

# BMVN.

## Intellectual Property Issues for Manufacturers

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21 February 2019





# Agenda

I. Overview of Intellectual Property Rights

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II. IP issues for manufactures

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III. Q&A

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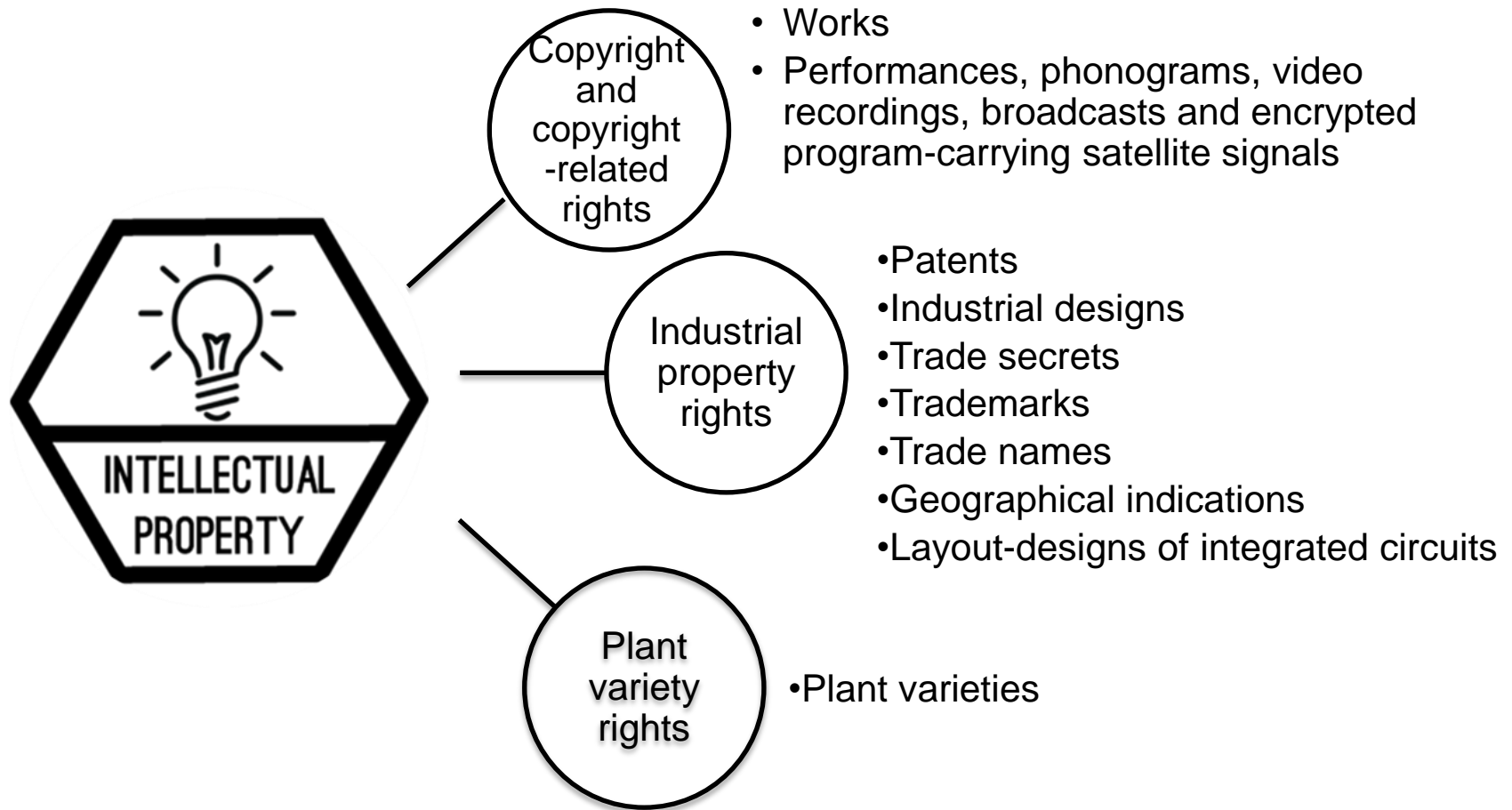




# Overview of Intellectual Property Rights

# OVERVIEW ON INTELLECTUAL PROPERTY

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# 1. Copyright - Overview

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- The rights of an organization or individual to works that such organization or individual created or owns.
- Work means a creation of the mind in the literary, artistic or scientific fields **by any means or in any form**.
- Copyright occurs since the work is **created** and **embodied** in a certain material form.
- **No distinction** of content, quality, form, means, language, published or unpublished, registered or unregistered.
- Protection is automatic, registration is **not** required.



