

# FIGHTING BAD FAITH TRADEMARK REGISTRATIONS IN VIET NAM LEGAL FRAMEWORK AND PRACTICES

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1. LEGAL GROUNDS AGAINST BAD FAITH TRADEMARK REGISTRATRIONS

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# 1. LEGAL GROUNDS AGAINST BAD FAITH TRADEMARK REGISTRATRIONS

NO TERM "bad faith trademark registration or trademark registration with bad intentions" in IP Law

Some Relevant Provisions relating to protection trademarks from bad bad faith registration in IP Law

- Art. 74.2g, i
- Art. 87.1, 2, 7
- Art. 96.3

## IP LAW

Amended and Supplemented in

2022

Entry into force: January 1, 2023

# A trademark shall be refused where the said trademark is in conflict with a trademark "with reputation"

- Art. 74.2g: trademark which has been widely used and recognized
- Art. 74.2i: well-known trademark

#### - Art 74.2g: mark which has been widely used and recognized

#### A sign shall be refused if

- ✓ identical with or confusingly similar to another person's mark which had been widely used and recognized
- √ similar or identical goods or services

#### Point,

- Two conflict signs are identical or similar to each other
- Designated goods/services are identical or similar to each other
- Unregistered widely used and recognized

### - Art 74.2i): well-known trademark

A sign (including translation, transcription) shall be refused if

- ✓ identical with or confusingly similar to another person's mark recognized a well-known mark, identical/similar goods/services
- ✓ identical with or confusingly similar to another person's mark recognized a well-known mark, <u>dissimilar</u> goods/services

#### provided that

- > THE USE OF SUCH SIGN MAY affect the distinctiveness of the well-known mark OR
- > THE MARK REGISTRATION IS AIMED at taking advantage of the reputation of the well-known mark

### Art. 87.1, 2, 7: Rights to register trademark

- Any persons or legal entities may register marks to be used for goods they produce or services they provide.
- Any persons or legal entities may register marks for products they are marketing but produced by others, provided that the producers neither use such marks for their products nor object to such registration.
- Representative or agent of trademark owners is not permitted to register the mark unless it is so agreed by the mark owner, unless a justifiable reason is available.

- Art. 96.3: Exception related to the statute of limitations for trademark invalidation

If the trademark has been granted due to the **applicant's dishonesty**, the statute of limitations for exercising the right to request invalidation of a protection title shall be its whole term of protection (for other reason: 5 years from the grant date).

### Point,

- ✓ Applicant's dishonesty is not legal ground for trademark invalidation
- ✓ No guideline related to "what is applicant's dishonesty".
- ✓ There is much controversy in applying the regulation on 
  "dishonesty"

#### **IP LAW 2022**

NO TERM "bad faith trademark registration or trademark registration with bad intentions" in IP Law

Some Relevant Provisions relating to protection trademarks from bad bad faith registration in IP Law

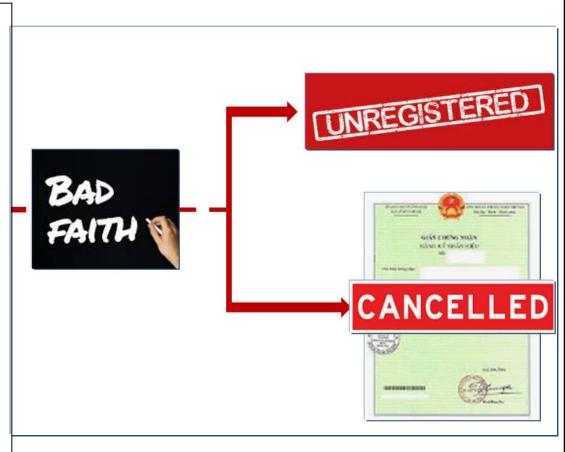
- Art. 74.2g, i
- Art. 87.1, 2, 7
- Art. 96.3

IP LAW

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# REFUSAL FOR TRADEMARK REGISTRATION



"There are reasonable grounds to believe that the applicant does not have the right to register subject matters of industrial property or registers the mark with bad intentions".

(Ari. 117.1b) IPLaw)

"TRADEMARK REGISTRATION WITH THE BAD INTENTIONS" is recognized as a separate and direct legal ground for refusal or invalidation.

