

How to avoid losing trademark rights due to non-use in Vietnam

A trademark is an indispensable business asset because it carries value and serves as a unique mark of identification for brand owners. It can be an effective communication tool to convey intellectual and emotional attributes and messages about you, your company, and your company's reputation, products and services; it helps customers to easily find you, allowing you to effectively utilize the Internet and social media. Your trademark is the first thing customers enter into a search engine or social media platform (Facebook, Twitter, LinkedIn, etc.) when looking for your products and services. Higher traffic on a website or social media platform leads to higher rankings, bringing even more traffic, more customers and more brand recognition.

In legal perspective, as a trademark owner, apart from exclusive use right, you have rights to license others to use your trademark and prevent unauthorized use thereof or any other similar confusingly signs by any third parties. However, your trademark rights in Vietnam may be lost if third parties seek to cancel it on the grounds of non-use within 5 years after registration.

A lot of trademark owners have faced multiple cancellation actions from third parties. Tens of thousands of trademarks in Vietnam filed and registered every year in Vietnam and third parties choose to challenge your trademark if it is in conflict with their later-filed marks by initiating a cancellation action.

It goes without saying that there are no rights without obligations. You are under obligation to use your trademark or risk losing it. Apart from using the mark in commerce, whether another alternative is available for the trademark owner?

Thus, the central issue is how to avoid non-use trademark cancellation in Vietnam.

We suggest some options below from the legal and practical perspective for your consideration.



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1. Proceeding with using your trademark in Vietnam

You need to use your trademark or risk losing it. How does one prove use? Provisions relating to use of a trade mark are contained in Article 124.5 of Vietnam IP Law which provides that use of a mark means the performance of the following acts:

- (a) Affixing the protected mark on goods, goods packages, business facilities, means of service provision or transaction documents in business activities;*
- (b) Circulating, offering, advertising for sale or stocking for sale goods bearing the protected mark;*
- (c) Importing goods or services bearing the protected mark.*

From the foregoing provisions, there needs to be a clear chain of documentation showing use of the mark in relation to the goods/services for which the mark is registered. Evidence of use of the mark to

rebut non-use cancellation should be evidence of use in commerce, which may include any product samples, packaging, brochure, business correspondence affixed with the trademarks, or other sales or distribution contracts or import documentation concerning the sale, stocking or import of the products bearing the trademarks, etc. Normally, all this evidence of use is incorporated in an affidavit, which is notarized by a Notary Public.

If there have been no sales of the product bearing the mark during the relevant trade, then that's not the end of the matter. An "offer to trade", an advertisement that doesn't result in a sale, or sometimes the taking of preliminary steps before making an offer of sale can constitute use.

2. Licensing others to use your trademark in Vietnam

All trademark licenses are valid for third parties regardless of their registration with the IP Vietnam. The use of a trademark by a licensee under a lawful license agreement shall be regarded as the use of such a mark by the owner in Vietnam.

Thus, if you are not prepared to use your registered trademark in Vietnam, licensing others to use your trademark is an option to avoid non-use cancellation actions.

3. Using your trademark for advertisement in means of business in Vietnam

Means of business is understood as any means bearing or containing a protected industrial property subject matter and used to serve business activities (*for example, websites, introduction documents, name cards, means of transport and utensils and decorations in business establishments*). In such a sense, the trademark owners in Vietnam often choose to take the following actions within the 4th year of the trademark registration to constitute evidence of use of their registered mark in Vietnam:

- Placement of an advertisement for the protected goods and services under that trademark on a specific newspaper/magazine which is included in the list of publications archivable and scannable by the Industry & Trade Information Centre (ITIC) under the Ministry of Industry and Trade (MOIT) of Vietnam.
- Registering a .vn domain name and activating a website in Vietnamese language which offers for sale of the branded products.

4. Re-applying to register a trademark in Vietnam

Applying to register a trademark in Vietnam is quite cheap. Thus, when your trademark registration is about to reach 5 years after registration, but you are not prepared or in the course of preparations to use it, you may choose to re-register it with some slight amendments to your trademark and/or the list of goods/services. For this purpose, please see attached hereto our *Guidance, Quotation and form of Power of Attorney* for trademark registration in Vietnam.