

# Enforcement

Generally, in Vietnam, an IPR infringing act, depending on the level and seriousness, can be handled in accordance with any of the administrative, civil, criminal or competitive procedures.

In practice, before taking legal actions in the form of administrative or civil actions against the alleged infringer, IPR holders are required to take an initial step of sending a Cease-and-Desist Letter to the alleged infringer requesting that the infringer ceases and desists infringing their IPR. If failing to settle the infringement amicably, the IPR owner shall take such legal action(s) against the alleged infringer.

## 8.1. ADMINISTRATIVE IPR ENFORCEMENT

### Competent Authorities

The State bodies involved in the administrative IPR enforcement include:

- The People's Committees at the district and the provincial level;
- The Specialized Inspectorates on Science and Technology (under the supervision of the Ministry of Science and Technology);
- The Specialized Inspectorates on Culture and Information (under the supervision of the Ministry of Culture and Information);
- The Market Control Forces (under the supervision of the Ministry of Trade);
- The Economic Polices (under the supervision of the Ministry of Police).

### Remedies

One of the following administrative remedies may be imposed on an IPR infringer:

- Warning order; or
- Monetary fine (under the IP Law 50/2005, the fine is set in the range from at least one to five times of the value of the discovered infringing goods).

Depending on the seriousness of the infringement, the following additional sanctions may be imposed on an IPR infringer:

- Confiscating IP counterfeit goods, implements and materials predominantly used for production or trade of such IP counterfeit goods;
- Revoking for a limited term the relevant business activities;
- Compelling destruction, distribution or use for non-commercial purposes of the IP counterfeit goods, materials and implements predominantly used for production or trade of such counterfeit goods;
- Compelling delivery out of the territory of Vietnam of the transiting goods, which involve infringement of IPR or re-export of the IP counterfeit goods, after having removed infringing elements.

### **Administrative preventive measures**

In case there is a risk that infringement acts may cause serious damages to consumers or the public; or there is a risk that infringing articles may be dispersed or destroyed by infringers; or to ensure the enactment of administrative sanctions, IPR holders may request competent state enforcement authorities other than the Court to apply administrative preventive measures. These administrative preventive measures are quite similar to injunction/provisional measures applied by the Court.

### **Expert assessments**

It is noted that in Vietnam, expert assessments are normally considered to be an important basis for enforcement bodies to

take appropriate measures. For the first time, the IP Law 50/2005 allows competent organizations or individuals to use their professional knowledge and expertise in particular arts to provide expert assessments and conclusions on matters related to IPR infringement.

Further, IP Law 50/2005 clearly states that not only competent enforcement bodies, but also IPR holders and other relevant organizations/individuals may request expert assessments and conclusions on requested subject-matters.

## **8.2. CIVIL IPR ENFORCEMENT**

### **Competent Courts**

#### *First Instance*

- The People's Courts at the district level (including the Civil Courts);
- The People's Courts at the provincial level (including the Civil Courts and the Economic Courts).

#### *Appeal*

- The People's Courts at the provincial level (including the Civil Courts and the Economic Courts);
- The Supreme People's Court (including the Civil Court and the Economic Court).

### **Remedies**

- Compelling termination of the act of infringement of intellectual property rights;
- Compelling public rectification and apology;
- Compelling performance of civil obligations;
- Compelling compensation for damages;
- Compelling destruction or distribution or put to use for non-commercial purposes of goods, materials and implements predominantly used for production and trade of goods infringing IPR, provided that such distribution

and use does not influence the exploitation of rights of IPR holder.

### **Injunction/provisional Measures**

The plaintiff may request the court to apply injunction/provisional measures that include:

- Seizing;
- Enumerating;
- Sealing; forbidding of changing the status quo; ban of moving;
- Forbidding of transfer of the ownership of rights.

In addition, other injunction measures stipulated by Law on Civil Procedure also may be applied by the court at request of the plaintiff when necessary and for the purpose of avoiding the dispersal of the infringing products by the defendant/infringer. In particular, one or a combination of the following forms of injunction measures may be taken:

- Blockading of accounts or assets;
- Forbidding the defendant/infringer from conducting a certain action or forcing the defendant/infringer to conduct a certain action.

To request for the application of the provisional measures, IPR holder shall be requested to (i) pay a deposit amounting 20% of the value of the articles being subject of the request or at least VND20 million (equivalent to US\$1,300) if it is impossible to determine the value of the articles being subject of the request; or (ii) provide with a bank guarantee.

### **Compensation**

The plaintiff may request compensation for actual damage caused by infringing actions that shall be calculated basing on actual material damages and moral detriment caused by the infringer.

- estimated total monetary amount of actual material

- damage of the plaintiff plus profit amount which the defendant gains from the infringing acts, if the plaintiff's profit loss has not been included in the plaintiff's estimated total material loss; or
- remuneration of trademark license granted by plaintiff, assuming that the plaintiff would have granted trademark license to the infringer within the period; or
  - the amount of the material damages shall be decided by the court, in case the plaintiff's material damages is not able to be determined, but not exceed VND 500,000,000 (equal to US\$31,000.00); and

Apart from compensation of material damages, in case the plaintiff can prove their moral detriment caused by the intellectual property infringing actions, the amount of damage for moral detriment may be decided by the court in a range from VND5-50 millions (equal to US\$330-3,300).

