### CHAPTER 2 INTELLECTUAL PROPERTY RIGHTS

# **OVERVIEW**

Intellectual property rights (IPR) protection is an increasingly important issue for businesses operating in Vietnam. Companies are mainly concerned about the high requirements of IPR protection standards and expect that Vietnam's IP law and practice will effectively protect their legitimate rights and interests. With the EVFTA having taken effect on 1 August 2020, Vietnam needs to make considerable changes to its IP law to comply with the commitments under the agreement which will also help Vietnam to increase its competitiveness compared to other countries in ASEAN.

According to the EVFTA, Vietnam is obliged to incorporate many obligations into domestic legislation. These include the regulations on the protection of sound trademarks, the procedures and measures to protect European Geographical Indications (GIs), and mechanisms to compensate invention owners for delays in granting pharmaceutical marketing authorisation. In the field of IPR enforcement, the EVFTA's provisions on the responsibilities of intermediary service providers for online IPR infringing content are notable.

We are pleased to see that the above regulations have been incorporated in the Draft Law amending and supplementing a number of articles of the IP Law expected to be approved in June 2022. However, some proposed amendments and supplements in the Draft do not meet the requirements set out in EVFTA.

### I. INTELLECTUAL PROPERTY RIGHTS ENFORCEMENT

Relevant authorities: Ministry of Culture, Sports and Tourism (MCST), Ministry of Information and Communication (MOIC), Ministry of Science and Technology (MOST), Ministry of Industry and Trade (MOIT), Vietnam Directorate of Market Surveillance (VDMS), Supreme People's Court (SPC)

#### **Issue description**

Unlike most countries where IPR infringements are handled by civil remedies in courts, administrative sanctions continue to be the most commonly applied method of handling IPR infringements in Vietnam.

Furthermore, the IP Law contains no provisions on the handling of IPR infringements by criminal measures. However, Article 212 of the IP Law stipulates that individuals committing acts of IPR infringement involving elements which constitute a crime shall be examined for penal liability in accordance with the criminal law.

Finally, one of the biggest difficulties of enforcing property rights in general, and applying civil and administrative sanctions in particular is the invalidation of IPRs. In most IPR disputes, the violator will intentionally file a request for invalidation of protection rights for unfounded reasons. The courts and competent authorities seem hesitant and often suspend the settlement when there is an invalidation request and wait until IPO Vietnam has resolved this issue.

# Potential gains/concerns for Vietnam

In recent years, the Inspectorate of MOST has opted for civil remedies. However, this will lead to a limited selection for rights holders in handling cases related to inventions and industrial designs due to technical complexities.

Meanwhile, in the field of copyright, practically only the Inspectorate of MCST is capable of handling copyright infringement cases. Even though other agencies such as the Market Surveillance Agency and the Police also have the handling authority. However due to limited professional knowledge in the field of copyright, they often do not agree to handle the requests of rights holders.

To improve the effectiveness of administrative measures, competent agencies need to be more proactive in handling violations and coordinating with relevant agencies. Specifically, MOST should coordinate with IPO Vietnam to handle infringement of the rights to inventions and industrial designs. Likewise, the Inspectorate of the MCST can guide and transfer tasks to the provincial Departments of Culture, Sports and Tourism for handling. It is necessary to coordinate with Market Control and local police so regular exchange, information updates, and expertise sharing between ministries and agencies are recommended.

For most cases with the characteristics of a crime - such as IPR infringement involving manufacturing and trading of counterfeit goods, industrial property infringement, infringement of copyright and related rights - agencies only prosecute the act of manufacturing and trading counterfeit goods instead of the act of infringing industrial property rights or copyright.

The identification of a crime for criminal prosecution against entities committing acts of IPR infringement is complicated because of the overlap of objects of crime. The regulations do not define the difference between the act of manufacturing and trading counterfeit goods and the act of infringing industrial property rights. This leads to implementation difficulties and even discretion in referring to which articles regulate the sanctions. Therefore, it is necessary to identify the extent and the object applicable to these two crimes.<sup>1</sup>

The delay of the enforcement and application of sanctions has an inadvertent but serious impact on the settlement process because it takes two to four years to handle the request for invalidation of protection rights at IPO Vietnam. As a result, civil cases will be delayed and unable to be adjudicated in accordance with the procedural regulations.

