which is identical with a registered trademark is used in respect of the same goods without the authorization of the proprietor of the registered trademark while the amount of the illegal income is large or there other aggravating circumstances; the offender shall be sentenced to fixed-term imprisonment of not more than three years or criminal detention, or he may concurrently or exclusively be sentenced to pay a fine; where the amount of the legal income is exceedingly large, he shall be sentenced to fixed-term imprisonment of not less than three years and not more than seven years and concurrently be sentenced to pay a fine.

Whoever sells goods, well knowing they bear a passed-off registered trademark, and the amount of illegal income is large, shall be sentenced to fixed-term imprisonment of not more than three years or criminal detention, or he may concurrently or exclusively be sentenced to pay a fine; where the amount of illegal income is exceedingly large, the offender shall be sentenced to fixed-term imprisonment of not less than three years and not more than seven years and concurrently be sentenced to pay a fine.

2. Whoever counterfeits or, without authorization, makes representations of the registered trademark of another person, or sells representations of a registered trademark which are counterfeited or made without authorization while the amount of the illegal income is large, or there are other aggravating circumstances, shall be punished in accordance of the provision of Article 1, Section 1.

3. Where an enterprise or institution commits the two criminal acts mentioned above, the enterprise or institution shall be sentenced to pay a fine while the persons in charge who are directly responsible and other persons who are directly responsible shall be prosecuted in respect of criminal responsibility in accordance with the provisions of the two articles above.

4. Any functionary of the State who takes advantage of his office to intentionally screen from prosecution an enterprise, institution or individual that he clearly knows to be guilty of the criminal acts enumerated in these Provisions, shall be prosecuted

in respect of criminal responsibility by applying *mutatis mutandis* the provision of Article 188 of the Criminal Law.

Where a functionary of the State whose duty is to prosecute those criminal offenders enumerated in these Provisions fails to perform his duty of prosecution provided by law, he shall be prosecuted in respect of criminal responsibility in accordance with Article 187 or by applying *mutatis mutandis* the provision of Article 188 of the Criminal Law.

5. These Provisions shall come into effect on July 1, 1993.



## APPENDIX D

## Ordinance on Trademarks

*(promulgated by Government Decree No. 197-HDBT of December 14, 1982, as amended by Government Decree No. 84-HDBT of March 20, 1990 of the Council of Ministers)*

With a view to unify the trademark administration throughout the country, to stimulate the productive, commercial establishments in ensuring and improving the quality of their products, such to contribute to the amelioration of goods circulation in internal and external markets, to suppress the manufacture of fraudulent products and illegal commercial practice;

This Ordinance is promulgated to protect the trademarks, to protect the legitimate interests of consumers as well as those of the productive and commercial establishments.

## Chapter I General Provisions

## Section 1

(1) State, collective, private organizations having legal personality (hereinafter referred to as "Organizations") and natural persons engaged in lawful production, commercial or service activities shall be entitled and obliged to register and use trademarks and service marks to designate their products or services pursuant to the provisions of this Ordinance.

(2) This Ordinance shall apply to the legal protection of trademarks and to the protection of service marks (hereinafter referred to as "marks").

(3) State, collective, private or social organizations having legal personality shall be entitled to register and use collective marks. The members of the above organizations or their subsidiaries shall be entitled to use collective marks in accordance with rules laid down by the organizations concerned.

(4) Natural persons or legal entities of foreign countries shall benefit from the rights granted by this Ordinance according to the international conventions to which Vietnam is party or to the principle of reciprocity.

Natural persons, legal entities having no residence, headquarter or representative offices in Vietnam apply for the legal protection of marks in Vietnam through an industrial property agency.

## Section 2

(1) Trademark means a sign used to distinguish goods or services, of the same kind, of different productive or commercial establishments. Trademark may be a work, a figurative element or a combination thereof represented in one or many colors.