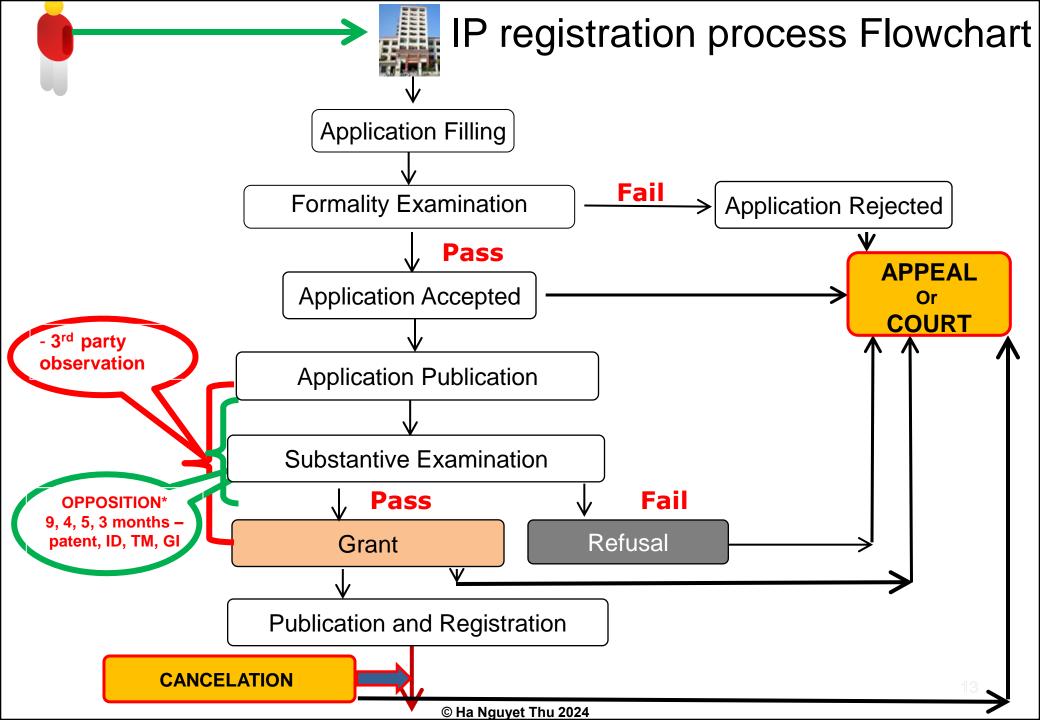
CANCELATION
Total or part

# A PROTECTION TITLE SHALL BE ENTIRELY INVALIDATED

1. The mark registration applicant has bad intentions.

(Art. 96.1 a) IPLaw

The statute of limitations: whole term of protection



#### ACTING AGAINST TRADEMARK REGISTRATION WITH BAD FAITH

- Who has the right to request: ANYONE
- Procedure
  - ✓ Substantive Examination : result: REFUSAL
    - ➤ Ground for refusal regarding to protection criteria: Art. 74.2g, 74.2i
    - ➤ Ground for refusal regarding to the right to register : Art. 87.1, 2, 7
    - Directly regarding to bad faith registration: Art.
      117.1b
  - ✓ Post-registration (result: INVALIDATION)

Art.34.2, 3 Circular 23/2023/TT-BKHCN date 30/11/2023

### WHAT IS BAD FAITH?

- Identical sign or similar sign that it is difficult to distinguish from conflicting trademark
- Conflicting trademark has been widely using in Vietnam
- Identical or similar goods or services

#### OR

-Identical sign or similar sign that it is difficult to distinguish from well-known foreign trademark

- Identical or similar goods or services



- TM owner: subjective motivation



Purpose: bad intentions





ACTING IN THE MANNER INCONSISTENT WITH FAIR, HONEST PRACTICES

- TM owner: subjective motivation
  - ✓ There is a reasonable ground to believe that, at the time of filing the application, the applicant knew or had a ground to know the existence of conflicting trademark
- Purposes of trademark registration:
  - ✓ is intended to take advantage of the reputation and prestige of that mark to gain profit;
  - ✓ primarily for the purpose of reselling, licensing or transferring registration rights to the holder of the trademarks;
  - ✓ aims to prevent the ability of conflicting trademark owner to enter the market to limit competition;
  - ✓ other acts contrary to fair trade practices.

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#### COMMENT

- Disputes related to trademark registration with bad faith are increasing
- Trademark owners want to be protected
- The competent authority makes efforts to combat bad faith trademark registrations

### BUT...

- ✓ The IP Law has just been amended and supplemented, new guiding legislations have been issued
- ✓ Lack of experience and practices
- ✓ Difficulty in proving bad faith, trademarks are widely used and recognized, well-known trademarks...

# 2. CASE EXAMPLES OF BAD FAITH TRADEMARK REGISTRATRIONS IN VIET NAM



#### Registration No: 390821 Trademark owner: Tân Việt Company

Cl. 09: Audio equipment such as speakers, audio amplifiers, disc players

35: Buying, selling, importing and exporting audio equipment such as speakers, sound amplifiers, disc players



- Registered in CHINA for cl.9 (Registration No: 4827654)

#### Related subjects:

- Petitioner: Công ty CP đầu tư AV Việt Nam (đại lý ủy quyền của Công ty Kafu)
- Foshan City Nanhai Kafu Professional Audio Equipment Factory (Kafu Company)
- Trademark owner: Zeng Xiang Wei, General Director of Kafu Company (Kafu Company was authorighted to use and exploitt CAF trademark in Viet Nam from Mr. Zeng Xiang Wei)



VS



Registration No: 390821
Trademark owner: Tân Việt Company

- Registered in CHINA for cl.9 (Registration No: 4827654)

Evidences: Kafu Company and Tan Viet Company had a commercial relationship since 2016

- Sales invoice...: the "CAF" sign is attached to the "box speaker" in Contract No. 01/NK/2016 dated August 8, 2016, the logo of Kafu Company is in Invoice number CAF1002 dated July 29, 2016, Exclusive distributor certificate from 2016-2019
- No written authorization of Kafu Company for Tan Viet Company to apply for registration of the trademark "CAF PROFESSIONAL SOUND, fig" for products and services in class 09 and 35 in Vietnam.



Registration No: 390821
Trademark owner: Tân Việt Company

vs C

 Registered in CHINA for cl.9 (Registration No: 4827654)

IP Viet Nam: INVALIDATION

Grounds for invalidation: Art. 87.2, 87.7 IPLaw

- Tan Viet Company was a exclusive agent of Kafu Company
- Kafu Company has never agreed to let Tan Viet Company register the CAF trademark in Viet Nam

# THANK YOU!