# 1. Copyright - Scope of protection

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- **Subject matters not covered by copyright protection:**
  - News of the day as mere items of press information.
  - Legal documents, administrative documents and other documents in the judicial domain and official translations of these documents.
  - Processes, systems, operation methods, concepts, principles and data.
- **Term of protection**
  - Moral rights (except for publication right): indefinite
  - Economic rights and publication right: Depending on the types of works, protected for 75 years as from the date of its first publication or 100 years as from the date of its fixation or the whole life of the author and the following fifty years after his/her death.
- **Scope of protection:** Contracting parties of Bern Convention

# 1. Copyright - When to register?

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- To create evidence proving copyright – shift burden of proof to other parties
- The company's core assets are objects of copyright (e.g. website interface, packaging design, etc.)

## 2. Patent

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- **Technical solution** or in the form of a product or a process
- To solve a problem by application of laws of nature
- Protection obtained upon **registration**
- Scope of protection: **national**

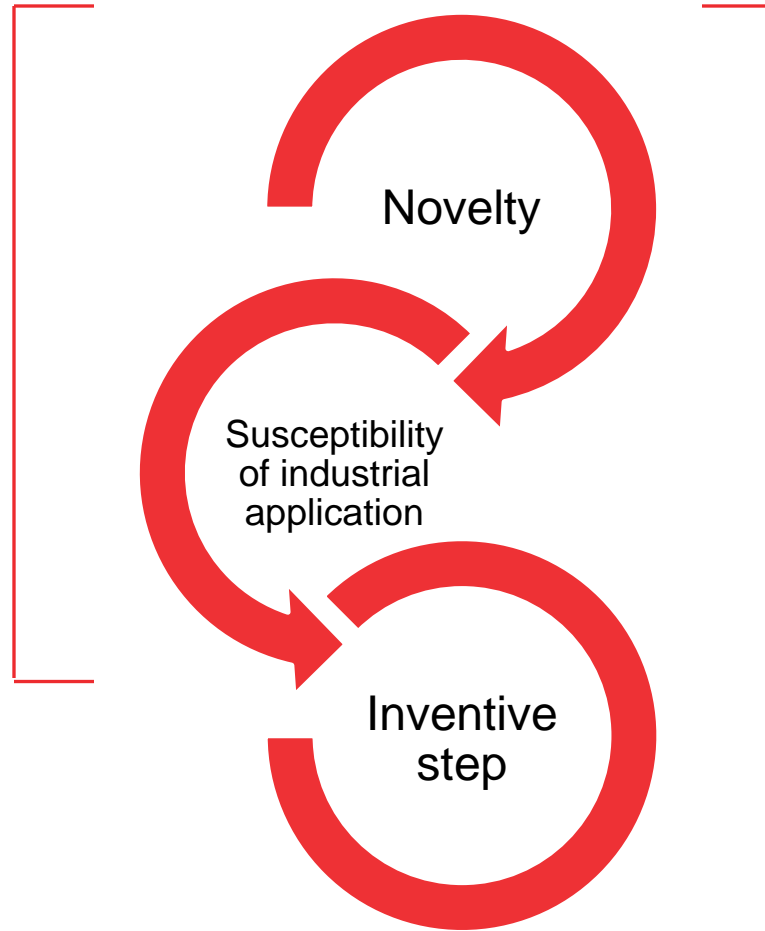




## 2. Patent - Criteria

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Utility  
Solution  
Certificate  
(Maximum  
10 years)



Patent  
Certificate  
(Maximum  
20 years)

## 2. Patent - When to register?

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- The enterprise has intellectual property that is a technical solution in the form of a product or a process and this solution has not been disclosed anywhere in the world.
- To protect the patent from being **copied** – the patent owner has exclusive rights to patent.

