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New finds this week

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IMPORTANT CONSIDERATIONS FOR PATENT ASSIGNMENTS IN VIETNAM

Overview

The transfer of intellectual property, particularly the assignment of patent rights, is fundamental to commercializing and managing intellectual assets. In Vietnam, the regulatory framework governing the recording of assignments for granted patents is notably rigorous, which can create significant challenges for patent holders. This article examines common objections encountered during this process and offers practical solutions to address these challenges effectively.

Absence Of An Assignment Price

Pursuant to Article 140 of the Intellectual Property Law, an assignment must stipulate an assignment price. An assignment that fails to specify an assignment price will be subject to objections. In practice, even if a price of zero is indicated, but the assignment includes provisions for payment, it may still be objected to due to an inherent contradiction.

For assignments encompassing multiple patents, individual prices for each patent must be distinctly articulated. Should only a lump sum be mentioned, and the records request pertains exclusively to a subset of these patents, the Intellectual Property Office of Vietnam may raise objections. To mitigate such issues, the patent owner may be required to submit an annex to the assignment delineating individual prices or to provide a revised assignment that addresses the objection adequately.

Absence Of Signatures On Each Page Of A Multi-Page Assignment

According to Article 58 of Decree 65/2023/ND-CP, it is mandatory for all pages of a multi-page assignment to be signed by both parties or to feature a seal that overlaps all pages, thereby acting as a binding mark. This requirement may be unfamiliar to foreign patent holders. However, the IP Office of Vietnam may accept notarized assignments as an adequate means to fulfill this obligation.

Representation Of Both Parties By Separate Individuals

The IP Office of Vietnam enforces Article 141 of the Civil Code, which stipulates that an assignment cannot be executed by the same individual representing both the assignor and the assignee. It is essential for each party to have a distinct representative sign the assignment. Foreign patent owners should be aware that there could be questions regarding whether Article 141 of the Civil Code should apply instead of the IP Law when examining requests for patent assignment records. Although the IP Law governs patent assignments, the IP Office's reliance on the Civil Code may require further clarification.

Requirements For Signatures And Seals

It is crucial that assignments feature wet signatures. Suppose there is any doubt regarding the authenticity of a signature—such as suspicions that it may not be a wet signature or if seals are used in place of signatures—the IP Office of Vietnam may request legalization documentation to verify the integrity of the assignment. Since the legalization process can be both time-consuming and expensive, utilizing wet signatures on assignments is highly recommended to avoid delays and additional costs.

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Original Patent Certificate

A records request must encompass the original patent certificate. This requirement may pose challenges for patent holders. However, in instances where the original certificate is damaged, faded, or otherwise unusable, the patent holder may petition the Intellectual Property Office of Vietnam for the issuance of a duplicate patent certificate. This duplicate may then be submitted instead of the original certificate during the recorded process. Furthermore, as of 23 August 2023, following the enactment of Decree 65, applicants submitting patent applications are required to indicate their preference regarding the format of the patent certificate, whether in paper or electronic form. To date, no patent certificates in electronic format have been issued. According to Article 58 of Decree 65, the requirement to submit an original patent certificate with a request for assignment recordal pertains exclusively to certificates issued in paper format. Patent owners should consider these factors carefully when preparing to record their patent assignments.

Legitimacy Of The Granted Patent

An assignment cannot be recorded if the transferred patent is deemed invalid. This situation typically arises when a patent has expired or when the required annuities have not been paid. Should a patent be invalid, the Intellectual Property Office of Vietnam will issue an office action objecting to the assignment request. Patent holders should ensure that all annuities are duly paid and that the patents remain valid prior to submitting records requests. Moreover, in cases involving multiple patents, it is essential to verify the validity of each individual patent. The presence of any invalid patent within the group may impede the recordal process until the necessary annuities are settled or invalid patents are removed from the request.

Patent Holder Information

The information pertaining to patent holders is subject to rigorous examination during the recorded process. Minor discrepancies in the names or addresses of assignors, as reflected in the records of the Intellectual Property Office of Vietnam, powers of attorney, or assignment documents, may result in office actions. It is imperative for patent owners to ensure that all documents are consistent and accurate to mitigate the risk of such objections.



The Legitimacy Of The Assignment And The Records Of Ownership Transfers

In situations involving a series of assignments, it is vital to record each assignment in the correct order. For instance, if Company A assigns a granted patent to Company B, and subsequently, Company B transfers it to Company C, complications may arise if Company B is no longer in existence. In such cases, the assignment from A to B must be recorded initially, followed by the assignment from B to C. The absence of Company B to execute the necessary documentation, such as a power of attorney, poses significant challenges in this process. Furthermore, a patent right cannot be enforced by an entity that is not officially recorded as the patent owner with the Intellectual Property Office of Vietnam. Specifically, under Article 148 of the Intellectual Property Law, a patent assignment is not deemed effective until the Intellectual Property Office of Vietnam has successfully recorded it. Conversely, while a patent license becomes effective between parties upon agreement, it only holds effectiveness against third parties after successful recording with the Intellectual Property Office of Vietnam. This discrepancy creates difficulties when enforcement of a patent right is required and the assignment has yet to be recorded. Therefore, patent owners are advised to promptly address assignments and ensure that records are submitted promptly to prevent such complications.

Conclusion

In Vietnam, patent assignments must adhere to specific legal regulations to prevent objections and complications. There have been instances where patent assignments were included as part of broader commercial agreements, leading to complications during recording. These objections often stem from the commercial agreements not fulfilling the necessary legal criteria. Therefore, patent holders should be aware of the exact requirements to ensure smooth recording with the patent office. Additionally, it may be beneficial for patent holders to consult with a local patent attorney to understand the necessary components of a valid assignment document needed for proper recording.

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