

Improving Vietnamese Law to Promote Trademark Licensing Market

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Abstract: A trademark is a sign used to distinguish goods and services of different organizations and individuals. The owner of a trademark is an organization or individual that has been granted a certificate of protection by a competent authority or has an internationally registered trademark recognized by a competent authority or has a famous trademark. An organization or individual that is granted a certificate of trademark protection will have full ownership of that trademark, including the right to transfer the right to use the trademark. Vietnamese law on the subject, content, and validity of a trademark transfer contract still has some points that are not compatible with TRIPS and CPTPP, so it is necessary to study, amend, and supplement it appropriately to serve socio-economic development.

Keywords: trademark, trademark licensing, trademark licensing market

1. INTRODUCTION TO TRADEMARKS AND TRADEMARK LICENSING CONTRACTS

1.1. Trademarks overview

A trademark is a sign used to distinguish goods and services of different organizations and individuals.¹ A trademark that has a position in the market is often copied and attached to products produced by other entities to counterfeit goods and then sold on the market under the name of a reputable trademark is not a new thing in the market. According to Article 129 of the 2005 Intellectual Property Law, amended and supplemented in 2009, 2019, 2022, the act of the subject producing counterfeit goods mentioned above is an act of violating the rights of the trademark owner. Using a trademark plays a role in helping to differentiate the owner's goods and services in the market. At the same time, through identifying a reputable trademark, consumers will distinguish the origin and origin of the product. In particular, the trademark cannot be identical or confused with the goods and services of other manufacturers. Organizations and individuals will not be granted a certificate of trademark registration if the trademark is duplicated or confusing². In this case, buyers of goods and services will not be able to distinguish the products they are looking for to serve their shopping and living needs. To avoid these cases, the legal system on trademarks must have regulations on the system of checking protected trademarks with trademarks that are undergoing registration procedures, in order to avoid cases of duplication or confusion. Due to the intangible nature of trademarks, the law stipulates quite detailed contents related to the rights and obligations of organizations and individuals; scope and conditions of trademark protection, acts of infringement of the rights of owners as well as sanctions for handling acts of violating intellectual property law on trademarks³. In the world, thousands of years ago, craftsmen knew how to use characteristic symbols to engrave on pottery, jewelry, weapons... before carrying out exchange and trading activities. Nowadays, trademarks have become an indispensable tool to help consumers identify reputable brands in order to choose the right goods and services that suit their shopping

¹Clause 16, Article 4 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

²Clause 2, Article 90 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

³Tran Thi Thanh Huyen (2021), “*Industrial property rights for trademarks in e-commerce*”, PhD thesis, Hanoi Law University

and consumption needs. Trademarks are also a sign to evaluate the quality of goods and services among countless brands on the market to help consumers.

A trademark is defined under Article 15 of the TRIPs Agreement as: *"Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words, including personal names, letters, numerals, figurative elements and combinations of colors, as well as any combination of such signs, shall be capable of being registered as trademarks"*⁴. According to the CPTPP agreement, *"no Party shall require, as a condition for registration, that a sign be visually perceptible, nor shall a Party refuse to register a trademark solely on the ground that the sign comprising the trademark is a sound. In addition, each Party shall use its best efforts to register scent trademarks. A Party may require a brief and precise description, or a graphic representation, or both, as appropriate, of the trademark"*. Thus, to meet the requirements of the CPTPP agreement, lawmakers have internalized sound trademarks into the Vietnamese intellectual property law system.

According to the 2005 Intellectual Property Law, amended and supplemented in 2009, 2019, and 2022, a trademark is: *"A trademark is a sign used to distinguish goods and services of different organizations and individuals"*⁵. A sign is understood as *"a visible sign in the form of letters, words, drawings, images, three-dimensional figures or a combination of such elements, expressed in one or more colors or sound signs expressed in graphic form"*⁶. Compared to the content of international treaties, the concept stipulated in the 2005 Intellectual Property Law, amended and supplemented in 2009, 2019, and 2022 in Vietnam has many similarities. Therefore, a trademark can be understood as one or more signs used to distinguish goods and services of different organizations and individuals, including letters, words, drawings, images, three-dimensional images in the form of one or more colors or sounds expressed in the form of graphic images. A trademark has two characteristics as follows:

Firstly, a trademark is a combination of signs or a single sign. Those signs can be: *"letters, words, drawings, images, three-dimensional figures or a combination of those elements, expressed in one or more colors or sound signs expressed in graphic form"*⁷. Signs can be invisible signs such as sounds or visible signs. Specifically as follows: (i) A trademark is a combination of letters that form a word with a complete meaning that will be recognized if the words that create the trademark belong to common languages and are pronounceable, not the commonly used name of the goods or services⁸. (ii) Images, including drawings or photographs, can also be trademark signs. In fact, geometric signs, which are images expressed in three-dimensional space, can also be registered for trademark protection. For example: Coca-Cola has been accepted by the National Office of Intellectual Property to protect its trademark as the shape of a Coca-Cola soft drink bottle. A combined sign is used as a trademark if it is a combination of both a figurative sign and a word sign that form a unique, distinctive, and easily recognizable whole⁹; or a sound file and a graphic representation of that sound¹⁰.

⁴Article 15, Paragraph 1 of the TRIPs Agreement

⁵Clause 16, Article 4 of the 2005 Intellectual Property Law, amended and supplemented in 2009, 2019, 2022

⁶ Clause 1, Article 72 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

⁷Clause 1, Article 72 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

⁸ Ha Thi Nguyet Thu (2017), *"Improving the law on handling acts of infringement of industrial property rights for trademarks in Vietnam"*, PhD thesis, Ho Chi Minh National Academy of Politics

⁹ Ha Thi Nguyet Thu (2009), *"Protection of industrial property rights for trademarks under the 2005 Intellectual Property Law"*, Master's thesis, Faculty of Law, Hanoi National University