# 3. Industrial Design

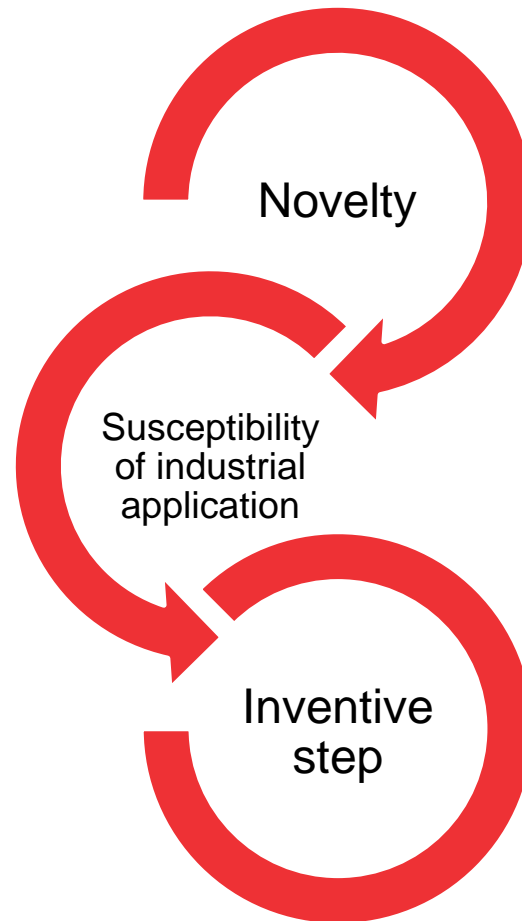
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- A **specific appearance** of a product
- It can be embodied by two- or three-dimensional configuration.
- Protection obtained upon **registration**
- Scope of protection: **national**



### 3. Industrial Design - Criteria

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Industrial  
Design  
Certificate  
(Maximum  
15 years)

### 3. Industrial Design - When to register?

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- When the enterprise has a new unique **product design**
- Not yet disclosed anywhere **in the world**
- To protect the design from being **copied**





## 4. Trademark

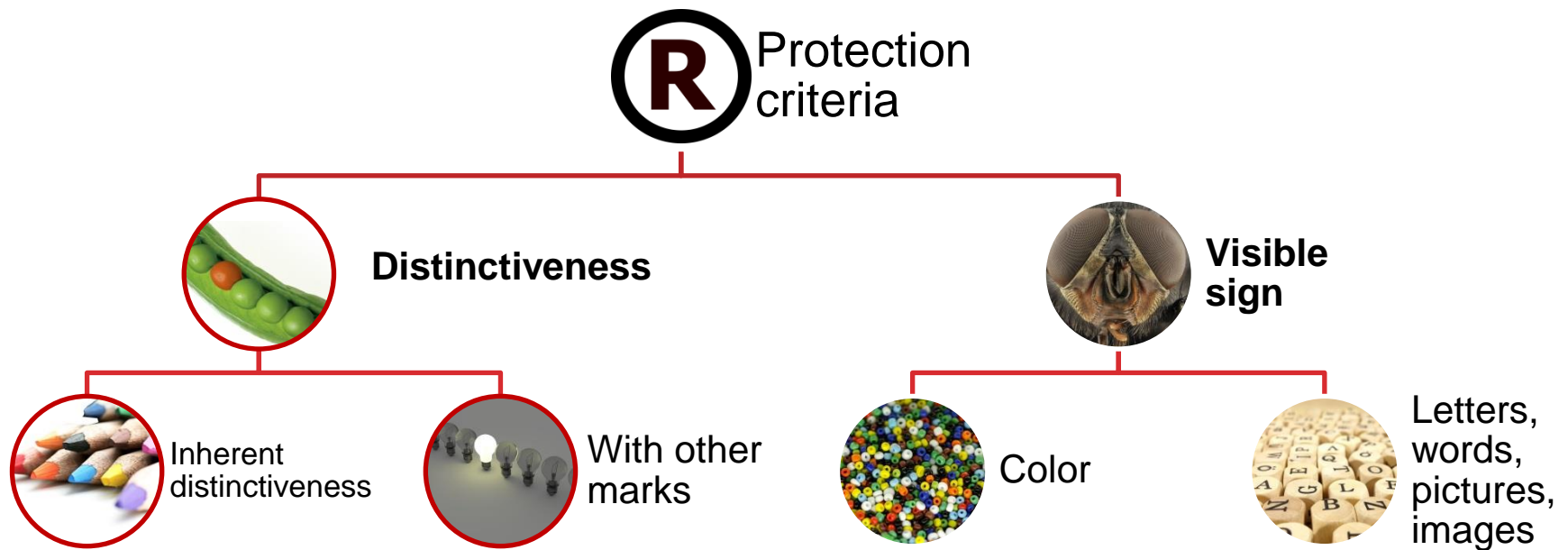
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**Baker  
McKenzie.**

