

## Is the use of a trademark on the website considered admissible evidence against a trademark invalidation in Vietnam?

Any third party may file a request with the Intellectual Property Office of Vietnam to cancel the registration of a trademark if it has not been utilized by its owner for five years from the date of registration. This procedure serves to cancel trademarks that exist in the register but are not used in practice, and also to prevent trademark squatting that aims to block identical marks from entering the market. However, the absence of clear guidelines on the "use of trademark" in Vietnam's intellectual property law may hinder the institution's ability to invalidate trademarks based on non-use grounds stipulated in the law. As a result, this may render the institution ineffective or paralyzed in canceling trademark registrations.

Under Vietnamese IP Law, a third party has the right to request the Intellectual Property Office of Vietnam ("[IP Vietnam](#)") to terminate a trademark registration if the owner has not used the trademark for five years since registration. Along with conferring trademark ownership rights, Article 123 of the Intellectual Property Law of 2005, as amended in 2009 and 2019 (the "[IP Law](#)"), also imposes an obligation on trademark owners to use the trademark after registration. This means that the trademark owner bears the responsibility of using the trademark in commerce for a specific period of time in order to maintain its validity, in addition to renewing its validity before expiry. Failure to comply with this requirement may result in the termination of the trademark due to non-use. This regulation aims to impose a set of criteria that trademark owners must meet to maintain their trademark rights, while also providing a mechanism for canceling trademarks that are registered but not used in practice, and/or to prevent trademark squatting that aims to unfairly prevent similar marks from entering the market.

### Use of a mark

Article 124.5 of the IP Law specifies the following three kinds of actions as constituting the 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) *Circulating, offering, advertising for sale or stocking for sale goods bearing the protected mark;*
- (iii) *Importing goods or services bearing the protected mark.*

Article 124.5 of the IP Law sets out universal regulations on the use of trademarks that cover a broad range of circumstances. This, however, is precisely what has trademark owners, stakeholders, and even IP Vietnam examiners confused and embarrassed when deciding whether a trademark is used in a particular form or manner and whether statutory conditions are met to maintain or terminate trademark rights. The absence of specific guidelines in Vietnam's intellectual property laws regarding the "use of trademarks" may lead to inconsistent or unsuitable decisions to terminate or preserve trademarks in similar situations with similar nature.

In addition, the lack of explicit rules in Vietnam's intellectual property law regarding the act of "use of trademark" can invalidate or paralyze the institution's ability to invalidate trademarks based on the IP Law's grounds of non-use. Many trademark owners have exploited and abused the general provisions on the use of trademarks in Article 124.5 of the IP Law to maintain their trademark rights, which could have been invalidated if there were more strictly established rules for the use of trademarks, or at least more specific explanatory provisions. In actuality, it is not uncommon for a trademark to not be used in practice, but the trademark owner deliberately creates evidence of trademark use by: **(i)** placing advertisements in some newspapers, **(ii)** establishing websites and placing trademark information on websites, **(iii)** selling a very small quantity of goods in Vietnam, **(iv)** printing product boxes with registered trademark, etc. to cope with the possibility of losing trademark rights or retaining trademark rights for nefarious purposes (in case the trademark is registered on bad faith basis).

Obviously, the aforementioned actions are not prohibited by law, therefore trademark owners have the right to do anything legal to safeguard their interests to the fullest extent.

Because there are no specific provisions on "**genuine use**" and "**token use**", in many circumstances, IP Vietnam has no basis for invalidating a trademark even though it is aware that the trademark subject to cancellation action is not validly used in business practice. This has invisibly created a unique position for trademarks that are not used in commercial practice, but still exist naturally in the national trademark register of Vietnam; preventing other trademark owners from having a genuine need to use similar trademarks, thereby restricting market access for new products supplied by new manufacturers. In numerous instances where a trademark filed for registration at IP Vietnam conflicts with an existing cited mark, the applicant initiates the procedure to invalidate the cited trademark; however, the cited trademark owner only provides a small number

of proofs of use, which, according to the regulations in many countries, are intended for nominal or fraudulent use only, preventing IP Vietnam from making a decision on invalidation. In this case, the applicant is compelled to adopt a negotiated approach in order to get a Letter of Consent from the owner of the cited trademark, as the trademark registration they have just challenged is still valid. Clearly, at this stage, the applicant is in a weak position at this point and must agree to pay a substantial sum if he wants the trademark owner to issue a Letter of Consent to overcome IP Vietnam's refusal.

### Use of trademark on the website

Whether the use of a trademark on the website constitutes an act of using the trademark or is considered legal evidence under Article 124.5 of the IP Law to refuse the request for invalidation?

Affixing the protected mark on “means of business”, “means of service provision” is classified as trademark use under Article 124.5 of the IP Law. Means of business shall be understood as “*any means bearing or containing a protected industrial property subject matter or trade indication and used to serve business activities (for example, websites, introduction documents, name cards, means of transport and utensils and decorations in business establishments)*”. (Article 21 Circular 11/2015/TT-BKHCN). Thus, a website is a type of means of business, in which a trademark used on the website to introduce, offer for sale or advertise to sell goods bearing the registered trademark is considered as of the evidence to prove that the trademark has been used to deny a request for invalidation of the registered trademark.

