

# IP KNOWLEDGE EXTRACT

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## NAVIGATING PATENT ASSIGNMENT CHALLENGES IN VIETNAM: KEY REGULATIONS AND PRACTICAL SOLUTIONS

By Uyen Ngo, Nguyen Hoa Binh, et al.

### What's New

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## Overview

The transfer of intellectual property, especially the assignment of patent rights, is essential for effectively commercializing and managing intellectual assets. In Vietnam, the regulations that oversee the recording of assignments for granted patents can be stringent, which may pose challenges for patent owners. This article examines common objections faced during the assignment process and offers practical solutions to navigate these issues effectively.

## Specific Price

Under Article 140 of the IP Law, it is a requirement that an assignment includes a specified assignment price. If an assignment fails to indicate a price, it is likely to face objections.

In practical terms, even if the price is zero, any assignment incorporating payment provisions could still be contested due to this inconsistency.

When an assignment involves multiple patents, listing separate prices for each is essential. Should only a lump sum be provided, and if the records request pertains to just a portion of these patents, the IP Office of Vietnam may raise concerns.

To resolve such issues, the patent owner might be required to submit an annex detailing individual prices for each patent or provide a revised assignment to address and eliminate any objections from the IP Office of Vietnam.

## Signatures And Seal

According to Article 58 of Decree 65/2023/ND-CP, it is mandatory for all pages of a multi-page assignment to have signatures from both parties or display a seal that overlaps all pages, which serves as a binding mark. This requirement may be new to foreign patent holders. However, in practice, the IP Office of Vietnam may consider notarized assignments as fulfilling this condition.

Moreover, when completing assignments, it is essential to include wet signatures. If there is any doubt regarding the authenticity of a signature or if a seal is used instead of a signature, the IP Office may mandate legalization to confirm the document's validity.

Given that the legalization process can be both time-consuming and expensive, utilizing wet signatures in assignments is recommended to prevent unnecessary procedures and additional costs.

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## Distinct Representatives

The IP Office of Vietnam references Article 141 of the Civil Code of Vietnam to challenge assignments where the same individual represents both the assignor and the assignee. This regulation stipulates that each party must have a distinct representative to sign the assignment.

Additionally, foreign patent owners might not be acquainted with this requirement, which could lead to confusion. A pertinent question arises regarding whether Article 141 of the Civil Code, rather than the IP Law, should be applied when evaluating requests for patent assignment records. Although the IP Law governs patent assignments, the IP Office's invocation of the Civil Code may necessitate further clarification in this context.

## Original Patent and Validity

When submitting a records request for patent assignments, including the original patent certificate is essential. This requirement may pose challenges for patent owners. In cases where the original certificate is damaged or faded, patent owners have the option to request a duplicate patent certificate from the IP Office. This duplicate can then be used in lieu of the original certificate during the recorded process.

Additionally, as of August 23, 2023, following the implementation of Decree 65, all applicants filing patent applications must indicate whether they prefer to receive their patent certificate in paper or electronic format. To date, however, no electronic patent certificates have been issued.

Importantly, Article 58 of Decree 65 clarifies that the obligation to provide an original patent certificate is applicable only to those certificates issued in paper format.

Patent owners should consider these important points when planning to record their patents assignments.

On the other hand, when submitting an assignment for a patent, it's essential to ensure that the patent is valid. A patent may be considered invalid for several reasons, such as expiration or failure to pay the necessary maintenance fees. In cases of invalid patents, the Intellectual Property Validation Network may respond with an office action rejecting the assignment request.

Patent owners should prioritize the payment of annuities and confirm the validity of their patents prior to initiating records requests. Furthermore, if the request involves multiple patents, it is crucial to verify the validity of each one. The presence of any invalid patent in the group can impede the recording process, as it may lead to delays until the appropriate annuities are paid or until invalid patents are removed from the request.



## Consistency And Accuracy In Patent Holder Information

When it comes to the recorded process for patent holders, it's important to understand that the information provided is subject to meticulous review. Even small inconsistencies in the assignor's name or address among IP Office records, powers of attorney, or assignment documents can result in office actions. Therefore, patent owners need to prioritize consistency and accuracy across all their documentation to prevent potential objections during this process.

On the other hand, when dealing with a series of patent assignments, it is essential to record these assignments in the correct order. For instance, if Company X assigns a granted patent to Company Y, and Company Y later assigns it to Company Z, complications may arise if Company Y has ceased to exist. In such cases, it is crucial to first record the assignment from Company X to Company Y, followed by the assignment from Company Y to Company Z. If Company Y is no longer operational and cannot execute the necessary documentation, such as a power of attorney, this can complicate the process further.

Additionally, it is important to note that a patent right cannot be enforced if the entity seeking enforcement is not officially recognized as the patent owner by the IP Office. According to Article 148 of the IP Law, a patent assignment is only effective once it has been properly recorded with the IP Office. While a patent license becomes effective between the involved parties upon agreement, it only holds legal weight against third parties once recorded with the IP Office. This underscores the importance of promptly recording assignments to ensure that patent rights can be enforced without delay.

Therefore, patent owners are advised to address assignments quickly and ensure that all relevant records are submitted without unnecessary delays to avoid potential complications in enforcement.

## Conclusion

In Vietnam, patent assignments must adhere to strict legal regulations to prevent objections and complications during the process. There have been instances where patent assignments were part of broader commercial agreements, but these were often rejected because the agreements failed to meet rigorous legal standards. Therefore, patent holders should pay close attention to the requirements for recording assignments with the patent office. To navigate these complexities, it may be beneficial for patent holders to consult with a local patent attorney to ensure their assignment documents meet all necessary criteria for proper recording.

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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](mailto:info@daitin.com.vn) | [www.daitin.com.vn](http://www.daitin.com.vn)