

Approaches to overcome a refusal of a trademark application that is identical or similar to an expired mark in Vietnam

Reversing a trademark refusal decision in Vietnam is not always simple. In Vietnam, trademark examinations must adhere to a stringent, multi-step process: In Vietnam, the statutory timeline for determining trademark registrability is quite lengthy; the examination report is prepared and reviewed by the first examiner, the second examiner and finally submitted to the Director of the Trademark Center of the Intellectual Property Office of Vietnam (“IP VIETNAM”) for approval, resulting in rare errors. However, the downside of this stringent process is that it results in delays, prolonged review, and, in many situations, IP VIETNAM's denial rulings are unreasonably tough and rigid, especially when Vietnam IP Law also establishes closed provisions. Recently, the Intellectual Property team at KENFOX IP & Law Office in Hanoi secured a significant success by overturning IP VIETNAM's refusal to protect a Chinese leading pharmaceutical company's trademark. IP VIETNAM's refusal judgment is based on Article 74.2h of the Vietnam Intellectual Property Law – a controversial provision in the Vietnamese intellectual property community for a long period of time.

Background

The applied-for trademark “**BEIGENE**” for pharmaceutical products in Class 05 is deemed confusingly similar to the cited mark “**BEVIGENE**” in Class 05 which was previously registered by a Vietnamese company, despite the fact that the cited trademark had expired (terminated) at the time of examination.

The application mark	The cited mark
BEIGENE	BEVIGENE

An expired mark can still be used as a cited mark to refuse protection for an application mark

Per Article 74.2h of the Intellectual Property Law, an earlier mark (a cited mark) which has expired but not more than 5 years will still be cited to preclude registration of a later filed trademark that is identical or confusingly similar to the earlier mark. This provision appears ludicrous and perplexing to many persons who are not legal specialists. In their opinion, a trademark that has expired should be treated as invalid for the purpose of refusing protection for a subsequently filed trademark. However, the preceding provision is significant in and of itself. The provision is intended to avoid customer confusion. The legislators argue that it takes a minimum of five years for the relevant customers and the general public to forget about the existence/appearance of a mark or to erase it from their thoughts.

For example, if a trademark application filed on January 1, 2020 is determined to be similar to an expired trademark filed on January 1, 2021, the expired mark will continue to be used as a cited mark to deny protection to identical or similar marks filed later within five years of the expiration date. That is, only trademark applications filed as early as January 2, 2025 (after 5 years from the expiration of the cited mark) will be considered for a protection title).

As a general rule, an application for trademark protection will be refused if it is similar to a prior mark in terms of structure, pronunciation, meaning, or representation. Obviously, the application trademark

"BEIGENE" is remarkably similar to the cited mark "BEVIGENE" in this case. The sole difference between the two marks is that the cited mark includes the letter "V", whilst the application mark does not. As a result, it is easy for consumers to be confused regarding the origin of the goods.

It is not sufficient to establish that the cited expired mark has not been used in Vietnam for five years

Previously, if an application mark was refused protection under Article 74.2h of the Vietnam Intellectual Property Law, the applicant or IP representative in Vietnam only needed to submit market survey results from the Ministry of Industry and Trade's Information Center or the Ministry of Finance's Price Bulletin confirming that the cited mark had not been used for five consecutive years. IP VIETNAM would then allow the later applied-for mark to mature into registration.

However, the examination rule for trademarks that have been refused under Article 74.2h has been and is being reconsidered on the grounds that Article 74.2h is a closed provision that does not include an exception stating that [*except where the cited mark has not been used for 5 consecutive years*]. Thus, in recent cases, even when the applicant submitted a market survey demonstrating that the cited mark had not been used in Vietnam for five consecutive years, IP VIETNAM issued decisions refusing registration of the later filed mark based on Article 74.2h of the Vietnam Intellectual Property Law.

Meanwhile, in Vietnam, there is currently no officially established procedure for handling cases in which a mark that has not expired for more than five years is cited in objection to a later filed mark. Waiting more than five years for a cited mark to expire before seeking for registration is excessively lengthy and pointless, limiting lawful rights of organizations that wish to sell their branded products/services in Vietnam.

Why did KENFOX IP & Law Office successfully overcome the refusal Decision under Article 74.2h of the Vietnam IP Law?

To overcome the refusal under Article 74.2h of the Vietnam Intellectual Property Law, the following documents/proofs and arguments have been presented to IP VIETNAM requesting that it consider and approve the protection of the trademark "BEIGENE".

Document	Arguments
Market survey results confirming that the cited mark has not been used in Vietnam for 05 consecutive years	"Gene" element in pharmaceutical brands
	"BEVI" is the name of a gene
	Dissimilar in the structure of the trademarks
	Dissimilar in trademark pronunciation
	Dissimilar in trademarks meaning
	The cited mark has not been used since its registration date
	The cited mark is not renewed.