- **Sign** used to **distinguish goods or services** of different organizations or individuals.
- Protection is obtained upon **registration**.
- Scope of protection: **national**

# 4. Trademark - Criteria

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## 4. Trademark - When to register?

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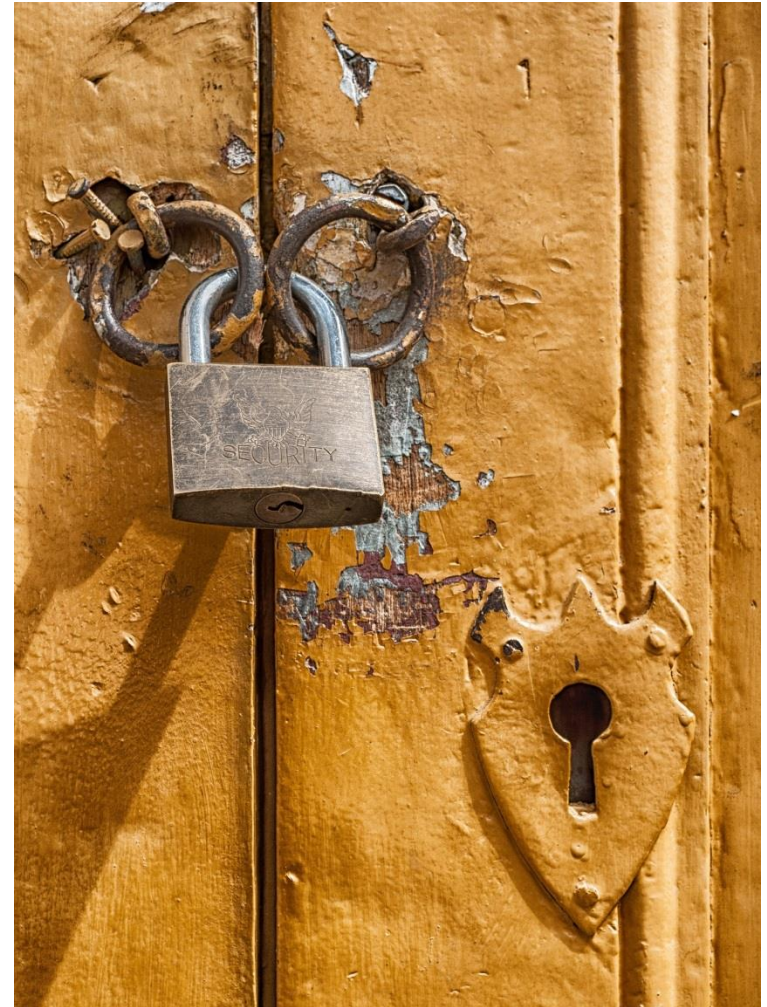
- **All enterprises** provide goods, services
- Core goods / services
- **First-to-file** principle: to protect the rights and interests of enterprises



## 5. Trade Secret

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- Not a common knowledge
- Helps create commercial advantages
- Apply necessary measures to secure
- Registration is **not** required
- Scope of protection: **varied**. In practice, there are very few cases of enforcement of trade secrets are being reported publicly in Vietnam.



