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INTELLECTUAL PROPERTY AS AN ECONOMIC ASSET IN VIETNAM'S LEGAL TRANSITION

OVERVIEW

The adoption of the amended Law on Intellectual Property by Vietnam's National Assembly in December represents a fundamental recalibration of how intellectual property is understood within the national legal system. Rather than treating intellectual property solely as a mechanism of exclusion or legal defense, the new legislative framework positions intellectual assets squarely within the logic of a market economy. Intellectual property rights are no longer viewed merely as statutory privileges but as economic resources capable of circulation, valuation, capitalization, and integration into commercial and financial transactions.

This shift reflects a broader transformation underway in Vietnam's development strategy. As the economy moves from labor-intensive growth toward innovation-driven and technology-based expansion, intangible assets increasingly determine enterprise value and competitiveness. The amended law signals the State's recognition that creativity, technological know-how, and brand equity must be mobilized rather than passively protected if they are to contribute meaningfully to economic growth.



REFRAMING OWNERSHIP AND EXPLOITATION OF INTELLECTUAL PROPERTY RIGHTS

One of the most consequential aspects of the amended law is the explicit recognition of intellectual property rights as transferable and exploitable assets in civil, commercial, and investment contexts. Right holders are now clearly entitled to use patents, trademarks, industrial designs, and other protected rights as capital contributions, collateral for financing, or objects of commercial transactions. This clarification resolves long-standing uncertainty that previously discouraged enterprises and financial institutions from relying on intellectual property in transactional structures.

By aligning intellectual property with the broader legal frameworks governing enterprises, investment, and credit, the law removes artificial barriers between innovation and finance. Enterprises, particularly those operating in technology, manufacturing, and creative industries, are now better positioned to leverage their intangible assets as part of their balance sheets. For start-ups and research-driven companies with limited tangible property, this recognition is especially significant, as intellectual property often constitutes their most valuable asset.

Importantly, the State's role under the new law is not confined to recognition. The legal framework actively encourages the commercial exploitation of intellectual property, signaling a policy preference for circulation and value generation rather than mere exclusivity. This approach reflects an understanding that unused or underutilized intellectual property represents lost economic potential, both for right holders and for the economy at large.

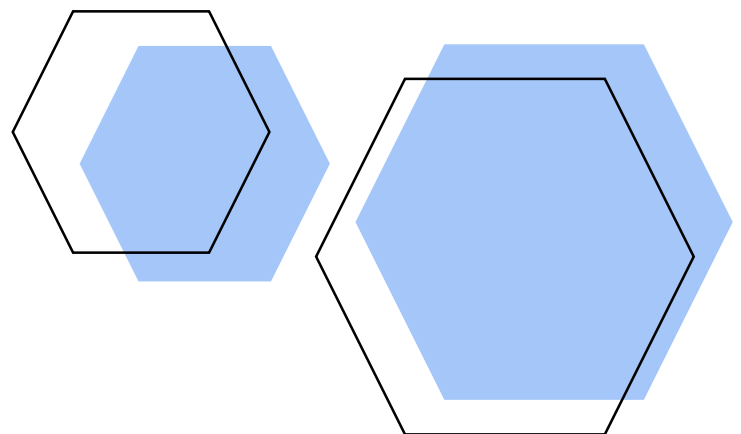


CREATING INFRASTRUCTURE FOR INTELLECTUAL PROPERTY TRANSACTIONS

A persistent obstacle to the commercialization of intellectual property has been the absence of reliable valuation mechanisms. Unlike real estate or movable property, intellectual assets derive value from future economic potential, legal strength, and market conditions, all of which are difficult to quantify. The amended law addresses this challenge by mandating the development of a national infrastructure for intellectual property valuation and transactions.

Central to this effort is the establishment of a database of intellectual property transaction prices, designed to provide transparency and reference benchmarks for the market. While such a database cannot eliminate subjectivity from valuation, it can significantly reduce information asymmetry and improve confidence among investors, lenders, and enterprises. Over time, accumulated data may also contribute to the development of standardized valuation methodologies tailored to Vietnam's economic conditions.