### Recommendations

We would like to make the following recommendations:

- > Be pro-active in handling violations while coordinating with relevant agencies.
- > Coordinate with Market Control and local police to exchange, information updates, and expertise.
- > Identify the extent and the object applicable so both the manufacturing and trading in counterfeit goods and the infringement of industrial property rights can be prosecuted.
- > Promulgate specific instructions and regulations on invalidation of protection rights in the civil and administrative handling process by the Supreme People's Court and MOST.

### II. DRAFT AMENDED IP LAW

Relevant authorities: Ministry of Science and Technology (MOST), Ministry of Culture, Sports and Tourism (MCST), Ministry of Information and Communication (MOIC)

### 1. Copyright

1 Article 14. Criminal Code No. 100/2015/QH13 dated 27 November 2015 of the National Assembly.

### **Issue description**

The Draft Amended IP Law (Draft)<sup>2</sup> proposes amending some points related to the cases of using the published works without the permission of the copyright holder or paying royalties.

Article 25.1.a supplements the following provision "Copying works in order to have information or documents used in the internal operations of state agencies not for commercial purposes", and Article 25.1.c "Reasonable citation of the works without misleading the author's intention for writing articles, for use in periodicals, broadcasts, and documentaries".

### Potential gains/concerns for Vietnam

These proposed exceptions do not mention the limitation or extent to which a work can be copied. We believe that even if it is intended for internal and non-commercial use by government agencies; and if unnecessary or non-mandatory contents are also copied in this internal activity, this copying is not in the public interest (other than for the state agency), and may reduce the urge to learn more about the entire content of the work. This act could possibly affect the rights of the copyright holder with respect to the copied work.

The concepts of "reasonable citation" and "without misleading the author's intention" need to be clarified. Otherwise it will create difficulties in interpreting the acts of "reasonable citation" and "without misleading the author's intention", thereby leading to problems in determining whether a citation falls into the cases of using the published work without permission of the copyright holder or paying royalties.

#### Recommendations

We would like to make the following recommendations:

- Add a limitation (in terms of length or percentage) to the extent that a work can be copied for use as reference information or for preparation of documents used in state agencies for noncommercial purposes according to the revised provisions in Article 25.1.a1 to balance the interests of the public and copyright holders.
- > Explain and guide in detail the concepts of "reasonable citation" and "without misleading the author's intention".

#### 2. Patent

#### **Issue description**

# Compensating mechanism for pharmaceuticals circulation licensing delays

Article 131a of the Draft provides two options for implementing Article 12.40 of the EVFTA<sup>3</sup> on the compensation for patent holders for unreasonable delays in the granting of the first marketing authorisation. However, both options put forward monetary compensation mechanisms which are not satisfactory in the spirit of Article 12.40 of the EVFTA. In particular:

<sup>2</sup> Draft Law amending, supplementing a number of articles of the Law on Intellectual property rights, 17 November 2020, Chinhphu.vn. Available at: <a href="http://chinhphu.vn/portal/page/portal/chinhphu/congdan/DuThaoVanBan?\_piref135\_27935\_135\_27927\_27927.mode=reply&\_piref135\_27935\_135\_27927\_27927.id=3993> last accessed on 20 November 2020.