(2) The signs specified below shall not be recognized as marks:

(a) signs that do not possess distinctive characteristics, in that they consist of an assembly of simple geometric shapes, figures or letters that cannot be pronounced, except in exceptional cases in which the signs have been widely used and recognized for a long time;

(b) conventional signs, and the usual figures and denominations for goods that are widely used and a matter of public knowledge;

(c) signs expressing time, place, manufacturing process, type, quality, quantity, nature, composition, purpose, value, etc., that have descriptive character in relation to the product;

(d) signs liable to mislead the public as to the origin, nature or purpose of the product, or signs likely to deceive the consumer;

(e) signs identical or similar to official initials indicating control, quality, warranty, etc., of national or international organizations;

(f) signs that represent State flags, armorial bearings or emblems, portraits of national leaders or heroes, geographical denominations relating to Vietnam or other countries, names or emblems of international organizations, except where the use of such signs has been authorized by the competent authorities;

(g) signs that are contrary to the law, to public policy and to socialist morality;

(h) in the case of goods of the same type, signs identical or similar to marks previously registered in Vietnam or protected by an international convention to which Vietnam is party.

### Section 3

This affixing of marks on goods or in connection with services pursuant to the provisions of this Ordinance shall not replace the affixing of labels or other signs pursuant to provisions on standards, technical conditions and conditions governing the delivery of the goods.

## Chapter II Registration of Marks

### Section 4

(1) The registration of marks shall be carried out by the National Office on Inventions attached to the State Committee for Science and Technology. In order to obtain legal protection for marks, legal entities or natural persons shall file an application for registration thereof with the National Office of Inventions.

(2) Each application may relate to one mark only and shall be accompanied by a list of the goods that are to bear the mark. It

shall be drafted according to the form prescribed by the implementing instructions of this Ordinance.

(3) The applicant shall pay the fees required for registration. The fees required for registration and the other fees mentioned in the following sections shall be fixed by the State Committee on Science and Technology.

#### Section 5

(1) Within a maximum period of one month following the date of receipt of the application for registration, the National Office on Inventions shall proceed to examine the application with respect to form, in order to ensure that the application has been filed in the proper manner. Within six months following the date of acceptance of the application found to be in due form, the National Office on Inventions shall proceed to examine the application with respect to substance and shall decide to grant or refuse the certificate of registration of the mark. In the event of refusal, the grounds shall be notified to the applicant.

(2) Mark for which a certificate of registration is granted shall be entered in the National Register of Marks and shall be published in the Official Gazette of Industrial Property issued by the National Office of Inventions. The owner of the mark shall pay a publication fee.

#### Section 6

Where two or more persons file applications for the registration of identical or confusingly similar marks for goods of the same kind, priority shall be granted to the person who filed his application first in relation to the following dates:

(a) the date on which the National Office of Inventions received the application, or the date of postal dispatch;

(b) the date of filing of the initial application in another country pursuant to the provisions of international conventions to which Vietnam is party.

(c) the date on which the product bearing the mark was displayed in an official exhibition in Vietnam, if the application for registration of the mark has been filed within six months following the date on which the product was displayed.

#### Section 7

(1) natural persons, legal entities may apply for registration of marks in foreign countries after filing application for registration of the marks in Vietnam, if the international conventions to which Vietnam is party do not provide procedure.

### Chapter III Legal Protection of Marks

#### Section 8

(1) A mark shall be protected as from the date on which the National Office on Inventions rendered its decision to grant the certificate of registration.

(2) The term of protection shall be ten years following the date of priority. The term of protection may be prolonged for periods of ten years each following the expiry date of the previous term of protection. For the purpose of the prolongation of the term of protection, the owner of the mark shall file a request for prolongation with the National Office on Inventions six months prior to the expiry date of the term of protection and shall pay the required fees.

#### Section 9

(1) During the term of validity, the owner of the mark shall have the exclusive right to use the mark to designate goods appearing in the list of goods that are to bear the mark in question, in connection with all productive, commercial or service activities on the territory of Vietnam.

(2) The owner of the mark shall be entitled to assign the right to use the mark by contract, either partially or totally, to other industrial or commercial establishments, provided that the assignee establishment ensures the characteristics and quality of the goods that bear the mark. In the case of partial assignments, the contract shall provide for the right of the owner of the mark to verify the quality of the goods.