## 5. Trade Secret - When to protect as trade secret?

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- Enterprise with possibility of **good security** (physical, technical, contractual security, etc.).
- Information that the owner **does not want to disclose** externally (e.g. product formula, source codes).
- Technical solution is **difficult to copy** / difficult to apply reverse engineering, which can be used over the period of patent protection.







# IP issues for manufacturers

# 1. License Agreement

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- Article 148.2 IP Law

“[...] an industrial property object license contract shall be valid as agreed upon by the involved parties but shall be legally effective to a third party upon registration with the state management agency in charge of industrial property rights.”

- In practice, “a third party” can be interpreted to include the State authorities, including tax authorities.

# 1. License Agreement – Benefits of recordal

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Notable effects of registering the trademark license agreement:

- Licensee's use of the trademark will be considered as a trademark use in Vietnam, and can be used as evidence (e.g. to defend against a non-use cancellation action, to prove the well-known status of the trademark).
- Licensee will have the right to request the competent authorities for enforcement actions.
- The registration is helpful to avoid remittance (if any) being blocked.
- Without recordal, royalty payments may not be deductible.

## 2. Work made for hire during employment

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- Article 39.1 IP Law

*“Any organization which assigns the task of creating a work to an author who serves as a member of such organization shall be the holder of [economic rights] and [the right to publish or authorize other persons to publish the works], unless otherwise agreed.”*

- IP rights relating to works performed by an employee under employment agreement shall be considered a “work made for hire” under Vietnamese law.

## 2. Work made for hire during employment

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- Under Vietnamese law, copyrights are composed of moral rights (e.g. right to give title to the work if the work is copyrighted); and economic rights (e.g. reproduction rights).
- The moral right is generally inalienable.
- As a general principle, the employee will have moral rights and the employer will be entitled to certain economic rights.



## 2. Work made for hire during employment

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- In case a right to a work cannot be transferred to the Employer, the Employer should request that the Employee waives that right and consents to the employer's execution of the right.
- The enforceability of this provision is untested by the courts in Vietnam.

### 3. Trade Secret - Unprotected Information

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- The following information is not protected as a trade secret:
  - Personal identification information;
  - State management information;
  - National defence and security information; and
  - Other confidential information not relevant to business operations.
  
- Confidential information: No clear definition under Vietnamese laws. Nevertheless, it can be protected as a “trade secret” in Vietnam if it satisfies the aforementioned criteria.

# 3. Trade Secret Infringements

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The following acts are regarded as infringements of trade secrets:

- Accessing or acquiring information pertaining to a trade secret **by taking acts to circumvent security measures** applied by lawful controllers of the trade secret;
- Disclosing or using information pertaining to a trade secret **without the permission** of the owner of the trade secret;
- **Breaching confidentiality contracts or deceiving, inducing, buying off, forcing, seducing or abusing the trust** of a person with an obligation to maintain confidentiality in order to access, acquire or disclose a trade secret;
- Accessing or acquiring information pertaining to the trade secret of **an applicant for a licence for trading in or circulating products** by taking acts **against secrecy-keeping measures** applied by the competent bodies;
- Using or disclosing trade secrets, while **knowing or having the obligation** to know that they have been acquired by others engaged in one of the above acts; or
- **Failing to perform** a secrecy-keeping obligation *[which is specifically related to test data during the licensing procedure for trading or circulating pharmaceuticals or agro-chemical products]*.

# 3. Trade Secret Recommendations

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The following measures can help to protect the company's trade secret:

- **Internal Policies:** having Confidential Information / IP Policy is recommended
- **Contractual measures:** executing a NDA with employees and contractors will help strengthen the Company's case.
- **Technical measures:** grant access to certain users only, or require password to access.
- **Physical measures:** safe keeping, physical dataroom, card access etc.



Q&A





# Thank you!

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