- Option 1: Resolution 102/2020/QH14<sup>4</sup> sets out a compensation mechanism by exempting patent owners from paying the protection titles usage fee within the corresponding period of delay. This amount is negligible and is not of practical significance compared with the actual loss resulting from the delayed circulation licensing. Above all, to be exempted from this fee, the patent owners need to ask the competent agency issuing pharmaceuticals marketing authorisation to confirm the delay. In fact, the effort, time, and service costs required to obtain such confirmation from the competent authority may exceed the fee for using protection titles from which the owners could be exempt.
- Option 2: specifying a mechanism to make up for the royalty payable by patent users within the corresponding period of delay. This compensation mechanism is also unreasonable because the delay is caused by the agency authorised to issue pharmaceuticals marketing authorisation. As a result, directly requesting patent users to pay royalties as compensation is not feasible. Normally, in order for the request to be feasible, it must be given by an agency with the enforcement authority such as the Court, Furthermore, the provision stipulating "the amount payable is equivalent to the compensation price specified by law for the case where the patent is licensed in accordance with a compulsory decision within the corresponding scope and period of use" is also impractical because, in fact, there are no specific regulations or guidance on the compensation price specified by law for such case. Accordingly, before requesting a third party to compensate, the patent holders need to ask the agency or organisation to confirm the compensation price. On the other hand, applying a compensation amount based on the patent licensed under a compulsory decision in cases specified by law such as national needs, illness, abuse of owner's rights, etc. where the licensing is mandatory (unequal pricing relations) is also inadequate for the loss of the patent holders because the licensing price according to the decision will be much lower than the economic loss when users are required to compensate for the actual loss caused by the use of the patent in the period of delay.

#### Guarantee for patent holders to exercise rights before products are put on the market

Article 128(3) of the Draft is intended to implement Article 18.53 of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).<sup>5</sup> Specifically, this Clause is the option of Article 18.53(1). However, Article 128(3) is not compatible with the provisions of Article 18.53(1) to ensure the patent holder has enough time and opportunity to take the necessary protective measures against any third party's application for pharmaceutical marketing authorisation when the pharmaceutical in question is an element infringing the patient holder's rights. In particular, the fact that the competent agency only publishes information about the applications submitted later based on data proving the safety and efficacy which has been licensed for circulation of other pharmaceuticals on its electronic portal instead of directly informing the patent holders is not satisfactory. In addition, Article 128(3) of the Draft also does not have reasonable provisions to ensure adequate time and opportunities for patent holders to prepare necessary procedures such as filing a lawsuit or request for handling a violation.

<sup>4</sup> Point 3, Annex 3, Resolution 102/2020/QH14 dated 8 June 2020 of the National Assembly on the ratification of the EU-Vietnam Free Trade Agreement. 5 Comprehensive and Progressive Agreement for Trans-Pacific Partnership signed on 8 March 2018.

# Potential gains/concerns for Vietnam

The mechanism to compensate invention owners for unreasonable delays in granting the first marketing authorisation to enforce Article 12.40 of the EVFTA according to applicable provisions of Article 131a of the Draft is not practical for the patent holders and, therefore, does not actually benefit the owners.

The current regulations in the Draft guaranteeing information and time for patent holders to exercise their rights before the products are put on the market under Article 18.53 are not in line with the regulations in Article 18.53.

#### Recommendations

We would like to make the following recommendations:

- > Amend Article 131a of the Draft with a reasonable compensation mechanism for patent holders for unreasonable delays in granting the first marketing authorisation by prolonging the protection period of the patents corresponding to the period of delay to ensure compliance with Article 12.40 of the EVFTA.
- > Amend Article 128(3) of the Draft so that when the competent agency allows later applicants to rely on the fact that a drug has been licensed for circulation, or on the data proving safety and efficacy of a drug that has been licensed for circulation (patent holder's data) to apply for a circulation license for another drug, the licensing agency must notify directly in writing the person under whose name the pharmaceuticals' marketing authorisation was registered.
- Add a provision to Article 128(3) that permits patent holders to request the competent agency to suspend the marketing authorisation licensing in a reasonable period in order for them to prepare necessary documents and procedures to request the handling of infringements to their patent rights following Article 18.53 of the CPTPP.

# 3. Industrial design

# **Issue description**

Article 12.35.1 of the EVFTA<sup>6</sup> specifies that "design" is the appearance of the whole product or a separable and/or inseparable part of a product. This means an inseparable part of a product is also protected in the name of industrial design.

