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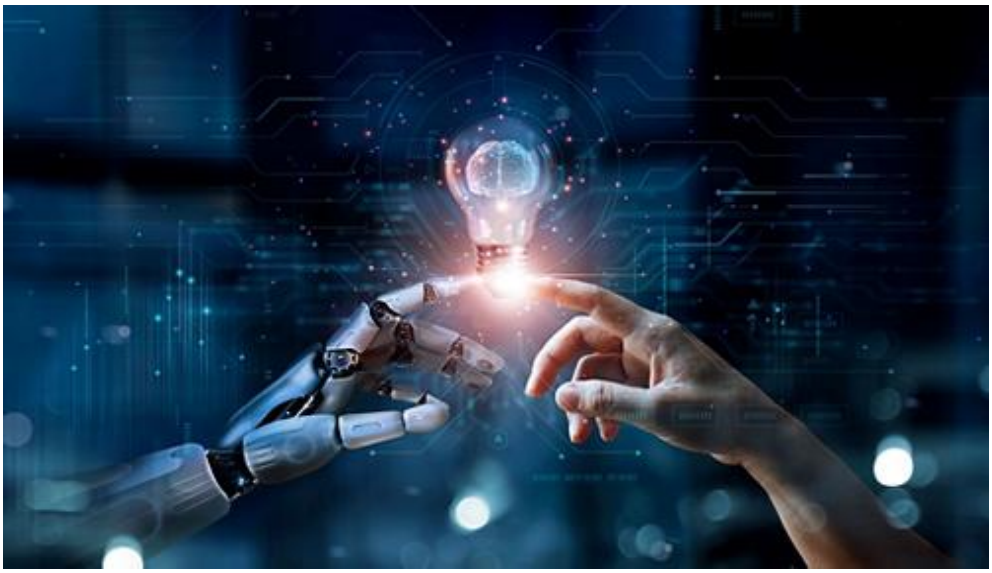

KEY LEGAL CONSIDERATIONS FOR TRADEMARK ASSIGNMENT IN VIETNAM

OVERVIEW

At Daitin & Associates, we recognize that trademark assignment in Vietnam is governed by strict statutory requirements and subject to substantive examination by the Intellectual Property Office of Vietnam. In practice, assignments are often refused where they are considered likely to cause consumer confusion or where they do not comply with mandatory provisions. The following sections outline the main issues and risks that arise during trademark assignment procedures, together with measures that may help overcome them.

SIMILARITY WITH ASSIGNOR'S TRADE NAME

One of the most common grounds for refusal is where the assigned trademark is identical or confusingly similar to the assignor's trade name. Under Article 139.4 of the IP Law, such an assignment will not be recorded if it creates a likelihood of confusion as to the nature, characteristics, or commercial origin of goods or services. Since a trade name is itself an object of industrial property rights, the IP Office of Vietnam often considers the concurrent existence of a trade name and a trademark with the same or similar elements as misleading to consumers. To avoid refusal, the assignee may submit documents proving that the assignor has transferred all business operations connected with the trade name, amended its business registration to exclude relevant business lines, dissolved the company, or officially changed its trade name. In certain cases, a formal declaration by the assignor that the trade name has never been used, or has ceased to be used in Vietnam, may also be accepted as evidence to demonstrate that no conflict exists.

SIMILARITY WITH ASSIGNOR'S OTHER MARKS

Another significant issue arises when the assigned trademark is confusingly similar to other marks still owned by the assignor. In such situations, the IP Office of Vietnam is likely to refuse the assignment on the grounds that consumers may be misled into believing that the assigned mark and the remaining marks originate from the same source. This is especially problematic when the assignor owns a series of marks with minor variations, as retaining ownership of those marks while assigning just one can cause confusion in the marketplace. To prevent this, the assignee should conduct a thorough review of the assignor's entire portfolio before finalizing the assignment agreement. It is advisable to negotiate for the assignment of all related marks or to request that the assignor voluntarily terminate similar registrations. Addressing this issue proactively is crucial, since attempting to resolve conflicts after a refusal may prove more costly and time-consuming.