(3) The contract for assignment of the right to use the mark must be registered with the National Office on Inventions before it can produce its legal effects, and the owner of the mark must pay the required fee.

#### Section 10

(1) During the term of validity, the owner of the mark may apply to the National Office on Inventions for a change in his name or address or of changes to secondary elements of the mark or in the list of goods bearing the mark. Such changes shall be entered in the National Register of Marks and on the certificate of registration of the mark. The owner of the mark shall pay the required fees.

(2) Where the changes amount to a complete transformation of the mark, its owner shall file a new application for registration.

#### Section 11

The legal protection of marks shall terminate the following cases:

(a) where the owner of the mark files a request for the purpose of renouncing the protection of the mark prior to the expiry of the term of validity;

(b) where the industrial or commercial establishment that owns the mark no longer exists or no longer carries on its activity without there being any legal successor to the right to use the mark;

(c) where the mark has not been used or assigned for five years following the date of decision to grant the certificate of registration, and the owner of the mark has not given legitimate for his inaction;

#### Section 12

Throughout the term of validity of certificate of registration of the mark, any organization or person who discovers that a mark has been registered in a manner contrary to the provisions of this Ordinance shall have the right to file a declaration with the National Office on Inventions requesting for cancellation of the legal protection of the mark concerned.

#### Section 13

(1) The person filing the application for the registration of a mark or the owner of the mark shall have the right to appeal against decisions: concerning acceptance, examination of the application for registration of the mark; refusing the grant of a certificate of registration for the mark contrary to the provisions of Section 2.

(2) Within three months following the date of receipt of notice of the above decisions, the person concerned shall file his appeal with the National Office on Inventions.

(3) Within two months following the date of receipt of the appeal petition, the National Office of Inventions shall examine the appeal, settle the matter at issue and notify its findings to the person concerned. In the event of a difference of opinion between the person concerned and the National Office on Inventions, the decision of the President of the State Committee for Science and Technology shall be considered final.

#### Section 14

(1) Any person or organization shall be regarded as having violated the right of use of the owner of the mark if he or it has made use without authorization of a mark belonging to another person, or made use of identical or similar signs liable to be confused by the consumer with a mark belonging to another person, for goods appearing in the list for that mark.

(2) The owner of the mark shall have the right to apply to the competent authorities for the imposition of a sanction in cases of violation of the right to use the mark.

#### Section 15

(1) The organization, persons that do not register or use marks pursuant to the provisions of Section 1(1) shall not enjoy the rights provided for in the ordinance and shall be subjected to legal sanctions in accordance with the degree of consequence of inaction in registration and use of mark.

(2) Organizations or persons who have violated the right of the owner of the mark provided for in Section 14(1) shall be subjected to legal sanction according to the degree and consequence of the violation.

### Chapter IV Organization and Administration of Activities Concerning Marks

#### Section 16

(1) The State Committee for Science and Technology shall be responsible for administering the registration, legal protection and use of marks at the national level. The National Office on Inventions shall be the department responsible for assisting the President of the said State committee in performing the above function.

(2) The ministries, the State committees, other bodies responsible to the Council of Ministers and the people's committees of the provinces, towns and special districts under the direct authority of the central administration shall be responsible for administering activities concerning marks within the limits of their competence, which means that they shall:

(a) give instructions to industrial or commercial establishments to apply for the registration of marks within the country or abroad;

(b) control the use of marks;

(3) The department responsible for the management of innovations and inventions or, as the case may be, another appropriate department shall be responsible for assisting ministries, State committees, other bodies responsible to the Council of Ministers and the people's committees of the provinces, towns and special districts under the direct authority of the central administration, and also industrial or commercial establishments, in performing the above tasks at their particular levels of concern.

### Chapter V Implementing Provisions

#### Section 17

The President of the State Committee for Science and Technology shall be responsible for promulgating, either on his own initiative or in consultation with the bodies associated therewith, instructions for the interpretation of this Ordinance and for the purpose of directing and organizing its implementation.

Section 18

The ministers, the presidents of the State committees, the heads of other bodies responsible to the Council Ministers and the presidents of the people's committees of the provinces, towns and special districts under the direct authority of the central administration shall be responsible for promoting and supervising the implementation of this Ordinance.

