



TRADEMARK TRANSFER IN VIETNAM

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The below Legal Summary prepared by BLG contains a brief discussion with tailored practical information for investment and business activities in Vietnam.

The article concentrates on notes for trademark transfer in Vietnam.

In Vietnam, the transfer of industrial property rights pertaining to trademark, as commonly referred to as trademark transfer ("*Trademark Transfer*"), has to comply with specific regulations. This article shall concentrate on the essential requirements for a valid and enforceable Trademark Transfer under current applicable laws.

1. Effective Protective Certificate

As defined in the IP Law^[1], industrial property rights to trademark shall be granted to its owner by a decision of Intellectual Property Office of Vietnam (*the "IP Office"*) in accordance with the registration procedures stipulated in the IP Law, or recognized in Vietnam based on an international registration pursuant to an international agreement to which Vietnam is a signatory^[2] ("*Protective Certificate*"). The Protective Certificate shall be valid for a certain period of time and may be subject to renewal^[3].

Consequently, the initial condition of a Trademark Transfer is the existence of an effective Protective Certificate. If the transferor's industrial property rights are invalidated, a Trademark Transfer shall be rendered null and void.

2. Lawful and adequate Trademark Transfer contract

It is required that the Trademark Transfer contract be in writing. As a general rule, a Trademark Transfer contract adheres to the conditions required for valid transactions in Article 117 of the Civil Code 2015^[4]. Moreover, it has to incorporate a minimum of 04 specific terms and conditions as stipulated in Article 140 of the IP Law.

In regard to the information of the transferor, the name and address of the transferor are as same as those in the Protective Certificate.

Regarding the grounds for the Trademark Transfer, the details of the Protective Certificate must be recorded.

With respect to the transfer price, it must be specific and clear. In case of transfer without charge, it must be written as "Free".

^[1] Law on Intellectual Property No. 50/2005/QH11 which is amended by the Law No. 36/2009/QH12, Law No. 42/2019/QH14 and Law No. 07/2022/QH15 (*the "IP Law"*).

^[2] Point a Clause 3 Article 6 of the IP Law.

^[3] Clause 6, 8 Article 93 of the IP Law.

^[4] **Article 117. Conditions for effective civil transactions (Civil Code 2015)**

In relation to the rights and obligations of each party, it should be lawful and reasonable. For example, the obligation to make a payment for the transfer price is not appropriate in case of a free Trademark Transfer.

3. Compulsory registration procedure

Upon the fulfillment of all above conditions, a Trademark Transfer contract shall only come into force when it has been duly registered with the IP Office^[5].

The registration dossier mainly comprises a declaration requesting recognition of the Trademark Transfer; a Trademark Transfer contract; a Protective Certificate; a fee receipt; and other documents on case by case basis.

The IP Office shall examine the submitted application, and subsequently notify the applicant to adjust and supplement the dossiers in the event of any errors. If the application is deemed sufficient and all conditions of Trademark Transfer are duly satisfied, the IP Office shall record such transfer.

In theory, it takes IP Office 02 months from the date of receiving the complete dossier to issue a decision to record the Trademark Transfer and the Protective Certificate with new endorsed owner. However, in practice, this term may prolong from 04 to 06 months due to workload of the IP Office.

4. Restrictions on Trademark Transfer

Not all Trademark Transfer can be successfully registered. Article 139 of the IP Law lists out 03 restrictions on Trademark Transfer.

First, Trademark Transfer is applicable to the scope of protection duly granted to it.

Second, Trademark Transfer must not cause confusion about the characteristics, origin of the goods or services associated with the trademark.

The common circumstances fall under this restriction may be:

- a) The trademark to be transferred is regarded identical with or confusingly similar to the transferor's trade name, thus potentially leading consumer to believe that the transferred trademark and trade name has the same origin of commerce derived from the transferor.

^[5] Clause 1 Article 148 of IP Law.

In such case, the registration of the Trademark Transfer may only be registered if it can be proved that the transfer does not cause any confusion. The IP Office provides following potential solutions^[6]:

- The transferor has transferred the entire business premise and business activities under the trade name to the transferee; or
 - The transferor has eliminated their business lines related to the goods/service bearing the assigned mark, and such elimination must be recorded in the transferor's Business Registration Certificate; or
 - The transferor has been dissolved and ceased to exist after the Trademark Transfer contract was signed, which must be proved by relevant documents; or
 - After the Trademark Transfer contract was signed, the transferor has already changed its name to exclude the element which is identical with or confusingly similar to the assigned trademark, and such change of name must be recorded in the relevant trademark registration certificate; or
 - All other cases satisfy the criteria as prescribed in Point k, Clause 2, Article 74, and Article 139 of the IP Law.
- b) The trademark to be transferred contains the element that is the full name or is similar to the full name of the transferor.

In this scenario, the IP Office may request the transferor to make certain modifications to the trademark, without significantly altering it, in order to eliminate the confusing elements.

- c) The transferor still possesses one or a few trademarks (*whether granted Protective Certificate or just submitted for registration*) other than the transferred, and those are likely to cause confusion with one other, thereby leading customers to associate that the transferor is still the owner or the original source of commerce.

To grant the Trademark Transfer registration decision, the IP Office may require the transferor to transfer all other "confusing" trademarks/registration dossier of those to the transferee **or** to submit a request for the termination of the Protective Certificates of those or revocation of respective registration dossiers.

^[6] Regulations on appraisal of dossiers for registration of industrial property right transfer contracts promulgated pursuant to Decision No. 5197/QĐ-SHTT dated 31 December 2020 of IP Office Vietnam.

- d) The trademark to be transferred contains the element of a geographic name while the transferee does not locate in that particular location.

The IP Office may request the submission of documents proving the relationship between the parties (subsidiaries within the same group, or parent companies - subsidiaries) and documents on production and business strategies as well as the use of trademarks to ensure that the use of trademark shall not cause confusion about the characteristics, origin of the trademarked goods or services.

If the above documents cannot be provided, the IP Office may request the transferor to remove the element of geographic name from the trademark to be transferred and its Protective Certificate accordingly.

Third, the transferee has to meet the entitlements to register such trademark.

Clause 1, Article 87 of the IP Law stipulates that organizations and individuals are entitled to register trademarks used for goods produced or services provided by them. In practice, the IP Office does not usually check whether the transferee has functions of producing/providing trademarked goods and services. However, in case the IP Office has grounds to determine that the transferee has no suitable function, they will require additional supporting documents.

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