¹⁰Clause 1, Article 72 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

Second, a trademark helps distinguish goods and services of different manufacturers. The difference between products of different organizations and individuals is created by the ability to distinguish the trademark¹¹. The main function of a trademark is to indicate the origin of goods and services as well as to distinguish goods and services of one organization or individual from those of another. This function is relatively similar to the function of a domain name. Therefore, the trend of identifying trademarks with domain names is often carried out by trademark owners¹². This is different from domain names because domain names are global in nature. When a domain name appears on the Internet system, it can spread quickly around the world without any geographical limitations. The conditions for trademark protection are the same as for domain names; trademarks are not automatically protected. It is necessary to go through the registration process to establish ownership of the trademark¹³. For a trademark to meet the legal requirements for protection, it must meet certain conditions. Articles 72 to 75 of the 2005 Intellectual Property Law, amended and supplemented in 2009, 2019, and 2022, provide detailed regulations on trademark protection when and only when the following conditions are met: "letters, words, drawings, images, three-dimensional figures or a combination of such elements, expressed in one or more colors or sound signs expressed in graphic form; Capable of distinguishing the goods and services of the trademark owner from those of other entities"¹⁴. A sign will not be protected if it is identical or confusingly similar to: "national flags and national emblems of countries; symbols, flags, badges, abbreviations, full names of state agencies, political organizations, socio-political organizations, socio-political-professional organizations, social organizations, socio-professional organizations of Vietnam and international organizations, if not permitted by such agencies and organizations; real names, nicknames, pen names, images of leaders, national heroes, celebrities of Vietnam and foreign countries"¹⁵.

A trademark is made up of one or several easily recognizable and memorable elements and is considered to be able to distinguish it from the goods and services of other manufacturers¹⁶. The Law on Intellectual Property provides detailed regulations on the distinguishing ability of trademarks as follows: "A trademark is considered to be able to distinguish if it is made up of one or several easily recognizable and memorable elements or from many elements combined into a whole that is easily recognizable and memorable."¹⁷ and not falling under the cases specified in Clause 2, Article 74. A¹⁸ trademark is considered to be incapable of distinction if it is a sign falling under one of the following cases: "(i) Simple geometric shapes and figures, numbers, letters, words in uncommon languages, except in cases where these signs have been widely used and recognized as a trademark; (ii) Conventional signs, symbols, drawings or common names of goods and services in any language that have been widely used, frequently used, and known to many people"¹⁹.

¹¹ *Textbook of Intellectual Property Law (2010)*, Hong Duc Publishing House, Ho Chi Minh City University of Law

¹² Bui Thi Hai Nhu (2009), " *Conditions for protection of industrial property rights for trademarks under Vietnamese law* ", master's thesis, Faculty of Law, Hanoi National University

¹³ Nguyen Thanh Tung (2013), " *Transfer of trademark rights under Vietnamese law* ", master's thesis, Hanoi National University – Faculty of Law

¹⁴ Article 72 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

¹⁵ Article 73 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

¹⁶ Nguyen Thi Thuy (2018), " *Trademark protection under intellectual property law in Vietnam today* " , master's thesis, Academy of Social Sciences

¹⁷ According to Article 74, Law on Intellectual Property 2005 amended and supplemented in 2009, 2019, 2022

¹⁸ According to Article 74, Law on Intellectual Property 2005 amended and supplemented in 2009, 2019, 2022

¹⁹ Article 74 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

Regarding signs that are not capable of distinguishing between goods and services of different manufacturers; and will not be registered for intellectual property protection in the form of trademarks, they are divided into two groups: (i) *The first group*, the group considered to be incapable of distinguishing due to their inability to distinguish themselves: symbols, drawings, common names; signs indicating location, geographical origin, production method or descriptive characteristics of goods and services; simple shapes, numbers, letters, etc. However, the Law on Intellectual Property also recognizes the possibility that some of the above signs may gradually become capable of distinguishing through a long period of widespread and continuous use before the time the trademark owner files an application for protection. For example, the electronic goods manufacturer “TCL” (the word “TCL” consists only of letters) of a Chinese electronics company, the cigarette

“2. A trademark shall be deemed to be incapable of distinctiveness if it is a sign falling into one of the following cases:

a) Simple geometric shapes and figures, numbers, letters, and words in uncommon languages, except where such signs have been widely used and recognized as a trademark;

b) Conventional signs, symbols, drawings or common names of goods and services in any language that have been widely and frequently used and known to many people;

c) Signs indicating the time, place, method of production, type, quantity, quality, properties, ingredients, uses, value or other characteristics descriptive of goods or services, except where such signs have acquired distinctiveness through use prior to the filing of the trademark application;

d) Signs describing the legal form and business field of the business entity;

d) Signs indicating the geographical origin of goods and services, except where such signs have been widely used and recognized as a trademark or registered as collective trademarks or certification trademarks as prescribed in this Law;

e) A sign that is not an associated trademark that is identical or confusingly similar to a registered trademark for identical or similar goods or services based on an application with an earlier filing date or priority date in the case where the application enjoys priority, including a trademark application filed under an international treaty to which the Socialist Republic of Vietnam is a member;

g) Signs identical or confusingly similar to another person's trademark that has been widely used and recognized for identical or similar goods or services before the filing date or priority date, where the application enjoys priority;

h) Signs identical or confusingly similar to another person's registered trademark for identical or similar goods or services, the registration of which has expired no more than five years ago, except in cases where the validity is terminated because the trademark is not used as prescribed in Point d, Clause 1, Article 95 of this Law;

i) A sign that is identical or confusingly similar to another person's trademark considered famous, registered for goods or services that are identical or similar to goods or services bearing the famous trademark, or registered for dissimilar goods or services, if the use of such sign may affect the distinctiveness of the famous trademark or the trademark registration is intended to take advantage of the reputation of the famous trademark;

k) Signs that are identical or similar to another person's trade name in use, if the use of such signs may cause confusion among consumers about the origin of goods or services;

l) A sign that is identical or similar to a protected geographical indication if the use of such sign may mislead consumers about the geographical origin of the goods;

m) Signs that are identical to geographical indications or contain geographical indications or are translated or transcribed from geographical indications that are protected for wines and spirits if the signs are registered for use on wines and spirits that do not originate from the geographical area bearing that geographical indication;

n) Signs that are identical to or not significantly different from another person's industrial design are protected on the basis of an industrial design application with a filing date or priority date earlier than the filing date or priority date of the trademark application.”

brand 555 (consisting only of numbers), or the brands “Sai Gon Beer” or “Da Lat Wine” (name of goods and place of production)... are goods and services protected by trademarks through widespread use before the date of filing an application for trademark protection. (ii) *The second group*, a group of signs that are identical or confusingly similar and therefore considered indistinguishable; registered trademarks, widely used or considered famous trademarks before the date of filing an application for protection, priority date according to legal regulations; trade names being used by others; geographical indications, industrial designs that are being protected or industrial designs that were registered for protection earlier. A trademark as an intellectual property has the greatest function of distinguishing the goods and services of one enterprise from those of another. Once a registration certificate has been granted, the owner has the full right to possess, use and dispose of the trademark. Because it is a valuable intangible asset, enterprises often invest a lot of money in building and enhancing the commercial reputation of the goods they produce or the services they provide.