Article 12.35.2.a of the EVFTA<sup>7</sup> specifies that "if the component part, once it has been incorporated into the complex product, remains visible during normal use of the latter". The word "incorporated" in this Article does not mean "assembled" but rather "integrated" (present on the finished product). This means that the part may be present on the finished product as "separable from the finished product" or "inseparable from the finished product" as long as it is visible on the finished product.

Whereas, Article 4.13 of the Draft provides the definition of industrial design but uses the concept of 'assembly'. Therefore, the word "assembly" in the Draft will narrow the protection scope of "partial"

design (no protection in case the 'part' cannot be separated from the finished product) as compared to Article 12.35.2.a of the EVFTA, which is incompatible therewith.

In addition, "Appearance is represented by shapes, lines, colors or a combination of these elements and is visible while the finished product is being used" is not logical and incommensurate because this governs the design of both the "finished product" and the "part". Meanwhile, "visible during the use of the finished product" corresponding to the provisions of Article 12.35.2.a of the EVFTA is intended only for "parts of the finished product".

### Potential gains/concerns for Vietnam

The definition of industrial design in the Draft, which has narrowed the protection scope of "partial" design, is incompatible with the provisions of the EVFTA.

#### Recommendations

We would like to make the following recommendation:

> Revise Article 4.13 of the IP Law on the definition of industrial design as follows "Industrial design is the appearance of a finished product or a part of it which is visible while the finished product is being used. Appearance is represented by shapes, lines, colors or a combination of them."

# 4. Geographical indications

### **Issue description**

The Draft Law amending and supplementing a number of articles of the IP Law provides 16 amendments regarding GIs with notable contents including, but not limited, to the protection of homonymous GIs.

### Potential gains/concerns for Vietnam

On the one hand, the amendments are intended to fulfil the Vietnam's obligations under the EVFTA. On the other, there are shortcomings in the interpretation and application of existing laws on Gls. In particular, regarding the current practice of applying the law on Gls, there are difficulties in determining the protection scope of Gls, with different views and interpretation of the law in that:

- a. The scope of protection of a GI includes the correct geographical name registered for the product bearing the GI; or
- b. The scope of protection of a GI includes the geographical name registered for the product bearing the GI and names of the places in the area identified as the geographical scope within which a product bearing the GI is produced (e.g. names of communes, wards, or district towns where a protected district name is the geographical indication for a particular product). This makes it difficult to apply laws or to enforce the protection of GIs, especially opposing the registration of a trademark confusingly similar to the relevant GI.

It is not practical to require rights' holders to apply for protection of GIs for each small place in a large geographical area. Moreover, these small places have the same characteristics of soil, human intervention, and other conditions to produce the same product. They constitute and bear the same indication of a large geographical area – which is to be protected as a GI. A GI should only be registered for a particular place in the larger geographical area if there are clear differences in the

characteristics and properties of the product which are determined by its human intervention and natural conditions.

With respect to the Draft, the supplement of a provision to protect homonymous GIs (not limited to wine products under Article 23 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement))<sup>8</sup> is encouraging. However, the current Draft, despite having specified conditions of protection that a homonymous GI "shall not confuse consumers about the geographical origin of the product bearing the GI", does not set the criteria/exceptions to be considered as satisfying the above condition.

To limit confusion, the homonymous GI could be presented together with its country/region of origin. The incorporation of these prerequisites into domestic legislation instead of assigning the responsibility to interpret the law to lower-level legal documents will create favourable conditions for rights holders and avoid creating difficulties in the interpretation and application of law to the relevant state management agencies.

#### Recommendations

We would like to make the following recommendations:

- > Adopt in addition to perfecting legal frameworks on GIs the appropriate interpretation and application of law to implement the progress of legal provisions, guarantee the legitimate rights and interests of rights holders, and comply with the commitments under international treaties to which Vietnam is a signatory.
- > Apply consistently the interpretation of law regarding determining the scope of protection for GIs according to the above paragraph under point b.
- > Set out measures/requirements of protection to satisfy the condition of "not causing confusion".