The intriguing aspect of this case, in our opinion, is the fact that, while the cited mark "BEVIGENE" has been protected, the trademark is essentially comprised of the two terms "BEVI" and "GENE." KENFOX's attorneys have made every effort to search for and obtain documentation establishing that "BEVI" is the scientific name for a gene and "GENE" is the English word for "gen" in Vietnamese, which is a term for the fundamental unit of matter and function of heredity that can be used widely and

continuously in trademarks for pharmaceutical products. Thus, the trademark "BEVIGENE" translates as "Gen Bevi" in Vietnamese. Thus, because the mark "BEVIGENE" is descriptive of products in Class 05 and thus incapable of performing the mark's most fundamental function – distinctive function – it did not meet the conditions for trademark registration and should have been denied protection as a mark.

Meanwhile, the applied-for mark "BEIGENE" is the application owner's trade name and bears no trademark connotation relation to the cited mark.

Keys takeaway:

- ✓ The examination of marks refused under Article 74.2h of the Vietnam Intellectual Property Law is not consistent, making trademark owners' pursuit of trademark applications under this article unpredictable.
- ✓ The preceding case demonstrates that, in order to overcome a refusal of trademark protection under Article 74.2h of the Vietnam Intellectual Property Law, trademark owners or IP agents in Vietnam should not rely solely on the results of market surveys, regard them as a prerequisite, or believe that simply submitting the results of a market survey confirming that the cited mark has been inactive for 05 consecutive years is sufficient for IP VIETNAM to accept protection for the later filed mark. The findings of a market survey conducted on the given mark should be regarded as a supplemental material.
- ✓ To have a trademark that has been refused protection under Article 74.2h of the Vietnam Intellectual Property Law approved for protection in Vietnam, it is obvious that searching, establishing documents, and presenting arguments demonstrating the distinctiveness of the two marks can be more valuable in order for IP VIETNAM to consider granting the refused trademark a protection title.
- ✓ The following conclusions must be established and demonstrated in order for the examiner to contemplate awarding a protection title to a refused trademark under Article 74.2h of the Vietnam Intellectual Property Law:
 - No conflict of interest exists between the owner of the mentioned mark and the owner of the trademark application (*because the cited mark has not been used since registration until now and the cited mark owner also did not renew his trademark*);
 - There is no basis to assert the possibility/risk of confusion regarding the commercial origin of the goods bearing the marks at issue, based on 2 grounds:
 - (i) The cited mark is descriptive, and hence cannot serve as a self-distinguishing mark; and
 - (ii) The cited mark and the application mark are distinguishable taking into account the features/aspects of the mark in terms of structure, pronunciation and meaning of the mark.

For many years, the requirements of Article 74.2h of the Vietnam Intellectual Property Law have been a point of controversy in the Vietnamese intellectual property community. As a leading provider of specialized intellectual property services in Vietnam, KENFOX attorneys have recommended to reduce the time required for customers to forget a trademark from five to three years, based on the following practices:

- (i) Due to the rapid growth of the market economy and various forms of advertising, the number of brands continues to grow. As a result, the public's memory of a trademark diminishes in the event that a particular brand is pulled from the market;
- (ii) Due to the fact that increasing the number of registered trademarks results in diminishing trademark resources, it is necessary to establish a mechanism for removing registered trademarks that are no longer in use (due to non-renewal of validity, renunciation of protection, etc.) and allowing for the protection of later filed identical/similar trademarks.

If an application trademark that has been invalidated for not more than three years is used as a cited mark for the refusal of a later filed mark, if the applicant establishes that the invalidated mark has not been used for five consecutive years by the owner or a person authorized by the owner, he may request termination of that mark in order to remove it from being considered a cited mark and to continue registering its mark.

With Vietnam's recent accession to a series of intellectual property agreements, including the CPTPP, EVFTA, and RCEP, in the draft amendments to the IP Law expected to be approved by the National Assembly of Vietnam in mid-2022, Article 74.2h of the Vietnam IP Law has been revised to reflect KENFOX IP & Law Office's proposal. As a key legal principle, law must be current and adapt to current practice, not to mention the ability to anticipate possible future scenarios in order to develop appropriate handling procedures. We believe that the above amendment to Article 74.2h of the Vietnam IP Law is rational, beneficial, and more appropriate to reality, as it establishes an equal and transparent mechanism for all trademark cases and, ultimately, benefits and facilitates the registration of intellectual property in Vietnam for all individuals/entities.

Any statutory provisions must be strictly adhered to and implemented. However, applying the law in the best possible way, ensuring the core and long-term benefits for customers, requires experience, skills, qualifications, and deep legal thinking from a team of intellectual property lawyers/experts, especially with the closed provisions of the current IP Law. KENFOX attorneys are proud to have won the above victory for their clients and believe that this victory will serve as a legal tool and a critical precedent for any investor planning to do business in Vietnam.

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