The difference between different brands of goods and services is the first and most important element of a trademark. A trademark has the role of protecting consumers from confusion with what they buy, to perform that role, the trademark on the market must have a certain difference from other trademarks. Therefore, only when the trademark is unique can it fully perform the function of ensuring the origin of goods and services. Thereby, the rights of consumers as well as the reputation and interests of the manufacturer are guaranteed. The higher the distinctiveness, the more valuable the trademark is. The distinctiveness of a trademark helps consumers identify the origin of goods and services as well as respond to public attention to goods and services²⁰. A trademark is expressed in the form of words, names, images, sounds, symbols, or a combination of those signs, colors or combinations of colors. If a trademark has value, it not only performs the function of representing the image of goods and services but is also an important intangible asset of the owner²¹.

A trademark is protected in one or several countries or territories. The law of that country or territory will be applied to protect the trademark that has been granted a certificate of trademark registration. Most countries in the world carry out the procedure for granting a certificate of trademark registration based on the registration of trademark protection by organizations and individuals in the order of first filing, known as the first-to-file principle. In addition, there are some countries that protect on the principle of priority of use. Depending on the law of each country, there will be different regulations on trademark protection; therefore, a trademark protected in one country will not automatically be protected in another country that requires registration procedures²². Trademarks can be classified according to many different criteria: classification by form; classification by the number of trademark subjects; classification by the level of fame; Classification according to the nature of the trademark... In addition to the above classification basis for trademarks, trademarks can be classified according to their function and how they are used.

There are basically several types of trademarks as follows:

(i) Common trademarks: In international treaties such as the Paris Convention, the TRIPS Agreement and the laws of some countries, when referring to trademarks, there is a certain distinction between service trademarks and trademarks. However, the difference between these two types of trademarks is only that trademarks are distinctive signs attached to products that are goods; while service trademarks are distinctive signs for service products such as insurance companies, car rental companies, airlines²³. Apart from this basic

²⁰ Tran Chi Thanh (2016), “*Protection of intellectual property rights for trademarks from the practice of Bac Giang province*”, master's thesis, Academy of Social Sciences

²¹ Luu Duc Anh (2016), “*Scope of protection of industrial property rights for trademarks under Vietnamese law*”, master's thesis, Faculty of Law, Hanoi National University

²² Tran Thi Thanh Huyen (2021), “*Industrial property rights for trademarks in e-commerce*”, PhD thesis, Hanoi Law University

²³ Hoang Lan Phuong (2019), “International law on transfer of rights to use trademarks and recommendations for Vietnam”, *Journal of Legislative Studies*, No. 12(388) June 2019, 57-63

difference, trademarks and service trademarks are essentially the same in nature, because service trademarks also have the full function of expressing the origin and distinguishing other services, similar to the similar functions of trademarks. At the same time, in most national or international trademark law systems, service marks are registered, renewed and cancelled in the same way as trademarks and are transferred and licensed under the same conditions as trademarks. In principle, the provisions of the law on trademarks can be applied to service marks. The 2005 Intellectual Property Law, amended in 2009, 2019, 2022, does not separate the concepts of trademarks and service marks. Lawmakers only provide a general definition: a trademark is any sign or combination of signs capable of distinguishing the goods or services of an enterprise from the goods or services of other enterprises. Thus, service marks are included in the above concept of trademarks. Therefore, the conditions for registration as a service trademark, the procedures for establishing rights, the content of rights as well as the protection measures are all applied similarly to trademarks²⁴.

(ii) Collective trademark: *"a trademark used to distinguish the goods and services of members of the organization that owns the trademark from the goods and services of organizations and individuals that are not members of that organization"*²⁵. The owner of a collective trademark is an association whose members are allowed to use the trademark if they meet the requirements specified in the regulations for the use of collective trademarks. Thus, the characteristics of the goods and services using the collective trademark are communicated by the collective trademark to provide relevant information to consumers about the collective trademark. These are usually associations, manufacturers, producers, distributors, sellers or other traders of goods manufactured or produced in a specific country, region or locality or goods with other common characteristics²⁶.

(iii) Certification mark: *"Is a mark that the owner of the mark allows another organization or individual to use on the goods or services of that organization or individual to certify the characteristics of origin, raw materials, materials, method of production of goods, method of providing services, quality, accuracy, safety or other characteristics of the goods or services bearing the mark"*²⁷. A certification mark is a type of mark that can only be used once the mark complies with certain specified standards. If the owner of a collective mark is required to be a member of the organization that owns the collective mark, then anyone who complies with the specified standards can be allowed to use the certification mark.

An important condition for the registration of a certification mark is that the applicant must have the authority to certify the products concerned. Therefore, the owner of the certification mark must be the representative of the products bearing the certification mark. For example, the Woolmark mark is a certification mark registered by the Woolmark Company. The Woolmark is a quality assurance mark that certifies that the goods bearing the mark are made from 100% new wool and comply with the strict technical standards set by the Woolmark Company²⁸. Thus, the certification mark does not serve to distinguish the origin of goods and services like a normal trademark, but rather to identify a mark that meets the specific standards set by the owner²⁹.