#### 5. Trademark

### **Issue description**

#### Sound mark

The Draft's recognition of sound marks, for the first time, shows the goodwill of Vietnam in implementing the country's commitments under international treaties.

However, the form of expression of sound marks as specified in the Draft and explained in the report, specifically that the sound mark must be "a sound sign that can be capable of being represented graphically", will be concretised in the circular or regulation guiding the implementation (for example: staves, lyrics, sound wave diagrams, etc.) to widen or narrow the types of sound that can be registered as a mark depending on each stage of socio-economic development as well as human and material resources. This regulation is inconsistent with the nature of a sound sign and could cause difficulties for both the sound mark owners and the registrar in the application for sound mark registration as well as in the assessment of confusing similarities between sound marks.

Therefore, Article 72(1) of the IP Law should be amended to recognise a sound mark as a mark "that is capable of being represented graphically". The provisions on implementation guidance should also be amended so that the submission of the trademark sample, together with the trademark registration

<sup>8</sup> Agreement on Trade-Related Aspects of Intellectual Property Rights signed on 15 December 1993 and effective from 1 January 1995.

application, includes not only the sound mark's graphic representation but also the sound data carrier and other similar forms. In addition, it is necessary to specify particular and reasonable criteria that properly represent the nature of sound marks in assessing the similarity between two sound marks.

Furthermore, it is necessary to supplement "the application for trademark registration is conducted with bad intentions" as one of the bases for opposing an industrial property registration application that is considered a source of information for the handling of industrial property registration applications. In addition, both for grounds for opposing industrial property registration applications and requests for the invalidation of registered rights because "the application for trademark registration is conducted with bad intentions", a guideline document should be issued to provide detailed regulations and instructions on how to identify and prove an applicant's "bad intentions". A case of nullification of the entire validity of a protection title has been supplemented to Article 96 of the Draft, namely "the application for trademark registration is conducted with bad intentions". This is considered a progressive amendment compared to the current regulation which only mentions that "the protection title is granted due to the applicant's dishonesty" in the provision on the time limit for exercising the right to request invalidation of protection titles. Indeed, it does not clearly state it as one of the statutory grounds for invalidation of protection titles or have any detailed instructions on how to identify and prove the applicant's dishonesty.

However, the Draft just sets "the application for trademark registration is conducted with bad intentions" as one of the bases to request invalidation of protection rights. It does not specify it as a ground to oppose an industrial property registration application to prevent the issuance of the protection title. Specifically, Article 112a of the Draft prescribes that an objection related to the registration of a right and protection conditions is the basis corresponding to the cases of total or partial invalidation under clauses (a) and (b), point 1a, of Article 96. This is completely independent from the ground "the application for trademark registration is conducted with bad intentions" at, Article 96(1)(a). Thus, third parties may not have grounds to file an objection to an industrial property registration application to be considered as a source of information for the processing of an industrial property registration application under the provisions of Article 112a. In this case, they can only give an opinion to the agency establishing the industrial property rights on the issuance of protection rights. This written opinion is only considered as a source of reference information for the processing of industrial property registration applications under the provisions of Article 112.

# Potential gains/concerns for Vietnam

The provision that a sound mark must be represented graphically is hardly meaningful. This is because, in many cases, consumers can only "hear" the sound. They do not have access to other graphic representations (staves, lyrics, sound wave diagrams, etc.) representing the sound. Therefore, consumers recognise the sound mark through the sound itself, not through its graphic representation. Limiting a sound mark to its graphic representation makes it more difficult to submit a sound mark sample associated with a rights establishment application. Moreover, two sounds (e.g. sound waves) which are represented graphically in a similar way can still result in absolutely different sounds, and vice versa. In this case, it is difficult or even inaccurate to assess the similarity between two sound marks based on their graphic representation.

The lack of a provision which specifies "bad faith trademark application" as one of the bases to oppose a trademark registration application forces the rightful owner to wait until the issuance of the certificate to request its invalidation. This has substantially lengthened the rightful owners' process of taking

legal action to challenge the bad-faith trademark application and obtain registration of its trademark. This, in turn, has contributed to making it more difficult for them to enter the Vietnamese market while facilitating "trademark squatters" to continue to "steal" intellectual property of other parties for illegal profit.

