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NAVIGATING NEW FACTS IN VIETNAM'S IP APPEALS: CHALLENGES AND OPPORTUNITIES

OVERVIEW

In Vietnam, safeguarding intellectual property (IP) rights can be quite challenging, especially when dealing with unfavorable decisions handed down by the IP Office of Vietnam. A significant obstacle in this regard is the intricate and ever-changing terrain of "new facts" in IP appeal proceedings. Determining what qualifies as a "new fact," when it can be introduced, and the impact of its introduction on the appeal's outcome has been a source of confusion for both IP rights holders and practitioners. With Vietnam's IP landscape continuously evolving, the regulations governing "new facts" are also changing, presenting opportunities and obstacles for those looking to safeguard their intellectual assets.



THE “NEW FACT”

When filing an appeal in intellectual property cases, new facts are considered unknown to the parties involved during the original application review. These facts could impact the decision to grant or refuse a protection certificate. However, new facts not presented during the initial examination and could have affected the original decision are generally not admissible in an appeal. These new facts might include documents such as a Letter of Consent or a Decision on 5-year non-use cancellation or invalidation against the cited trademark.

BACKGROUND

The definition of new facts in an IP appeal was initially outlined in Circular No. 16/2016/TT-BKHCH. According to this circular, new facts refer to those not considered during the examination process. Before the implementation of Circular No. 16/2016/TT-BKHCH on 01 January 2018, new facts, such as a Letter of Consent or a Decision on 5-year non-use cancellation or invalidation against the cited trademark provided by the trademark applicant after filing a trademark appeal, were still considered valid. This practice allowed intellectual property rights holders to pursue IP applications that the IP Office of Vietnam had declined.



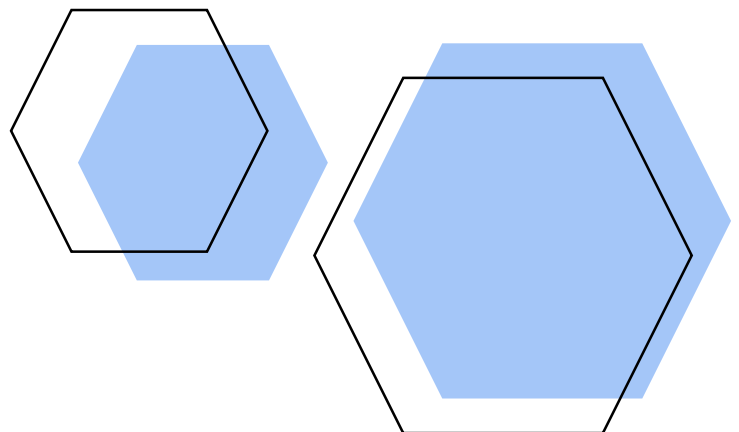
THE LEGAL BASIS

The handling of "new facts" in appeal proceedings has been a topic of debate in Vietnam due to its potential impact on case outcomes. IP practitioners argue that new facts should be allowed at any stage of the appeal process. Some jurisdictions accept the submission of Letters of Consent or the results of 5-year non-use cancellation or invalidation during appeal proceedings involving IP. They contend that IP appeal proceedings require a specialized approach and should not be treated like other fields.

However, according to lawmakers, an appeal can only be accepted if it can be proven that an IP refusal decision issued by the IP Office of Vietnam is unlawful. They argue that submitting new facts, such as a Letter of Consent, after filing an appeal cannot serve the purpose of proving that an IP refusal decision is unlawful.

Under Circular No. 16/2016/TT-BKHCN, IP applicants were required to submit new facts before the IP Office of Vietnam issued a refusal decision if they intended to overcome the refusal notice.

The conflicting provisions in Circular No. 16/2016/TT-BKHCN are due to its adherence to the principles outlined in the Law on Complaints, which governs general complaints. Specifically, an appeal is only considered valid when the appellant has grounds to believe that the decisions and notices are unlawful and directly infringe upon their legitimate rights and interests (as per Article 2.1 of the Law on Complaints and Article 21.1 (a) of Circular No. 16/2016/TT-BKHCN).





THE DEVELOPMENT OF "NEW FACTS" AS STATED IN CIRCULAR NO. 23/2023

After the 3rd revision to Vietnam's IP Law in 2022 and the issuance of Decree No. 65/2023/ND-CP, the Ministry of Science & Technology of Vietnam issued Circular No. 23/2023/TT-BKHCHN ("Circular 23"), which rendered Circular No. 16/2016/TT-BKHCHN ineffective.

Circular 23 includes provisions on "new facts" that have been continuously updated. For example, Article 35.3 (b) of Circular No. 23/2023/TT-BKHCHN states that new facts discovered after the decision on granting or refusing to grant a protection title will not be accepted in the course of settlement of an IP appeal unless a third party puts forth such facts under Article 38.6 (b) of the same circular. Moreover, according to Article 38.6 (b) of Circular No. 23/2023/TT-BKHCHN, if an appellant who is not the applicant or requester for establishment of industrial property rights or registration of a contract on transfer of industrial property rights provides new facts likely to affect appeal settlement conclusions, IP Office of Vietnam shall re-examine the new fact-related contents based on procedures for re-examining the registration application for establishment of industrial property rights. Subsequently, the first-time appeal settler will issue an appeal settlement decision based on the examination results.

On the other hand, the trademark appellant can utilize Article 38.6(b) of Circular No. 23/2023/TT-BKHCHN to submit "new facts" during the appeal process through a third-party mechanism in Vietnam. This provision determines when such "new facts" will be considered admissible in IP appeals.