²⁴Hoang Lan Phuong (2019), "Law on transfer of trademark rights: Inadequacies that need to be overcome", *Vietnam Journal of Science & Technology*, 61(10), 29 – 33

²⁵ Clause 17, Article 4 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

²⁶ Ha Thi Nguyet Thu (2017), " *Improving the law on handling acts of infringement of industrial property rights for trademarks in Vietnam* ", PhD thesis, Ho Chi Minh National Academy of Politics

²⁷Clause 18, Article 4 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

²⁸Wikipedia, <https://en.wikipedia.org/wiki/Woolmark>

²⁹ Ha Thi Nguyet Thu (2009), " *Protection of industrial property rights for trademarks under the 2005 Intellectual Property Law* ", Master's thesis, Faculty of Law, Hanoi National University

(iv) Associated trademarks are: “trademarks registered by the same entity, identical or similar, used for products or services of the same type or similar or related to each other”³⁰.

(v) A famous trademark is: “a trademark widely known to the relevant public throughout the territory of Vietnam”³¹. The Paris Convention for the Protection of Industrial Property in 1883 first mentioned famous trademarks in Article 6 Bis. According to this provision, “*allegedly, if the national law so permits or at the request of the party concerned, the member countries of the Union shall be obliged to refuse or cancel the registration, to prohibit the use of a trademark which is a reproduction, imitation, translation, and likely to cause confusion with a trademark which has been considered by the competent authority of the country of registration or use to be a famous trademark in that country by a person entitled to the advantage of the Convention to use that trademark on identical or similar goods. These provisions shall also apply in cases where the essential element of the trademark is a reproduction of any famous trademark or an imitation likely to cause confusion with that trademark*”³². “The time limit for requesting the cancellation of a mark shall be not less than five years from the date of registration of the mark. The member countries of the Union shall have the right to prescribe a time limit within which the prohibition of the use of the mark may be requested”³³. The Paris Convention for the Protection of Industrial Property of 1883 grants to the competent national authority of the country where the mark is registered or the country where the product is distributed the right to consider whether to accept or recognize a mark as well-known or not well-known³⁴.

1.2. Overview of trademark licensing contracts

The trademark owner has full rights to use and allow other entities to use the trademark for the production of goods and provision of services. The trademark owner is an organization or individual that has been granted a certificate of protection by a competent authority or has an internationally registered trademark recognized by a competent authority or has a famous trademark³⁵. The right to use is the right to exploit the utility, enjoy the benefits and profits from the property³⁶. The use of the property is understood as the use of the property to serve one's own needs and interests or to exploit the economic benefits of the property. As a special type of property, organizations and individuals granted a certificate of trademark registration are granted by law the right to use the trademark. Accordingly, the trademark owner has the right to exercise the right to use the trademark through a number of acts such as: “*attaching the protected trademark to goods, packaging of goods, means of business, means of service, transaction documents in business activities; circulating, offering for sale, advertising for sale, storing for sale goods bearing the protected trademark; importing goods and services bearing the protected trademark*”³⁷. To be protected, the trademark owner must carry out registration procedures in accordance with the provisions of intellectual property law. After being granted a certificate of protection, the trademark owner will have the right to use and dispose of the trademark; that is, the trademark owner has

³⁰Clause 19, Article 4 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

³¹Clause 20, Article 4 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

³²Article 6 Bis of the Paris Convention 1883

³³Article 6 Bis of the Paris Convention 1883

³⁴Bui Thi Hai Nhu (2009), “*Conditions for protection of industrial property rights for trademarks under Vietnamese law*”, master's thesis, Faculty of Law, Hanoi National University

³⁵Clause 1, Article 121 of the 2005 Intellectual Property Law, amended and supplemented in 2009, 2019, 2022

³⁶Article 189 of the 2015 Civil Code

³⁷Clause 5, Article 124 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

the right to transfer the right to use the trademark to another organization or individual. In the case of a collective trademark, the right to use the collective trademark can only be transferred to an organization or individual who is a member of the owner of that collective trademark.

Currently, most countries in the world, including Vietnam, have recognized the form of trademark transfer as a trademark transfer contract. An organization or individual, when granted a trademark protection certificate, will have full ownership of that trademark, including the right to transfer the right to use the trademark. The TRIPS Agreement allows member countries to stipulate conditions for transferring the right to use the trademark³⁸. During the implementation of the trademark transfer contract, the organization or individual granted a trademark registration certificate is not allowed to arbitrarily give up the ownership of the trademark, but must have the consent of the transferee before being allowed to give up the ownership of the trademark³⁹. More than 162 countries in the world have joined the Paris Convention for the Protection of Industrial Property 1883. In Article 6 Quater of the Convention: *“Where the law of a country of the Union provides that the assignment of a trademark is only valid if it is made simultaneously with the transfer of the manufacturing or commercial establishment bearing the trademark, a sufficient condition for the recognition of the validity of such assignment is that the part of the manufacturing or commercial establishment located in the territory of that country is also transferred to the transferee together with the exclusive right to manufacture or sell goods bearing the trademark in that country”*. Thus, although not directly affirmed, the Paris Convention indirectly acknowledged that the owner of industrial property rights to a trademark can transfer the right to use the trademark owned by him to an organization or individual who needs to produce goods or provide services. Then, on April 15, 1994, the TRIPS Agreement on Trade-Related Aspects of Intellectual Property Rights was signed, for the first time in the history of the world, countries signed an agreement dedicated to the trade issue of intellectual property rights. In particular, the TRIPS Agreement has dedicated Section 2, consisting of 07 articles, to regulate trade issues related to the right of industrial property owners to transfer the right to use the trademark to organizations and individuals in need. Specifically, the TRIPS Agreement stipulates: *“Members may stipulate conditions for granting the right to use (transfer of the right to use) and transferring the ownership of a trademark, in which it is not allowed to stipulate the granting of involuntary rights to use the trademark and the owner of a registered trademark must have the right to transfer the ownership of the trademark with or without the transfer of the business establishment bearing that trademark”*⁴⁰. Thus, the right of trademark owners to transfer the right to use their trademarks to other organizations and individuals is recognized in the Paris Convention and the TRIPS Agreement. Implementing the commitments of the Paris Convention 1883 and the TRIPS Agreement 1994, member countries, including Vietnam, have specifically transformed the provisions of the Paris Convention 1883 and the TRIPS Agreement 1994 into the legal system on intellectual property rights of member countries. Depending on the needs and business strategies, trademark owners decide to directly use the trademark to carry out production and business activities; or allow organizations and individuals who need to use their trademarks to carry out production of goods and provision of services. The 2005 Law on Intellectual Property of Vietnam, amended in 2009, 2019, and 2022, stipulates that the transfer of industrial property rights is: *“the trademark owner allows another organization or individual to use the trademark within the scope of his/her right to use it”*⁴¹.