## APPENDIX E

### Circular on Additional Instructions on Trade Mark Registration

On 17th November 1991 the State Committee for Science and Technology issued Circular No. 1134/SC providing detailed instructions on the implementation of Decree No.84-HDBT dated 20th March 1990 of the Council of Ministers for the implementation the Ordinance on Protection of Industrial Property, including the procedure and formalities of trade mark registration.

— In accordance with the Article 10 of Decree No.84-HDBT dated 20th March 1990 and Article 17 of the Regulations on Trade Marks;

— In accordance with recent developments in trade mark registrations and protection;

The Ministry for Science-Technology and Environment hereby issues additional instructions with a number of provisions relating to trade mark registration as follows

#### 1. Terminology:

For the purpose of this Circular the term “mark” refers to both trade mark and service mark.

#### 2. Right of application for mark registration:

2.1- The right of application for mark registration stipulated in the Article 1.1 of the Regulations on Trade Marks shall be understood as follows:

- a) Organizations and individuals legally operating in the field of production shall be entitled to apply for registration of the mark of any product which they are producing or will produce;
- b) Organizations and individuals legally operating in the field of services shall be entitled to apply for the mark of the service which they are conducting or will conduct;
- c) Organizations and individuals legally operating in the field of trade shall be entitled to apply for registration on the trade mark of any product, made by another person, which they introduce into the market, provided that the producer so allows or that the latter does not use any mark of his own for the said product or has no objection to the use of the mark thus registered.

#### 3. Liabilities of the Applicant

3.1- Where the validity of a trade mark registration certificate is nullified on the ground that the certificate is granted to a person ineligible for application the owner of the certificate shall be legally liable for the consequences of the use already made of the right to the mark concerned.



3.2- The applicant guarantee the genuine purpose of the mark registration. The purpose of mark registration is deemed to be bona fide, if:

- a) The mark registration is made only for the use of the mark for the product produced, or the service operated by the applicant in order to mark that product or service and to distinguish it from products produced, or services supplied, by other persons; and
- b) The mark, for which the registration is filed, is by no means a deliberate copy, imitation or modification of a mark which has already been used by another person, to the effect that the consumers may mistake it for the original mark.

4. Application for Mark Registration:

The application for mark registration shall have to be made strictly in conformity with the provisions of Article 64 of Circular No-1134/SC dated 17th October 1991 of the State Committee for Science and Technology, except that the application for the certificate of mark registration shall be made according to the form annexed to this Circular instead of the form annexed to Circular No-1134/SC.

5. Unprotected signs:

The signs indicated in any of the cases under Article 2.2 of the Regulations on Trade Marks shall not be protected. In this context "signs liable to mislead the public as to the origin of the goods" (case d) and "signs identical or similar to marks previously protected under an international convention to which Vietnam is a party" (case i) shall be understood as follows:

5.1- Signs liable to mislead the public as to the origin of the goods shall include:

- a) Any sign that may cause a misunderstanding about the producer or the place where the goods are made (or a misunderstanding about the service supplier or the place where the service is supplied); and/or
- b) Any sign being a copy, an imitation, a modification of a mark which has already been used by another person, to the effect that the consumers may mistake the product, or service, bearing the sign for that produced, or supplied, by that person.

5.2- The marks under protection of an international convention to which Vietnam is a party shall mean those protected in Vietnam on the basis of an international application made under the Madrid Agreement concerning the international registration of marks or those considered well-known in accordance with the Paris convention on the protection of industrial property.

6. Claims and settlement of claims in connection with the granting of protection documents:

6.1 Within the period of validity of a certificate of trade mark registration, any organization and individual shall have the right to lodge a claim and to ask for invalidation of the certificate which has been issued in accordance with the procedure and formalities provided for in detail in Article 72 of Circular No.1134/SC, with the following additions to the ground for the claim:

a) The mark for which the mark registration certificate is granted is excluded from protection as a resuer of the signs causing a misunderstanding about the origin of the product (or the service) as indicated in sub-article 5-1 above.

b) The mark for which the mark registration certificate is granted is identical or so similar to a trade mark considered well-known as to cause confusion with the latter.