In addition, if the way to identify and prove "bad intentions" is not specifically explained, it may also make the process of consideration and resolution of the rightful trademark owner's requests more lengthy, troublesome, and ineffective.

#### Recommendations

We would like to make the following recommendations:

- > Amend Article 72(1) of the IP Law to recognise a sound mark as a mark "that is capable of being represented graphically".
- > Specify particular and reasonable criteria that properly represent the nature of sound marks in assessing the similarity between two sound marks.
- > Supplement "the application for trademark registration is conducted with bad intentions" as one of the bases for opposing an industrial property registration application that is considered a source of information for the handling of industrial property registration applications.
- > Issue guidelines to provide detailed regulations and instructions on how to identify and prove an applicant's "bad intentions".

# 6. Enforcement of intellectual property rights

### **Issue description**

One of the biggest changes in IPR enforcement in the Draft is the limited use of administrative sanctions and the increase in civil sanctions. Particularly, Article 211 of the Draft sets out two options. Option 1 is to apply only administrative sanctions to the handling of goods with counterfeit trademarks. Option 2 is divided into two cases: (i) only applying administrative sanctions to infringement of copyright and rights to trademarks and plant varieties or (ii) only applying to copyright infringement.

# Potential gains/concerns for Vietnam

With the Draft, administrative agencies clearly do not want to handle infringement of invention rights or industrial design as well as unfair competition acts but, instead, alternate to civil sanctions. Given the practical difficulties in imposing civil sanctions, this change will cause great difficulties for rights holders to enforce and protect their IPR.

#### Recommendation

We would like to make the following recommendation:

> Retain the old regulations about IPR enforcement.

# 7. Responsibilities of intermediary service providers

# **Issue description**

The situation of online infringement of copyright and related rights in Vietnam is still complicated and difficult to control. On e-commerce websites, frequent copyright-infringing goods include books, toys,

articles with printed infringing images (e.g. T-shirts, mugs, phone cases, etc. with printed cartoon characters), etc. In entertainment, music and movies which infringe copyright are still widely posted on websites and social networks. Recently, State bodies have actively applied technical measures to handle infringements such as requiring network operators to block the connection to websites with infringing content. However, these measures have not thoroughly resolved the situation because owners of infringing websites can easily create new domain names or move servers abroad to continue operating.<sup>9</sup> In recent years, infringers have also used cloud storage services to store and deliver pirated movie content.

The regulations on copyright and related rights lack strict provisions on the responsibilities of intermediary service providers in protecting copyright online. Therefore, the intermediaries have not seriously implemented the verification and handling of infringing contents when receiving information about them.<sup>10</sup>

With respect to the above issues, Article 5 of Joint Circular<sup>11</sup> lists intermediaries' obligations to protect copyrights and related rights, prescribes specific cases in which the intermediaries must be liable for damages caused by the infringement, and has no provision on safe harbors. This provision is currently proposed to be legalised under Article 198b, Section 75 of the Draft.

The intermediary's responsibility approach under Vietnamese law contradicts EVFTA regulations. Specifically, according to Article 12.55 of the EVFTA, intermediaries are implicitly liable for infringement of copyright and related rights on their platforms unless they are entitled to limitations and exemptions. This includes cases where (i) The intermediary only transmits content provided by the user (mere conduit), (ii) The intermediary only temporarily stores the content provided by the user (caching), and (iii) The intermediary stores the content provided by the user for a long time (hosting) but is unaware of the infringing content or, as soon as they learn about the infringing content, acts quickly to remove or prevent access to it.