Therefore, the transfer of the right to use a trademark is understood as the transfer of the right to use the trademark by the trademark owner to another organization or individual who needs to produce goods or

³⁸ Article 21 of the TRIPS Agreement On trade-related aspects of intellectual property rights

³⁹Nguyen Thi Hanh Le (2014), “European Union law on trademark licensing contracts and some lessons learned”, *Journal of Legislative Studies* No. 6(262), 22-30

⁴⁰Article 21 TRIPs Agreement on Trade-Related Aspects of Intellectual Property Rights

⁴¹Clause 1, Article 141 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

provide services within a territory, within a certain period of time. The transfer of the right to use a trademark is considered a commercial activity because the parties in the contract all aim to make a profit from jointly using a trademark for a certain period of time or the party receiving the right to use the trademark seeks to make a profit from directly using the transferred trademark; and the party transferring the right is compensated with a fee from the transfer of the right to use the trademark in the case of transferring the exclusive right to use the trademark. The exclusive right to use the trademark belongs to the organization or individual who is granted a certificate of trademark registration within the protection period, and is applied throughout the territory of Vietnam. Organizations and individuals who need to use the trademark must have the permission of the trademark owner⁴². Through the activity of transferring the right to use a trademark, the owner receives a sum of money or other material benefits. This activity is suitable for the owner who wants to maintain the use of the trademark without directly using the trademark but through the party receiving the right to use the trademark.

A trademark licensing contract is an agreement in which the trademark owner (the licensing party) allows another organization or individual (the licensing party) to use the trademark within the scope and duration agreed upon by the parties. According to the provisions of Vietnamese intellectual property law, the subject of a trademark licensing contract is the right to use the trademark (except for collective trademarks that cannot be transferred to organizations or individuals who are not members of that collective organization). Accordingly, the licensing party allows the licensing party to “attach the protected trademark to goods, packaging of goods, means of business, means of service, transaction documents in business activities; circulate, offer for sale, advertise for sale, store for sale goods bearing the protected trademark; import goods and services bearing the protected trademark”⁴³. The licensing party may transfer one, some or all of the contents of the trademark usage rights mentioned above.

The contract for transferring the right to use an industrial property object has the following contents: “full name and address of the licensor and the licensee; basis for transferring the right to use; form of contract; scope of transfer, including limits on the right to use, territorial limits; term of contract; price for transferring the right to use; rights and obligations of the licensor and the licensee”⁴⁴. The basis for transferring the right to use is the certificate of trademark registration granted to the licensor to ensure that the licensor has full legal capacity when signing the contract for transferring the right to use the trademark. Countries often protect trademarks for a certain period of time. In Vietnam, the trademark protection period is 10 years from the date of issuance⁴⁵. Thus, the term of the trademark transfer contract must not exceed the trademark protection period, that is, not more than 10 years. After 10 years, if the transferor extends the trademark protection certificate, the two parties shall enter into a contract to transfer the right to use the trademark for a corresponding term or less, but must be within the trademark protection term.

A trademark licensing contract will be terminated if the transferor's ownership of the trademark is terminated. According to Clause 2, Article 144 of the Intellectual Property Law, the parties are not allowed to agree on terms that unreasonably restrict the rights of the transferee in a trademark licensing contract. If there is one or more terms that unreasonably restrict the rights of the transferee, that term will be invalid. The legal consequence is that the trademark licensing contract is partially invalid, while the remaining parts are still

⁴²Phan Quoc Nguyen, Dinh Thao Chi, Le Thi Thanh & Kieu Dieu Ngan (2022), “ Improving intellectual property law to promote the trademark licensing market” , *Journal of Legislative Studies* 02 + 03 (450+451), 12-21

⁴³Clause 5, Article 124 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

⁴⁴ Clause 1, Article 144 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

⁴⁵Clause 6, Article 93 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

valid, so the contract can continue to be performed. Therefore, the parties need to consider and discuss the terms in the contract to limit the scope of the invalid contract as well as maximize the benefits of the parties.

2. SOME COMMENTS AND ASSESSMENTS OF VIETNAMESE LEGAL REGULATIONS ON TRADEMARK LICENSING CONTRACTS

2.1. *Incompatibility of Vietnamese legal regulations on the subject of trademark licensing contracts compared to TRIPS and CPTPP*

The right to use a trademark is the subject of a trademark licensing contract. The party receiving the trademark license signs this contract for the purpose of doing business and making profits from using the trademark. According to the provisions of the Intellectual Property Law 2005, amended and supplemented in 2009, 2019, 2022, "the right to use a collective trademark cannot be transferred to an organization or individual who is not a member of the owner of that collective trademark."⁴⁶ If a person with the right to use a collective trademark transfers the right to use it to another person without the owner's permission, it is an illegal act and can seriously affect the reputation of the owner of the collective trademark as well as each member of the organization. Even the rights of the transferee will be seriously affected. To solve this problem, the parties will first base on the regulations on the use of collective trademarks that have been accepted by the Intellectual Property Office when issuing the certificate of registration of the collective trademark. The regulations are the rules of conduct that members of the organization must comply with. The clearer and more detailed the regulations are, the more they can predict situations that may occur in reality, the more effective they are in resolving disputes. In addition, the parties requesting dispute resolution in Vietnam also rely on goodwill through negotiation and conciliation to ensure that the interests of the affected parties are at the lowest level and that the reputation of the collective trademark is not reduced or adversely affected. In the worst case, the trademark may have its protection certificate terminated. The 2005 Intellectual Property Law, amended in 2009, 2019, and 2022, stipulates the termination of the validity of the terminated protection certificate: "The owner of the certificate of registration of a collective trademark does not control or ineffectively controls the implementation of the regulations on the use of the collective trademark..."⁴⁷. Therefore, the Vietnamese Intellectual Property Law has provisions on restricting the transfer of rights to collective trademarks in order to limit possible legal consequences.