6.2- Where the claim is made on the ground specified in sub-article 5.1 b) the following facts shall have to be evidenced by the claimant.

a) Prior to the filing of application for registration, there has been an organization or individual (other than the applicant) using continuously and extensively a trade mark which is identical or so similar as to cause confusion with the trade mark being filed for registration for the same product or the same kind of product.

b) At the time of application, the applicant is aware of, or cannot fail to be aware of, the existence and use of the mark as stated in paragraph a) above.

6.3- Where the claim is made on the grounds specified in sub-article 6.1 b) the claimant shall have to produce evidence to prove that the identical or confusing mark is one considered well-known.

The criteria for a mark to be considered will-known shall consist in the number of consumers being aware of the mark through buying and using the product (or the service) bearing the mark or through advertisement; the size of the territory where the product (the service) bearing the mark is circulated; the sale revenue of the product bearing the mark or the quantity of the product sold out; the time of continued use of the mark; prestige of the product (the service) bearing the mark; and the number of nations protecting the mark.

The claimant shall have to present pieces of evidence to justify the ground for his claim.

6.4- Claims made on the ground specified in Article 6.1 shall be settled in accordance with the provisions under paragraph 1 and paragraph 2 of Article 73 of circular No.1134/SC.

7. If the settlement of a claim made in accordance with Article 6 above justifies the ground on which it is based, the Director-General on the National Office on Inventions shall issue a decision to invalidate, partly or wholly, the certificate of trade mark registration concerned.

8. This Circular comes into force as from the date of signing.

Minister For Science,  
Technology and Environment  
Dang HUU

## APPENDIX F

**Decree Of The Council Of Ministers Regulating The Control And Treatment Of Offenses Of Production And Circulation Of Counterfeit Goods****The Council Of Ministers**

In accordance with the Law on organization of the Council of Ministers dated 4th July, 1981;

In accordance with Article 167 of the Criminal Code of the Socialist Republic of Vietnam;

Pursuant to the Ordinance on goods quality dated 27th December, 1990;

Pursuant to the Ordinance dealing with administrative offenses dated 30th November, 1989;

Pursuant to the Ordinance on protection of industrial property dated 28th January, 1989;

On the proposal of the Chairman of the State Science Committee;

**Decrees**

Article 1.—All organizations and individuals of different sectors of economy operating in diverse areas of production and trade shall be answerable to buyers and to the law for the quality of their products and goods in circulation. They shall have to go through the normal procedure of good's registration and shall be subject to inspection and control, in matters of product quality, by the office in charge of State administration of quality standards and measures and other competent State bodies.

Article 2.—The State strictly prohibits production and trading by all organizations and individuals of counterfeit goods (including imported goods). Depending on the extent of the damages as a consequence, the organizations and individuals involved in the production and trading of counterfeit goods shall either be dealt with in accordance with the provisions of this Decree or be prosecuted under Article 167 of the Criminal Code.

Article 3.—Subject to this Decree, counterfeit goods are products and goods made in contravention of the law, bearing resemblance, in appearance, to that the production, trading, import and circulation of which are authorized by the State, or products and goods the utility value of which fails to meet the original purpose, natural characteristics, designations and indicated uses.

Article 4.—Any product or item of goods shall be deemed counterfeit if and when one of the following signs is detected:

1. The product or item of goods (including imported goods) bears an imitation trade mark or one owned by another manufacturer without the agreement of the latter.
2. The product or item of goods the trade mark of which, being identical or so similar, may likely lead the consumers into mistaking it for a mark owned by another manufacturing or trading enterprise and duly registered by the latter with the authority in charge of protection of industrial property (National Office on Inventions) or currently protected under the terms of an international convention to which Vietnam is a party.
3. The product or item of goods bears a trade mark which is not the same as that registered with the authority administering quality standards and measures.
4. The product or item of goods bears the seal of Vietnamese standard quality where no such certification and no such seal has been granted.
5. The product or item of goods which, whether or not it has been duly registered with the authority administering quality standards and measures, proves to be inferior to the minimum quality standard requirement.
6. The product or item of goods the utility value of which fails to meet the original purpose, natural characteristics, designation and indicated uses.

