

Bross & Partners

The challenges of breaking with tradition

Although some non-traditional marks are protectable in Vietnam, there are still concerns about their registrability and enforcement

The International Trademark Association (INTA) classifies trademarks into two categories: traditional and non-traditional. Traditional marks – also known as conventional or ordinary marks – include names, words, letters, numerals and images, and are protectable by local laws in almost all countries. Non-traditional marks – including scents, sounds and motion – have been used as trademarks in modern marketing practices since the 1950s. According to a 2008 survey on non-traditional marks conducted by the Asia-Pacific Economic Cooperation (APEC), an increasing number of countries now afford protection to non-traditional marks, including the United States, Canada, Australia, New Zealand, Hong Kong, Peru, Singapore and Taiwan.

Are non-traditional marks protectable in Vietnam?

What constitutes ‘traditional’ and ‘non-traditional’ marks is defined differently in the trademark laws of different jurisdictions. INTA’s classification of marks as ‘traditional’ or ‘non-traditional’ reflects new trends in the trademark arena.

Article 15 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs), to which Vietnam is a signatory, provides that “any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks”. The same article allows signatories to stipulate that “where signs are not inherently capable of distinguishing the

relevant goods or services, Members may make registrability depend on distinctiveness acquired through use. Members may require, as a condition of registration, that signs be visually perceptible”.

Therefore, in accordance with the above provision, Vietnam is required to protect only signs that are eligible for registration on the condition that they are visually perceptible. In other words, protection of non-traditional marks, which is not inherently required by TRIPs, shall be accepted subject to individual members’ adoption of national laws and regulations on the protection of such marks.

In order to join the World Trade Organisation, Vietnam had to comply with TRIPs in full, including its trademark provisions. Articles 4.16 and 72 of the Intellectual Property Law 2005 (as amended in 2009) provide that a sign is eligible for trademark protection if it is:

- capable of distinguishing the goods or services of one entity from those of others; and
- visually perceptible in the form of letters, words, drawings or images (including holograms) or a combination thereof, represented in one or more colours.

In its report on the 2008 APEC survey on non-traditional marks, the APEC IP Experts Group fundamentally took the same standpoint as INTA on categories of non-traditional mark, whereby the protection of three-dimensional marks (3D) and trade dress by APEC members indicates that they also agree to protect non-traditional marks to some degree, but not in full.

Vietnam grants protection to some types of non-traditional mark, based on INTA’s classification of such marks. Three-dimensional marks and trade dress are eligible for registration, regardless of whether

they were filed and registered before or after July 1 2006 – the date on which the Intellectual Property Law took effect.

Establishing rights in non-traditional marks: challenges

It is not easy for trademark owners to establish their rights successfully in some accepted types of non-traditional mark in Vietnam, specifically 3D marks, for the following reasons:

- Vietnam has no official trademark examination manual (a manual was issued in 1991, but it is outdated and thus unusable).
- Trademark examiners use an unofficial trademark examination manual that is insufficiently detailed and comprehensive for the purpose of examining trademarks, including non-traditional marks, in which 3D marks and trade dress are seldom mentioned (eg, Article 7.7 provides that a 3D mark must be reproduced in picture or drawing form, which shows it from different views, and must be accompanied by a representation in the form of a projection view (as may be required by the National Office of Intellectual Property of Vietnam (NOIP) on a case-by-case basis)).
- In the absence of detailed examination guidelines for non-traditional marks, examiners are inclined to examine and assess the registrability of non-traditional marks as if they were traditional marks. Consequently, successful registration of non-traditional marks in Vietnam is difficult.
- Since 3D marks are basically deemed to be industrial designs that are subject to industrial design law and not trademark law, some examiners opine that 3D marks should be protected as industrial

designs – not trademarks – or otherwise, trademark examiners will have become industrial design examiners. This is considered as the primary reason why non-traditional marks face difficulties during the examination and registration phases.