According to the 2005 Intellectual Property Law, amended and supplemented in 2009 and 2019, the general conditions of a trademark are "a visible sign in the form of letters, words, drawings, images, including three-dimensional images or a combination of such elements, expressed in one or more colors; capable of distinguishing the goods and services of the trademark owner from those of other entities"⁴⁸. The amended and supplemented Law on Intellectual Property 2022 has amended and supplemented Clause 1, Article 72, which stipulates the general conditions of a trademark as follows: "a visible sign in the form of letters, words, drawings, images, three-dimensional images or a combination of such elements, expressed in one or more colors or an audio sign expressed in graphic form". Thus, an audio trademark is added to one of the types of protected trademarks. With one condition that the sound trademark "must be a sound file and a graphic representation of that sound"⁴⁹. According to Vietnamese intellectual property law, a trademark of goods and services is only protected when and only when it fully meets the following conditions: "is a visible sign in the form of letters, words, drawings, images, three-dimensional figures or a

⁴⁶Clause 2, Article 142 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

⁴⁷Point d, Clause 1, Article 95 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

⁴⁸Article 72 of the Law on Intellectual Property 2005, amended and supplemented in 2009 and 2019

⁴⁹Clause 2, Article 105 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

combination of such elements, expressed in one or more colors or a sound sign expressed in graphic form”⁵⁰. According to the CPTPP agreement, “No Party shall require, as a condition for registration, that the sign must be visible, nor shall any Party refuse to register a trademark solely on the grounds that the sign constituting the trademark is a sound. In addition, each A Party shall use its best efforts to register the scent mark. A Party may require a brief and precise description, or a graphical representation, or both. If appropriate, of the trademark”⁵¹. Thus, the amended Law on Intellectual Property 2022 has added sound signs to the list of protected signs of trademarks. In general, the amended Vietnamese IP law is compatible with the CPTPP agreement. According to the TRIPS agreement, “a trademark is a word, including a proper name, letters, numerals, figurative elements and a combination of colors as well as any combination of such signs, which must be capable of being registered as a trademark”⁵².

Realizing that Vietnamese law stipulates the concept of trademark does not include “digits” as per the TRIPS Agreement. According to the definition, a trademark is a sign used to distinguish goods and services of different organizations and individuals. Thus, the sign “digits” meets the requirement of distinctiveness. Because when combined with other elements such as “letters, words, drawings, images”⁵³ can create a recognizable, memorable brand.⁵⁴ However, according to Circular No. 01/2007/TT-BKHCN It is mentioned that “numbers” are a sign of a trademark as stipulated in Clause 1, Article 72 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022.⁵⁵ If a trademark contains numbers that are not Arabic or Roman numerals, they must be translated into Arabic numerals⁵⁶. In terms of characteristics, Arabic

⁵⁰Clause 1, Article 72 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

⁵¹Article 18.18 CPTPP Agreement on Types of Signs that can be registered as trademarks

⁵²Article 15 TRIPs Agreement on Trade-Related Aspects of Intellectual Property Rights

⁵³Clause 1, Article 72 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

⁵⁴Clause 2, Article 74 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

⁵⁵Circular No. 01/2007/TT-BKHCN stipulates as follows:

“37.4 Requirements for declaration

(iv) If the trademark contains numbers that are not Arabic or Roman numerals, they must be translated into Arabic numerals.

39.2 Assessment of conformity between the subject matter stated in the trademark application and

Request for Certificate of Trademark Registration

a) According to the provisions of Clause 1, Article 72 of the Law on Intellectual Property, a sign registered as a trademark must be a visible sign in the form of letters, numbers, words, drawings, images, including three-dimensional images or a combination of these. That element is represented by one or more certain colors.

39.3 Assessment of the distinctiveness of signs in the form of letters and numbers (hereinafter called “word mark”) as prescribed in Clause 2, Article 74 of the Law on Intellectual Property.

b) Although it is a character of Latin origin, the sign consists of only one letter.

or consists only of numbers, or although there are two letters, they cannot be read

as a word - even when accompanied by numbers; unless such signs are

presented in graphic or other special form;”

⁵⁶Point iv about 37.4 article 37 Circular 01/2007/TT-BKHCN

or Roman numerals, if used in a trademark, ensure the ability to distinguish between goods and services of different entities. It can be seen that there is a lack of consistency between Vietnamese legal documents on the concept of trademarks. The author recommends that the subject “*digits*” should be added to Article 72 of the provisions on trademarks in the Law on Intellectual Property to be consistent with the TRIPS Agreement, as well as to ensure the consistency of the system of legal documents, helping Vietnamese intellectual property law to be consistent with international treaties that Vietnam has signed. Regarding invisible trademarks such as sound trademarks and scent trademarks, the 2022 amended and supplemented Law on Intellectual Property has made efforts to include sound trademarks in the list of signs protected as trademarks. Accordingly, although sound signs are invisible signs, the 2022 amended and supplemented Law on Intellectual Property has additional provisions on the condition that sound trademarks must be expressed in graphic form. Regarding scent trademarks, although they have not been included in the 2022 amended Law on Intellectual Property, in the future Vietnam needs to conduct research to include scents in the list of signs protected as trademarks to ensure that Vietnamese IP law is more consistent with international law on trademarks as well as world trends.

2.2. Limitations and shortcomings of Vietnamese legal regulations on the content of trademark licensing contracts

The 2005 Law on Intellectual Property, amended in 2009, 2019, and 2022, stipulates that a contract for transferring the right to use an industrial property object must contain the following contents: “*Full name and address of the licensor and the licensee; basis for transferring the right to use; form of contract; scope of transfer, including limits on the right to use, territorial limits; term of contract; price for transferring the right to use; rights and obligations of the licensor and the licensee*”⁵⁷. A trademark is one of the objects of industrial property rights, so a contract for transferring the right to use a trademark must also contain the following contents: (i) Full name and address of the licensee and the licensor. The parties also need to find out the accuracy of the information provided by the partner to ensure the effectiveness of the contract. (ii) The basis for transferring the right to use is the protection certificate granted to the licensor; The decision to register a trademark according to the decision to recognize a famous trademark, or a contract to transfer the exclusive right to use a trademark. That is, this is the basis for ensuring the existence of industrial property rights for a trademark protected by a competent state agency. (iii) the clause determining the type of trademark transfer contract that the two parties want to sign together, which can be an exclusive, non-exclusive or secondary contract. (iv) Scope of transfer of use rights: To determine this factor, it is necessary to clearly define the limits of use rights and territorial limits. Determining this issue means determining for the transferee what acts of use they are allowed to receive as well as in which country they are allowed to perform those acts. From there, it is the basis for the two parties to agree on the transfer price, transfer method, etc. Territorial limits can be understood as the territorial scope in which the transferee is allowed to use the protected trademark; not infringe upon the rights of the transferor or third parties, which may be the territory of one country or several countries depending on the agreement between the parties.