Article 5.—All organizations and individuals, the producers and consumers above all, shall have the right to detect and to denounce to the relevant authorities any offence of production and trading of counterfeit goods.

Article 6.—For control of production and trading of counterfeit goods and measures dealing therewith, the following bodies shall be the competent authorities, to the extent of their respective responsibilities:

- The market control office, at all levels.
- The authority administering quality standards and measures.
- The authority in charge of protection of industrial property.
- The authority in charge of public health administration.
- The State inspection authority.
- The public security authority.
- The Customs.

Article 7.—Upon receipt of a denunciation, any of the above bodies shall start, in co-ordination with the other authorities concerned and to the extent of its own responsibility with the examination and treatment of the offence.

Article 8.—Not later than thirty days after receipt of the denunciation, the competent authority dealing with the matter shall proceed with the examination and treatment of the offence in due time and notify the denunciatory organization or individual thereof in accordance with clause 2, Article 38 of the Ordinance on punishment of administrative offenses.

If, in the course of its action, signs are detected to the effect that the case of production and trading of counterfeit goods constitutes a crime, the authority concerned shall refer the case, with evidencing documents, to the relevant criminal investigation body.

Article 9.—Products deemed counterfeit goods under clause 5 and 6 or Article 4 shall be subject to tests and conclusions to be made by the authority administering quality standards and measures or by an approved laboratory. Products deemed counterfeit goods, which are chemicals and other materials for pharmacy and pharmaceutical, shall be subject to appropriate tests and conclusions to be made by the responsible public health administration authority.

Article 10.—Upon receipt of a denunciation or a detection of the presence of counterfeit goods in the locality under its control, the authority dealing with the matter to the extent of its own competence, shall proceed with measures of examination, drawing up necessary reports, search, sealing, temporary seizure of the goods in question, temporary suspension of production and circulation of such goods, conducting tests, drawing relevant conclusions, deciding or proposing the appropriate levels and forms to treatment in regard to the organizations and individuals involved in the production and trading of counterfeit goods.

Depending on the gravity of the offence, the procedure applicable to the above actions shall be in accordance with the provisions of the Ordinance on punishment of administrative offenses or the Code of Criminal Procedure.

Within fifteen days of the date of temporary seizure and temporary suspension of production and trading of counterfeit goods, the authority and the competent person signing the decision to this effect shall proceed with measures to deal with the goods in question, the objects of the offence, the means of production and

the means of transport and other facilities used in the trading of the counterfeit goods.

Depending on the gravity of the offence, the procedure applicable to the above actions shall be in accordance with the provisions of the Ordinance on punishment of administrative offenses or the Code of Criminal Procedure.

Within fifteen days of the date of temporary seizure and temporary suspension of production and trading of counterfeit goods, the authority and the competent person signing the decision to this effect shall proceed with measures to deal with the goods in question, the objects of the offence, the means of production and the means of transport and other facilities used in the trading of the counterfeit goods.

The authority dealing with the offence shall publicly and in due time bring to the notice of consumers the facts about the counterfeit goods in circulation in the local area under its control.

Article 11.—Products and goods concluded as being counterfeit shall be dealt as follows:

1. Destruction, if the goods directly affect the health of consumers or the environment and social security. Such action shall be subject to the decision by a council consisting of duly appointed representatives of the law authorities and of scientific and technical bodies . . ., in accordance with points C and D, clause 1 article II and with clause 2, Article 33 of the Ordinance on punishment of administrative offenses.
2. Withdrawal from circulation, if the goods do not directly affect the health of consumers, the environment and social security or do not have any desired utility value. In the latter case, the goods may be recovered in the form of raw material.
3. If, after inspection, the counterfeit goods are found to be usable and harmless to the environment and social security, they may be allowed for circulation on the condition that the authorities concerned so authorize and give due notice to the consumers as to their exact quality and purported uses. In respect of counterfeit goods specified in points 1, 2, 3 and 4 of Article 5, the use of false brand names and trade marks shall be discontinued or, otherwise, the latter shall have to be corrected according to their original registration and the seal of Vietnamese quality standard removed.