Nevertheless, is the use of a trademark on a website with an international domain name (.com,.net, etc.) and a language other than Vietnamese, such as English, regarded legal proof that the trademark has been used in commerce in Vietnam? As no case has been published in Vietnam, there is no basis for a definitive answer about the requirements that a trademark must meet in order to be considered commercially used on a website. Article 124.5 of the IP Law requires proof that a trademark has been used, but Vietnam's intellectual property law does not offer specific guidelines on the requirements for using a trademark on a website in order to satisfy this need.

The topic of whether proof of trademark use on websites with international domain names and non-Vietnamese language should be recognized as valid has been a subject of debate in the intellectual property community. It is worth noting that (i) English is commonly used in Vietnam, (ii) many trademark owners operate international websites that allow consumers to access product information and purchase directly, and (iii) the ultimate goal of providing products to consumers is still achieved. However, if it is recognized that providing proof of trademark use on websites with international domain names and the language on the website is not in Vietnamese as proof of valid trademark use, many consequences may occur, in that, it makes the institution of trademark invalidation on a non-use basis meaningless and impossible for all trademarks, especially when it is not easy to verify when the trademark is posted on the website for use, it can be faked and accordingly, the trademark resource is increasingly depleted as the number of trademarks increases each year.

### Cancellation of the trademark used on the website – a case in Taiwan

Recently, the Intellectual Property Court of Taiwan (IP Court) issued a ruling in the case of a third-party requesting invalidation of a registered trademark in Taiwan by a Japanese individual. Specifically, this trademark was requested to be invalidated due to non-use for 3 consecutive years. To prove the use of the trademark, the trademark owner argued that the trademark owner had authorized a Company in Taiwan to sell goods bearing the trademark on this Company's website in Taiwan and that the trademark owner had cooperated with an online sales platform in Japan and sell goods affixed a registered trademark on that platform. Taiwanese consumers can purchase goods from an online sales platform in Japan and then have the goods shipped to Taiwan. Therefore, the trademark owner believes that his trademark has been used commercially in Taiwan.

Reviewing the case, the Taiwan Intellectual Property Office (TIPO) considered that the evidence provided by the trademark owner was not sufficient to prove that the disputed trademark was being used, and therefore, TIPO made a decision to invalidate the registration of that trademark. An appeal filed with the Ministry of Economic Affairs (MOEA) was also refused. The trademark owner then filed an appeal by filing an administrative lawsuit with the IP Court.

The IP Court ruled against the trademark owner, upholding the decisions of TIPO and MOEA on the invalidation of the trademark registration. The decision of the IP Court is based on the following reasons:

*First*, under Article 63-I(2) of the Taiwan Trademarks Act, the Registrar Office has the right to invalidate the registration of a trademark if it has not been used for three consecutive years without justifiable reason, unless it has been put into use by the licensee.

*Second*, the agreement between the trademark owner and the Taiwan Company proved that the parties were in a pure buying and selling relationship and not a licensing relationship, thus the sale of trademarked goods on the Taiwan Company's website could not be considered as the trademark owner's use of the disputed mark.

*Third*, according to TIPO's requirements for the use of registered trademarks, if the trademark is used on a website that does not have a top-level domain name '.tw', the trademark owner must further demonstrate that the site is intended to sell goods to the domestic market and aimed at domestic consumers.

*Fourth*, the online sales platform in Japan where the disputed trademark was allegedly used had a TLD of '.jp', indicating that it primarily targets consumers in Japan. Additionally, the language of the website was limited to Japanese, English, and Simplified Chinese, with no option to select traditional Chinese, and the payment method only displayed prices in Japanese yen. Therefore, the Amazon JP website was not aimed at Taiwanese consumers, and the sale of trademarked goods on the website could not prove the disputed trademark's use in Taiwan.

### Some recommendations

Vietnam's intellectual property landscape has seen significant progress since 2019. The country has approved its National Intellectual Property Strategy to 2030 and signed several new-generation free trade agreements, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), European-Vietnam Free Trade Agreement (EVFTA), Regional Comprehensive Economic Partnership (RCEP), and Free Trade Agreement Between Vietnam and UK (UKVFTA). To comply with its international commitments, Vietnam has been revising its IP Law for the third time, with 92 articles being amended or added. It is crucial to define the terms "genuine use," "token use," or "nominal use" in the IP Law or by-law documents to ensure the proper protection mechanism for trademarks. This is especially important because intellectual property is increasingly becoming the most valuable asset of enterprises. Vietnam can learn from other countries like Taiwan and its recent landmark case to resolve requests for invalidation of trademarks related to the use of trademarks on websites to protect genuine applicants' legitimate rights and interests and prevent bad-faith registration and use of trademarks.

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