The trademark license contract must clearly define the term. This term depends on and does not exceed the protection term for the trademark, or the term of the exclusive trademark license contract if the contract being signed is a secondary trademark license contract. If the contract expires and the licensee wants to continue using the trademark, they can request to sign a new contract, the term must also comply with the trademark protection term or the term of the exclusive trademark license contract. The price of the trademark license is an indispensable content in any trademark license contract. The value of the trademark license depends on the popularity of the trademark as well as the profit that the licensee expects to earn during the period of receiving the license. This belongs to the freedom of decision of both parties as well as the business

⁵⁷Clause 1, Article 144 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

operations, so the law does not have any provisions to interfere with this content in the trademark license contract.

Vietnam stipulates that a trademark licensing contract “must not contain provisions that unreasonably restrict the rights of the licensee, especially provisions that do not arise from the rights”⁵⁸ of the licensor in the trademark or are not intended to protect those rights. For example: “forcing the licensee to transfer free of charge to the licensor improvements to the industrial property object created by the licensee or the right to register the industrial property, the industrial property rights to those improvements; directly or indirectly restricting the licensee from exporting goods or services produced or provided under the contract for the use of the industrial property object to territories other than those where the licensor holds the corresponding industrial property rights or has the exclusive right to import such goods; b forcing the licensee to purchase all or a certain percentage of raw materials, components or equipment from the licensor or a third party designated by the licensor without the purpose of ensuring the quality of goods and services produced or provided by the licensee; prohibiting the licensee from suing about the validity of the industrial property rights or the transfer rights of the licensor.” When two parties enter into an agreement to enter into a contract, they can freely agree on terms that do not violate the law, such as the following terms: Terms on conditions for modifying, suspending, and invalidating the contract. Agree on the conditions under which the contract can be modified, suspended, or invalidated in accordance with the provisions of law. These terms help the parties to be more proactive in establishing a contract that is more suitable to the actual situation. When concluding a contract, the parties must pay close attention to cases that force the contract to be terminated or suspended. In order to ensure the best possible protection of their rights, the parties must agree on terms that are beneficial to both parties to avoid cases where the contract is invalid. In addition, although the trademark license contract is established on the principles of honesty, goodwill, and mutual benefit, it is difficult to avoid possible conflicts, so it is indispensable in this contract to agree on a method of dispute resolution by arbitration or court.

In Clause 1, Article 144 of the 2005 Intellectual Property Law, amended and supplemented in 2009, 2019, 2022, a number of contents must be included in a trademark licensing contract, such as: “Full name and address of the licensor and the licensee; basis for licensing; form of contract; scope of licensing, including limitations on licensing, territorial limitations; term of contract; price of licensing; rights and obligations of the licensor and the licensee”⁵⁹. The above listing according to the provisions of the Intellectual Property Law still does not fully reflect the important contents required in a trademark licensing contract. Including the provisions on the names and addresses of the two parties, this is considered unnecessary content to be listed in this article because the name and address are basic information that cannot be absent in any contract⁶⁰. Clause 1, Article 144 of the 2005 Intellectual Property Law, amended in 2009, 2019, 2022, on the content of a contract for the transfer of the right to use the phrase “must have” is controversial. A contract for the transfer of the right to use a trademark is essentially an agreement established on the principles of voluntariness, honesty, and equality. Vietnamese law uses the phrase “must have” with a mandatory meaning, which is contrary to the principle of concluding a contract according to international practice. The law should not set a model that the parties to the contract must comply with. If this is understood as a general guiding legal provision, the legislator's use of the phrase “must have” is considered not really appropriate. Instead, the word “may” should be used instead, which would be more appropriate. For example, if in a cross-licensing contract, the transferor and the transferee agree to transfer the right to use a trademark in exchange for the right to use industrial property rights for an industrial design, the question that arises in this case is whether, if the trademark licensing

2022 ⁵⁸Clause 2, Article 144 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

2022 ⁵⁹ Clause 1, Article 144 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

2022 ⁶⁰Clause 1, Article 144 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

contract lacks a price clause, the contract is invalid because of the lack of a mandatory clause in the trademark licensing contract.

The 2005 Intellectual Property Law, amended in 2009, 2019, and 2022, provides for the indirect control of the quality of goods and services as follows: *“The contract for the use of industrial property objects must not contain provisions that unreasonably restrict the rights of the licensee, especially the following provisions that do not originate from the rights of the licensor: Forcing the licensee to purchase all or a certain percentage of raw materials, components or equipment from the licensor or from a third party designated by the licensor without the purpose of ensuring the quality of goods and services produced or provided by the licensee”*⁶¹. Clause 1, Article 144 does not mention the issue of quality control of goods and services as an essential provision of a trademark license contract, which is a shortcoming of Vietnamese intellectual property law⁶². European Union law does not prescribe the contents that must be included in a trademark license contract, but lists important information for the transferor and transferee to consider when agreeing on the terms of the trademark license contract. These contents may become the basis for settlement when disputes arise later⁶³. Therefore, it can be seen that the contents listed in European Union law are quite complete, and the way of regulation is also reasonable for the parties to have the freedom to decide the contents of the contract. Therefore, Vietnamese IP law should still have a provision stipulating the contents that should be included in a trademark license contract, but the phrase *“must have”* should not be used because this phrase has a mandatory meaning that is completely inconsistent with a guiding provision as well as inconsistent with the principle of respecting the right to freedom of agreement in a trademark license contract.