Article 12.—Any organization or individual involved in the production and trading of counterfeit goods with harmful effects as specified in points 1 and 2 Article 11 shall be subject to a fine ranging from one to three times the value of the illicit goods

according to the provisions of Ordinance on punishment of administrative offenses or from one to ten times the value of such goods according to the relevant provisions of the Criminal Code, the said amount being calculated on the actual retail prices of the genuine goods of the same kind in circulation and on the quantity of the goods being detained or in storage or otherwise sold out.

Article 13.—Within fifteen days from the date a conclusion resulting from relevant investigation is made, the competent authority dealing with the offence shall issue a decision of punishment in regard to the organizations and individuals involved in the production and trading of counterfeit goods; such decision shall be communicated to the latter, not later than three days thereafter; in accordance with Article 28 of the Ordinance on punishment of administrative offenses.

Article 14.—Failure on the part of the offending organizations and individuals to execute the decision of punishment within five days of its issuance shall expose them to any measure of enforcement taken by the authority issuing the decision in coordination with the competent bodies specified in Article 6, in accordance with Article 31 and Article 32 of the Ordinance on punishment of administrative offenses.

Any offending organization or individual may appeal to the authority immediately superior to the body or person issuing the decision of punishment, in accordance with Article 36 of the Ordinance on punishment of administrative offenses. Any such appeal shall not, however, suspend the execution of the decision of punishment already issued.

Article 15.—Within fifteen days of the date of receipt of the appeal, the authority concerned shall proceed with inspection for re-examination of the claim and may, as a result, issue one of the following decisions:

- To keep intact the decision of punishment already issued.
- To change the form, level and measure of punishment.
- To cancel the decision of punishment and suspend the treatment of the offence.

The procedure for change or cancellation of the decision of punishment and of the effect of any decision dealing with the appeal shall be subject to the provisions of Article 37 of the Ordinance on punishment of administrative offenses.

Article 16.—The competent authority treating the offence shall be responsible for deducting one to five percent of the amount of the fine collected for rewards to organizations and individuals with effective contribution to the uncovering and denunciation of the



offence, in accordance with clause 1, Article 39 of the Ordinance on punishment of administrative offenses.

The balance of the fine, after deduction of rewards, transport costs and charges for quality test, etc., shall be remitted to the State budget.

Article 17.—Any person with authority to treat and offence who, for personal gains or any self-seeking motive, violates the provisions of the present Decree shall depending on the nature and gravity of such violation, be subject to a disciplinary measure or be sued for criminal Liability and shall pay compensation for any material damage caused to a State body, an organization or a citizen, in accordance with Article 40 of the Ordinance on punishment of administrative offenses.

Article 18.—The present Decree shall become effective as from the date of issuance. All provisions previously issued which are contrary to this Decree shall be repealed.

Article 19.—The chairman of the State Science Committee shall be responsible for guiding the implementation of this Decree.

Article 20.—The Ministers, Chairmen of State Committees, Heads of Departments under the Council of Ministers and Chairmen of people's committees of provinces, cities and special areas under central authority shall be responsible for the implementation of this Decree.

For the Council of Ministers  
Vo Van Kiet

## APPENDIX G

## Criminal Code Of The Socialist Republic Of Vietnam

## Article 167

The crime of making or trading in fake goods.

1. The penalty for anyone who makes or trades in fake goods is from 6 months to 5 years in prison.
2. The penalty for this crime in one of the following cases is from 3 to 12 years in prison:
  - (a) If the fake goods are grain, food products or medicine;
  - (b) If it is organized;
  - (c) If it is committed through the use of a person's public position or authority or by using the name of a state agency or social organization;
  - (d) If the quantity of fake goods is large or if the resulting illegitimate profit is large;
  - (e) If it is a dangerous repeat offense.
3. The penalty for this crime in especially serious cases is from 10 to 20 years in prison, life in prison or the death penalty.