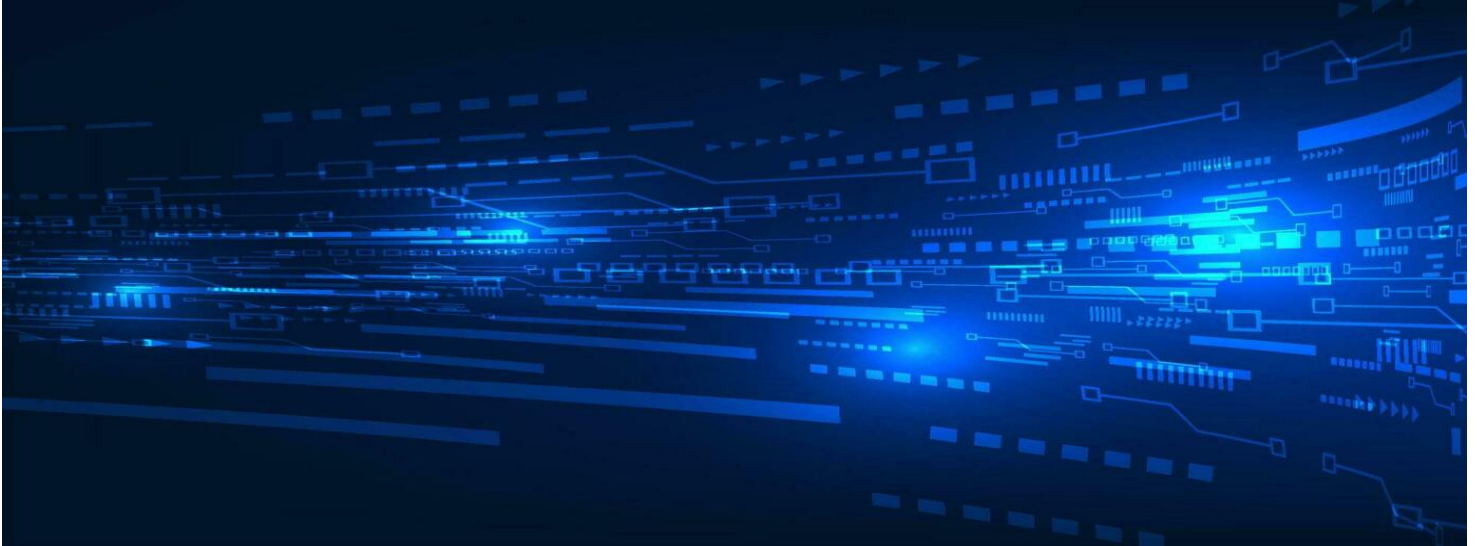
According to Article 38.6(b) of Circular No. 23/2023/TT-BKHCHN, the proactive submission of new facts, such as a Letter of Consent by the conflicting trademark owner to the IP Office of Vietnam, can be instrumental in resolving trademark appeals. The submission of a LoC may align with the provisions of Article 38.6(b) of Circular No. 23/2023/TT-BKHCHN, supporting the resolution of the applicant's appeal and potentially being treated as admissible new evidence during the proceedings.

Moreover, if a third party, other than the appellant, submits information indicating that the cited trademark registration is under the 5-year non-use cancellation or invalidation process, this submission may fall within the purview of Article 38.6(b) of Circular No. 23/2023/TT-BKHCHN. In such cases, the IP Office of Vietnam may have to suspend the examination of the appeal due to the introduction of a new fact by a third party, as it is likely to impact the conclusions of the appeal settlement.

To summarize, in Vietnam, new facts submitted by the appellant will not be considered or accepted in the appeal proceedings before the IP Office of Vietnam unless presented by a "third party." It's important to remember that only new facts submitted by the "third party" will be accepted in the appeal resolution process in Vietnam.

THE CONSEQUENCES OF THE RECENTLY IMPLEMENTED REGULATIONS

The inclusion of new facts by third parties is presumed to provide the IP Office of Vietnam with a more thorough understanding of the pertinent details, potentially resulting in more accurate decisions and, ultimately, a fairer outcome. Nevertheless, introducing new facts through third-party submissions may prolong the appeals process and add complexity. This can prompt the IP Office of Vietnam to launch additional investigations or hearings to assess the latest evidence. Suppose third parties are permitted to introduce new facts after initiating the appeal. In that case, IP agents or the IP applicant may need to utilize a third party to submit such new facts to the IP Office of Vietnam, thereby validating the third party's submission. This process will elevate the costs and complexity of appeal proceedings in Vietnam.



CONCLUSION

Considering new evidence from a third party in an IP appeal offers potential benefits and drawbacks for all parties involved. It's essential for IP owners and their legal representatives to understand these new regulations and to be well-prepared to utilize this process effectively. IP holders should submit all pertinent evidence from the beginning and be prepared to adjust their tactics as necessary to safeguard their rights. This alteration to the "new facts" regulation represents a significant advancement in enhancing Vietnam's IP system, but it necessitates adaptability and careful consideration from all stakeholders.

Disclaimers:

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DAITIN & ASSOCIATES

Lawyers and Consultants

CONTACT

Please contact Daitin & Associates if you require any further information or guidance in the procedures of acquiring, protecting intellectual property rights in Vietnam | Cambodia | Laos | Myanmar | Thailand | Philippines | Brunei | Indonesia.

info@daitin.com.vn | www.daitin.com.vn