The law also situates intellectual property administration within the State's broader digital transformation agenda. By prioritizing digital platforms, data integration, and automated administrative processes, the amended framework seeks to reduce transaction costs and improve accessibility. Innovation centers are identified as focal points where research institutions, enterprises, and investors converge, facilitating the transfer and commercialization of intellectual property. These centers are expected to play a catalytic role, transforming research outputs into market-ready assets through legal, technical, and financial intermediation.





VIETNAM IN THE CONTEXT OF GLOBAL INTELLECTUAL PROPERTY ASSETIZATION

Vietnam's approach to treating intellectual property as an economic asset is neither unprecedented nor belated when viewed against international practice. In developed economies such as the United States and members of the European Union, intellectual property has long been integrated into corporate finance, licensing markets, and cross-border transactions. Patent portfolios and trademark assets are routinely reflected in company valuations and used as strategic tools in mergers and acquisitions.

In East Asia, Japan and South Korea pioneered patent-backed financing mechanisms decades ago, enabling technology firms to secure funding based on the strength of their intellectual assets. China has pursued an especially aggressive strategy over the past decade, combining state policy, financial incentives, and institutional infrastructure to promote patent commercialization and technology transfer. These experiences demonstrate both the potential and the complexity of intellectual property assetization, particularly the need for reliable valuation and effective enforcement.

Against this backdrop, Vietnam's legislative reforms appear timely. As innovation and digital transformation are identified as central growth drivers, delaying the integration of intellectual property into economic structures would risk leaving valuable assets dormant. The amended law provides a necessary legal foundation, though its success will ultimately depend on implementation capacity, market participation, and institutional coordination.

RESPONDING TO TECHNOLOGICAL CHANGE AND RIGHTS CONFLICTS

Beyond economic exploitation, the amended law addresses emerging challenges posed by rapid technological change. Artificial intelligence, digital design, and data-driven innovation raise complex questions about authorship, inventorship, and rights allocation. The law adopts a balanced approach by reaffirming human creativity as the core criterion for protection while recognizing the role of artificial intelligence as a tool that may assist, but not replace, human contribution.

Where creative outcomes are generated autonomously by artificial intelligence without meaningful human involvement, protection is denied. Conversely, when individuals use artificial intelligence as part of a creative process and make substantive contributions, they remain entitled to protection. This approach aligns Vietnam with prevailing international trends and avoids prematurely extending rights in ways that could distort innovation incentives.

The law also expands protection for industrial designs to encompass non-physical and digital forms, reflecting the growing economic importance of digital interfaces and virtual products. At the same time, it introduces mechanisms to manage conflicts between overlapping intellectual property rights. Courts are empowered to intervene where the exercise of later-arising rights interferes with earlier rights, ensuring that intellectual property protection does not become a tool for unjustified obstruction.



CONCLUSION

Taken together, the amendments to the Law on Intellectual Property mark a transition from a protection-oriented regime to a value-driven framework. Intellectual property is no longer conceived merely as a shield against infringement but as a strategic resource capable of generating economic returns. This shift is reinforced by parallel reforms in related legislation, including laws governing high technology and innovation, signaling a coherent policy direction.

The effectiveness of this transformation will depend on several factors. Valuation systems must be credible, enforcement mechanisms must remain robust, and intermediary institutions must develop the expertise required to bridge legal, technical, and financial considerations. Enterprises, for their part, must adopt a more strategic approach to intellectual property management, integrating legal protection with commercialization planning from the outset.

Nonetheless, at the level of legal policy, Vietnam has taken a decisive step. By embedding intellectual property within the operational logic of the market economy, the amended law lays the groundwork for a more dynamic, innovation-driven future. Intellectual property rights are no longer passive legal entitlements but active economic instruments, capable of shaping enterprise growth and national competitiveness in the years ahead.

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