In addition, the plaintiff may request the infringer to pay the reasonable lawyer fees.

### **8.3. CRIMINAL IPR ENFORCEMENT**

#### **Competent Authorities**

##### ***Police Authorities***

- The Economic Police Team at the district level (belonging to the District Police Unit);
- The Economic Police Division at the provincial level (belonging to the Provincial Police Department);
- The Economic Police Bureau (belonging to the Ministry of the Police).

##### ***Prosecutors***

- The People's Prosecuting Institutes at the district level;
- The People's Prosecuting Institutes at the provincial level;

- The Supreme People's Prosecuting Institute.

### ***Competent Courts***

- The People's Courts at the district level (including the Criminal Courts);
- The People's Courts at the provincial level (including the Criminal Courts).
- The Supreme People's Court (including the Criminal Court).

### ***Penalties***

One of the following criminal penalties may be imposed on an IPR infringer

- Warning order, or;
- Monetary fine (the maximum is of 200 million VND; equivalent to US\$13,000), or;
- Non-detained re-education for up to 3 years, or;
- Imprisonment for a period of 6 months to 20 years or life imprisonment or death penalty;

Besides, the IPR holders may be subjected to the following additional sanctions:

- Confiscation of part or whole of assets;
- Prohibition from holding an official position or conducting a business within a certain period of 1 to 5 years.

## **8.4. UNFAIR COMPETITION PREVENTION**

For the first time competition law of Vietnam provides the competition procedures to handle unfair competition practice. Apart from taking options of initiating procedures with enforcement authorities, the person and organization whose legitimate rights in their business activities, may now request the Competition Administration Department to settle the unfair competition cases based on competition proceedings stipulated by the law.

## **Unfair Competition procedures**

Unfair competition cases shall go through the following main steps:

(i) Preliminary Investigation: When a request and evidence of unfair competition are lodged by interest related party, the Director of Competition Administration Department will issue a decision on whether to proceed with a preliminary investigation to discover signs of infringement under unfair competition law;

(ii) Official Investigation: The Director of the Competition Administration Department will issue a decision on official investigation when the preliminary investigation produces evidence that signs of unfair competition exist. The purpose of the official investigation is to determine the factual unfair competition case;

During the process of an official investigation, the alleged person/organization is given an opportunity, within a certain period of time, to present his/her view and to submit evidence in support thereof.

All the facts found from the official investigation shall be recorded by the investigator in an Official Investigation Report. The Report must be read before the alleged infringer and signed by them as an acknowledgement. The report together with the investigation documents and the investigator's recommendation of the application of law to the case are transferred to the Competition Administration Department.

(iii) Decision on unfair competition case: The Director of Competition Administration Department shall issue a decision on the settlement of unfair competition. The decision shall become effective within 30 days from the date of signing the decision;

(iv) Appeal against the decision on unfair competition: In case of disagreement with the decision of the Director of Competition Administration Department, parties may file an appeal against the decision to Minister of Ministry of Trade.

Within 15 days from the appeal, the Minister will issue a decision to revoke, modify, or uphold the issued decision;

(v) Filing a suit to quash a decision: In case of disagreement with the decision of Minister of Ministry of Trade, parties may file a suit to provincial or city court.

## **Remedies**

The following remedies may be imposed on an IPR infringer:

- Warning order; or
- Monetary fine (the maximum is 70 million VND; equivalent to US\$4,400);

Depending on the seriousness of the offence, the following additional sanctions may be imposed on an IPR infringer:

- Withdrawal of business license, certificate or professional practicing certificate;
- Confiscation of the facilities used to committed the offence;
- Public rectification;

## **Administrative preventive measures**

During the investigation stage as mentioned above, the Director of the Competition Administration Department may impose the following administrative preventive measures either on his/her own initiative, on the recommendation of the investigator, or at the request of the complainant:

- Temporary detention of persons;
- Temporary detention of the goods, means and implementations used for such infringement;
- Search of the relevant individual;
- Search of the place where infringing goods, means and implements are stored;
- Other administrative preventive measures.

Of note, where a complainant requests administrative

preventive measure, a security deposit is required.

## **8.5. BORDER MEASURES**

### **Competent Authorities**

- the Customs Branches;
- the Customs Bureaus;
- the General Department of Customs.

### **Border control measures**

IPR holders may request the customs authorities to apply the following border measures:

- Inspection and supervision for the imports or the exports suspected of being the IPR infringing goods;
- Suspension of customs procedures upon the request of the IPR holder within 10 working days. The duration of suspension may be extended, but shall not exceed 20 working days in total, where legitimate reasons and another security are provided by the right holder.

For requesting the competent Customs Office to apply border measures, IPR holders shall be obligated to:

- prove that they are the IPR holders;
- provide full information to determine/discover the import-export articles allegedly infringing intellectual property rights;
- submit an application for requesting application of border measures and pay official fees prescribed by law;
- compensate for damages caused by applying border measures.

In addition, IPR holder shall be requested to (i) pay a deposit amounting to 20% of the value of the articles being subject of the request, or at least VND 20 million (equivalent to US\$1,300) if the value of the articles being subject of the request is not defined; or (ii) provide receipt of bank

guaranty.

## **Remedies**

- Administrative remedies are generally applicable to the counterfeiting goods detected at the borders;
- Compulsory re-exportation is applicable to the counterfeiting goods where such goods are eliminated from the infringement.