### Potential gains/concerns for Vietnam

According to the above analysis, the Draft's regulations on the responsibilities of intermediary service providers under Joint Circular 07 are not consistent with Vietnam's commitments under the EVFTA. At the same time, the practice shows that these regulations are not strict enough to bind the intermediary's responsibilities for the infringing content, specifically as follows:

First, the cases in which intermediary service providers are responsible for compensating for damage caused by the infringing content according to Article 5.5 of Joint Circular 07 are not clear. Definitions such as an "intermediary", is the "originating source of posting, transmitting or providing digital information content", or an intermediary is the "secondary source of distributing digital information

<sup>9</sup> A typical example is Phimmoi - one of the largest websites specialized in publishing the infringing movies in Vietnam, has changed its domain name three times within a month by changing the domain name at the highest level from ".net" to ".com", and adding "z" after the domain name after this website is blocked from accessing. Please refer to the article "The pirated movie website continuously changed its name", VN Express. Available at: <a href="https://vnexpress.net/website-phim-lau-lien-tuc-doi-ten-4128605.html">https://vnexpress.net/website-phim-lau-lien-tuc-doi-ten-4128605.html</a>, last accessed on 20 November 2020.

<sup>10</sup> A typical dispute related to the responsibilities of intermediaries is the dispute between First News and Recess - the owner of the e-commerce website Lazada in Vietnam. On 4 September 2020, First News filed a lawsuit against Recess for having taken no action against books that infringe First News's copyright on the e-commerce website Lazada.vn when receiving a notice from First News. Not until Recess received a written request from the Vietnam e-Commerce and Digital Economy Agency under the Ministry of Information and Communications in October 2020 did Recess remove the content of infringing books. Please refer to the article "First News sued Lazada for allowing sales of pirated books", VN Express. Available at: <a href="https://vnexpress.net/first-news-kien-lazada-tiep-tay-ban-sach-gia-4159173.html">https://vnexpress.net/first-news-kien-lazada-tiep-tay-ban-sach-gia-4159173.html</a>, last accessed on 20 November 2020.

<sup>11</sup> Joint Circular 07/2012/TTLT-BTTTT-BVHTTDL dated 19 June 2012 of the Ministry of Information and Communications and the Ministry of Culture, Sports and Tourism stipulating duty of intermediary service providers in protection of copyright and related rights in the internet and telecommunication network environment.

content" is not specifically prescribed. Accordingly, intermediaries will not voluntarily comply with the protection of copyright and related rights when there are no clear provisions of law on their compensation liability. At the same time, right holders will also have difficulties in proving the faults of the intermediary to claim damages.

Second, intermediaries are only obliged to remove and delete the infringing content at the request of the Inspectorate of MIC or the Inspectorate of MCST or other competent state agencies. This provision prevents rights holders from directly requesting the intermediaries to handle the infringing content, meaning that IPR holders have to spend a lot of time, effort, and costs to protect their IPRs.

Third, sanctions for intermediaries that fail to fulfil their obligations are not clearly and fully defined. The law only stipulates administrative sanctions for businesses providing social networking services and websites and has no sanctions applicable to other types of intermediaries.

In addition, due to the lack of provisions on safe harbors, legally, there is no mechanism to protect intermediaries that have taken measures to protect copyrights and related rights at the request of the right holders from liability for damages.

We believe that the revision of the intermediary's responsibilities in Vietnamese regulations, to comply with Article 12.55 of the EVFTA, will help to more effectively resolve online IPR infringement. Specifically, according to the provisions of the agreement, intermediaries must absolutely comply with the requirements under safe harbors to protect themselves from liability for damages. In particular, Article 12.55(2)(b)(v) of the EVFTA requires intermediaries to coordinate directly with the rights holders to remove the infringing content on their platform. For example, when this provision applies, cloud storage service providers will be obliged to verify the infringing content and remove or prevent access to film websites with infringing content without the need for the intervention of the State agency.

#### Recommendation

We would like to make the following recommendation:

> Revise the content of Article 198b, Section 75 of the Draft Law amending and supplementing a number of articles of the IP Law to ensure its compliance with Article 12.55 of the EVFTA.

# **ACKNOWLEDGEMENTS**

EuroCham Intellectual Property Rights Sector Committee

# FOR MORE IPR RELATED ISSUES, PLEASE ALSO READ

> Chapter 15 Motorcycles

Section III. Intellectual Property Rights Protections