Given that 3D marks are regarded as traditional marks, examiners may apply grounds for absolute refusal to refuse protection thereof. The ground for refusal that is most regularly cited by examiners is Article 74.2.b of the Intellectual Property Law, as amended, which states that marks shall be deemed indistinctive if they are “conventional signs or symbols, pictures or common names in any language of goods or services that have been widely and regularly used and known to many people”. Examiners usually grant protection only when it is substantiated that the mark has been used widely and is recognised as a trademark (ie, has acquired secondary meaning).

Enforcing registered non-traditional marks: war of the coffee cups

Société des Produits Nestlé SA applied to have a red cup registered, designating Vietnam, among many countries. The application was initially refused because it was determined that the mark conformed to the common shape of goods in the relevant sector and was thus indistinctive. However, the mark was subsequently accepted (Registration IRN824804) because Nestlé proved that the mark had obtained secondary meaning through use. In addition, Nestlé was successful in preventing Gold Roast Viet Nam Co Ltd from using a similar red cup on its packaging, as this constituted an act of infringement of its registered mark. The value of the allegedly infringing goods was D162.7 million (approximately \$8,000).

In this case, Nestlé had obtained written opinion in its favour from NOIP in October 2006, and initially submitted a written request for administrative settlement of the infringement with the Ministry of Science and Technology Inspectorate. The inspectorate passed the case to the Binh Duong Province Department of Science and Technology Inspectorate. On March 6 2008 the chairman of Binh Duong Province released a decision (653/QD-XPHC) imposing a fine of D100 million (approximately \$5,000) on Gold Roast for having infringed Nestlé’s registered mark and forcing Gold Roast to remove the infringing elements from the infringing goods.



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Mr Le Quang Vinh, a qualified patent, design and trademark attorney, is a founding partner in – and leader of the IP practice for – Bross & Partners. He has more than 14 years of intensive experience in advising and representing clients on the spectrum of IP rights-related issues, particularly trademarks, designs, patents, copyright, trade secrets and domain names. His clients include corporations listed in *Forbes Magazine’s* ‘Asia’s 200 best under 1 billion’ list, companies in the ‘Top 500 Vietnamese Largest Private Enterprises (VNR500)’ list and a number of regional and local companies.

Gold Roast initiated an administrative lawsuit against this decision at the Binh Duong Provincial Court, protesting that it had been unjustly penalised. To support its arguments, Gold Roast obtained a legal opinion in its favour from the Vietnam Intellectual Property Research Institute (a research institute under the Vietnam Union of Science and Technology Associations). However, on acceptance of jurisdiction, the court held that the legal opinions of NOIP and the Vietnam Intellectual Property Research Institute were not legal assessments. Instead, the court requested the opinion of experts at other research institutes; those institutes declined, claiming that they were not competent to do so. The court subsequently requested assistance from the Binh Duong Police Criminal Assessment Division, but the division also stated that it was powerless to help. Finally, the court asked the Institute of Criminal Science (under the Ministry of Security); however, this institute stated

that it could not render an assessment due to a lack of expertise. Since no authorities invited by the court agreed to conduct an assessment, the court ultimately relied on NOIP’s written opinion favouring Nestlé, dismissed Gold Roast’s complaint and upheld the chairman of Binh Duong Province’s decision. Gold Roast lodged an appeal with the Supreme Court Appellate Bench based in Ho Chi Minh City, but subsequently voluntarily withdrew its appeal.

Although the dispute is not subject to any further appeal or legal action, it leaves several questions unresolved, including whether an assessment by the Vietnam Intellectual Property Research Institute should take precedence over a written communication by NOIP. It was NOIP which granted protection in Nestlé’s favour; thus, the court’s reliance on NOIP will be questioned with regard to impartiality in settlement of this case.

Conclusion

It thus appears that Vietnam is a long way from granting comprehensive protection to non-traditional marks. This is due to the fact that it has no obligation to do so under TRIPs, and examiners lack the proper tools (eg, trademark examination manuals) to examine and enforce non-traditional marks. Although some non-traditional marks (eg, 3D marks and trade dress) are protectable under Vietnamese laws and practices, there are still concerns about their registrability and enforcement. [WTR](#)