

## Building up your brand in 20 years in Vietnam, but losing it in a few days. WHY?

In June 2022, Hoa Sen Co., Ltd., (**HOA SEN**) the owner of the "**ZACOPE**" trademark for pure drinking water products, complained to [KENFOX IP & Law Office](#), "I don't understand why the company's sales in the first half of the year have dropped so drastically." HOA SEN did investigation and found that rivals utilized similar labels bearing the trademark "**ZACOP**." A check of the protection title, however, revealed that the registration of the trademark had expired. This occurs because the previous employee resigns and transfers the trademark to the new employee, who is unaware of the requirement to renew the trademark on its expiration date. After more than two decades of brand development, HOA SEN now risks brand extinction.

It takes you almost 2 years for their trademark application to be registered in Vietnam. However, developing a good brand may take five to ten years, or even twenty years. If you do not have a system in place for managing your company's documentation, including Trademark Registration Certificates, you could lose your trademark rights within a few days.

There are millions of existing trademarks on the register, making it difficult to select a mark to register and use without infringing on or being similar to other marks. Even if a trademark is registered successfully, it is still possible to lose it. When you lose a trademark, you lose the right to use it exclusively, and if a third-party re-registers it, you face legal risks.

### Successful registration of a trademark is only the beginning of your business in Vietnam

It goes without saying that there are no rights without responsibilities. The owners of protected trademarks are required to take proper actions in order to maintain their trademark rights. In the absence of renewal, your registered trademark is susceptible to invalidity challenges based on non-renewal, and third parties have the right to initiate a cancellation action before the Intellectual Property Office of Vietnam (**IP Vietnam**).

The Vietnam IP law of 2022 contains numerous important amendments and additions to trademark regulations. To avoid the risk of losing their rights, trademark holders are required to carry out at least the three responsibilities below.

*First*, to renew [trademark registrations in Vietnam](#) within 6 months before the expiry date of the validity term. The payment of the renewal fee may be delayed for no more than six months after the expiration of the current validity term. Otherwise, the trademark will expire;

*Second*, to use the protected trademark in commerce in Vietnam within 05 years computed from the registration date; if not, any third party may request IP Vietnam for non-use trademark cancellation.

*Third*, to use the trademark in its registered form. Some slight changes made to the registered trademarks are not risky, but substantial changes made to the nature of the marks may expose the trademark owner to legal risks that a mark used in commerce may be deemed not to be the registered trademark, resulting in cancellation of the trademark if initiated by a third party.

### How should a trademark be used in commerce in Vietnam so as not to lose it?

IP law of Vietnam and other jurisdictions has established the regulations that, if the protected trademarks are not put in commercial use within 05 consecutive years since the registration date, any third parties are entitled to file a [request for cancellation for the trademark validity](#) with IP Vietnam.

IP law of Vietnam and other countries has established provisions that allow third parties to file a request for cancellation of the trademark validity if the protected trademarks are not used commercially within five consecutive years from the date of registration.

If you wish to maintain your trademark rights, you need to use your trademark in a proper way. You may refer to Clause 5, Article 124 of Vietnam's IP Law to learn the laws governing the required actions for your trademark to be considered in use in Vietnam. Specifically, the following three actions constitute use of a mark:

- (i) Affixing the protected mark on goods, goods packages, business facilities, means of service provision or transaction documents in business activities;

- (ii) Affixing the protected mark on goods, goods packages, business facilities, means of service provision or transaction documents in business activities;
- (iii) Importing goods or services bearing the protected mark.

Vietnam's IP Law is silent regarding the **genuine use or token use of a mark**. Sporadic use in **the ordinary course of trade** for a certain period may still be considered as having used the mark against the cancellation action initiated by a third party.

### What are the 4 most critical strategies to avoid losing trademark rights in Vietnam?

To avoid losing trademark rights in Vietnam, we would like to emphasize the following solutions for trademark owners' consideration:

- *First*, in order to use the trademark in a timely manner, you must have tools to track the expiration dates of each trademark registration in order to be notified when your brand is at risk of cancellation.

Our recommendation is that you seek the opinions and counsel of a professional IP service provider. Some law firms offering professional IP services have specialized software to manage their clients' IP portfolio.

As a typical example, KENFOX IP & Law Office, possesses specialized software for managing the information and data of IP subject matters and IPR holders. Therefore, all information pertaining to trademark registration will be incorporated into the management software, and our IP attorneys will send you a reminder to remind you to take the necessary actions before deadlines.

- *Second*, you must timely renew your trademark registration. Renewal of a trademark registration in Vietnam is inexpensive, but if you fail to pay the renewal fee on time, your trademark will lose its validity. Then, a third party can register your trademark, and you may be at legal risks if you use your expired trademark.
- *Third*, you are obliged to use your registered trademark in commerce. Thus, if you are not prepared to use your registered trademark in Vietnam, [licensing others to use your trademark](#) is an option to prevent your registered trademark from being deemed non-use in commerce in order to avoid cancellation actions for non-use.
- *Fourth*, you may re-register your trademarks. If you still intend to use your marks, but are unable to do so, you can choose a suitable time to re-apply for registration of those marks with IP Vietnam.

### Final thoughts

Not only being an identifier of the commercial origin of goods or services, a trademark is regarded to be the most valuable asset of any business. Loss of trademarks means loss of business opportunity, market share, the right to monopolize the commercialization of the branded products and services. More seriously, you may face the risk of trademark infringement if a third party successfully registers your trademarks.

Finally, we believe that finding a professional IP service provider to work with is also a critical approach if you want your business to grow in the proper direction

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