MISLEADING TRADEMARK ELEMENTS

Assignments may also be refused where the trademark itself contains elements that could mislead the public. These elements often include geographical names, descriptive indications, or words suggesting quality or value that do not correspond to the actual goods or services. The IP Office of Vietnam closely examines whether the use of such elements could result in consumers being misled as to the origin, characteristics, intended use, or quality of the goods or services associated with the mark. If an objection is raised, the assignee may be required to provide supporting evidence to prove that use of the trademark will not mislead the public, such as documents showing consistent business practices or the commercial rationale behind the mark. Where such evidence is insufficient, the parties may need to amend the trademark registration to remove or alter the misleading element before the assignment can be recorded.

PARTIAL ASSIGNMENT RISKS

Vietnamese law permits partial assignment of trademarks, allowing a trademark owner to transfer rights to certain goods or services under a registration. However, this flexibility comes with a significant risk of refusal if the goods or services retained by the assignor are too closely related to those being transferred. In such cases, the IP Office of Vietnam often finds that consumers may be confused about the commercial origin of the goods and services, particularly when they overlap in trade channels or target the same customer base. To avoid this, the goods and services in the assignment agreement must be clearly delineated and independently identifiable. The drafting of the assignment should be approached with precision to ensure that the separation between assigned and retained goods or services is both logical and consistent with market realities.

ASSIGNEE'S LEGAL CAPACITY

Under Article 139.5 of the IP Law, trademark rights may only be assigned to organizations or individuals who are legally entitled to register such marks. Article 87 further provides that entities may only register marks for goods they produce or services they provide. While the IP Office of Vietnam does not routinely verify the assignee's capacity, it may raise questions where there is reason to believe the assignee cannot lawfully produce or trade in the relevant goods or services. In such cases, the assignee may be required to submit documents such as business registration certificates or licenses to prove their eligibility. Ensuring that the assignee has the appropriate legal capacity before filing the assignment can prevent unnecessary objections and delays.

ASSIGNMENT PRICE REQUIREMENT

Vietnamese law requires that a trademark assignment agreement must specify a clear and definite assignment price. The absence of a properly defined price, or inconsistencies in how it is recorded, may render the agreement invalid. The agreement must state the price in an identified currency and avoid contradictions between free-of-charge assignments and provisions that still imply payment obligations. If the assignment is free of charge, this must be explicitly stated. Since the assignment price is one of the four mandatory elements of an assignment agreement, careful drafting is necessary to avoid the risk of rejection by the IP Office of Vietnam on purely formal grounds.

EXISTING LICENSE CONFLICTS

Assignments may be refused if the trademark is currently subject to one or more licensing agreements registered with the IP Office of Vietnam. This is because the rights of existing licensees may conflict with the rights of the assignee. To resolve this issue, the assignor must notify all licensees of the intended assignment and obtain their written consent or acknowledgment. Failure to secure the licensees' cooperation may result in refusal of the assignment recordal. Therefore, it is essential for parties to review existing license agreements and address potential conflicts at the negotiation stage, rather than waiting until the application is under examination.

FORMAL AGREEMENT REQUIREMENTS

In addition to substantive issues, assignments must comply with several formal requirements under Vietnamese law. The agreement must be executed in writing, dated clearly, and signed by the legal representatives of both parties or duly authorized agents. If the document consists of multiple pages, each page should be signed or sealed to confirm its authenticity. Where the signatory is not the legal representative, a valid power of attorney must be provided. In the case of business establishments or household businesses, additional documents may be required, such as written consent from all members or evidence of sole proprietorship. Any failure to comply with these formalities may result in rejection of the agreement, even if the substantive issues are otherwise resolved.

CONCLUSION

In conclusion, trademark assignment in Vietnam is not a mere administrative procedure but a process subject to close scrutiny by the IP Office of Vietnam. Successful recordal requires careful legal planning, early identification of risks, and strict compliance with both substantive and formal requirements. At Daitin & Associates, we advise clients to conduct thorough due diligence before executing assignment agreements, structure the transaction with foresight, and prepare supporting documents in anticipation of possible objections. Such proactive measures significantly reduce the risk of refusal and ensure that the assignee's rights are valid, enforceable, and aligned with Vietnamese legal practice.

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