According to Point c, Clause 2, Article 144 of the 2005 Law on Intellectual Property of Vietnam, amended and supplemented in 2009, 2019, 2022: *“Forcing the licensee to purchase all or a certain percentage of raw materials, components or equipment from the licensor or from a third party designated by the licensor. without the purpose of ensuring the quality of goods and services produced or provided by the licensee”*. Thus, Vietnamese intellectual property law does not stipulate the content of quality control of goods and services as a basic content required of a trademark license contract like other contents in Clause 1, Article 144, but is indirectly stipulated through the provisions on the rights of the licensee. The author recommends adding to the Vietnamese Intellectual Property Law a provision on *“quality control of goods and services”* when concluding a trademark license contract. Regarding *“limitation of use rights, territorial limit”* according to Point d, Clause 1, Article 144 of the 2005 Intellectual Property Law, amended and supplemented in 2009, 2019, 2022, the law needs to clarify the meaning of these two phrases as a basis for determining the scope of trademark license transfer.

2.3. Limitations and shortcomings of Vietnamese legal regulations on the validity of trademark licensing contracts

The procedure for registering a trademark assignment contract is not mandatory. That is, the assignee and assignor can choose whether or not to register. However, if the contract is to be valid for a third party, both parties must comply with the trademark assignment contract registration procedure. Therefore, the IP law at this stage raises a legal issue as to how the *“third party”* is properly understood. The issue of understanding which entities the third party includes helps the assignor and assignee to make a decision to register or not to register in accordance with the actual situation. If the third party is understood to be any entity other than

⁶¹Point c, Clause 2, Article 144 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

⁶²Nguyen Thi Hanh Le (2014), *“Quality control clause in trademark license contract”*, *Journal of Legislative Studies* No. 23(279), 33 – 42

⁶³ *“ Article 8.2 of Directive 2008/95/EC of the European Parliament and of the Council of the European Union and Article 22.2 of Regulation 207/2009 of the Council of the European Union . European Union law stipulates the basic contents of a trademark licensing contract, including: t transfer period ; type ; method of using the transferred trademark ; scope of products and services associated with the transferred trademark ; territorial scope of trademark use and issues of quality control of goods and services produced and supplied by the transferee .*

the assignor and assignee, then the registration procedure, although not mandatory, must still be performed by the parties to the contract for the contract to be valid, because in the process of performing the contract, it is impossible not to involve other entities (if the third party is understood to be all entities other than the assignor and assignee). The IP Law does not explain the meaning of the term third party. Therefore, there are many different ways to explain the concept of third party. It can be understood that the supplier of raw materials for the transferee, the agency that resolves disputes arising during the implementation of the trademark transfer contract, or even the customer using the services or goods provided by the transferee or the transferor itself can also be considered a third party.

In the process of performing a contract, it is inevitable that a third party will be involved, so although the registration procedure is not mandatory, it indirectly acknowledges that the registration procedure is mandatory because there is no contract that is not related to a third party as understood above. This leads to a cumbersome administrative procedure mechanism for the parties, on the other hand, it also no longer ensures the voluntary nature of this registration mechanism. Regarding the understanding of the phrase “third party”, it has not been guided by legal documents. If understood in the common understanding, “third party” is any entity related to the trademark transfer contract, which can be dispute resolution agencies, customers using goods and services, business partners of the transferor or transferee, it can be seen that there is no case in which the performance of a trademark transfer contract does not involve a third party. Thus, although the law stipulates that a trademark transfer contract is valid according to the agreement between the parties, in reality, when implementing the contract, in order for the contract to be valid, it must go through the registration procedure to be effective with a third party. Because in reality, almost all cases when implementing a trademark transfer contract are related to a third party. However, the Law amending and supplementing the Law on Intellectual Property 2019 has removed the requirement that a trademark licensing contract must be registered for a third party to be effective. Accordingly, the Law amending and supplementing the Law on Intellectual Property 2019 specifically stipulates as follows⁶⁴: “*Contracts for the use of industrial property objects in Clause 2 of this Article, except for trademark licensing contracts, must be registered with the state management agency of industrial property rights to be legally valid for a third party*”. This is considered an amendment that meets the practical requirements of trademark licensing contracts, when the law indirectly recognizes that trademark licensing contracts are effective with a third party according to the agreement between the two parties without having to go through registration procedures.

Regarding the validity of a contract when the contract contains provisions that cause unreasonable restrictions on rights, the 2005 Intellectual Property Law, amended in 2009, 2019, and 2022, does not allow the transferor and the transferee to agree on provisions that illegally restrict the rights of the transferee in a trademark license contract. If the parties intentionally or unintentionally include provisions that unreasonably restrict the rights of the transferee in the contract, those provisions will automatically be invalid, leading to the legal consequence that the contract is partially invalid, the remaining parts are still valid, and the contract can still be continued. Therefore, in the drafting process before signing the contract, the parties must be extremely careful to avoid including provisions containing unreasonable restrictions on rights in the contract in order to ensure that the contract is fully valid.

If the transferor enters into a contract with a transferee who is not a member of the collective trademark owner, the contract for transferring the right to use that trademark will be invalid⁶⁵. Or the transferor is the party receiving the right to use the trademark with an exclusive contract, transferring the right to use the trademark to another organization or individual by a secondary trademark transfer contract without the

⁶⁴Clause 3, Article 148 of the 2005 Law on Intellectual Property, amended and supplemented in 2009 and 2019

⁶⁵Clause 2, Article 142 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

consent of the transferor by the exclusive contract (the trademark owner), then that contract is also invalid⁶⁶. The basis for the creation of industrial property rights to a trademark is the activity of registering with a competent state agency and being granted a certificate of protection. Accordingly, the entity granted a certificate of protection for a trademark is automatically the owner of that trademark, and only the owner of the trademark has the right to decide on the transfer of the right to use the trademark of goods and services to other organizations and individuals. If the transferor has not been granted a trademark protection certificate but has signed a trademark transfer contract, meaning that the transferor does not have the legal capacity to sign a trademark transfer contract, then the contract is invalid. Therefore, the transferee does not have the right to use the trademark even though the contract has been signed. There is a high possibility that a dispute will arise if the transferred trademark is identical or confusingly similar to the trademarks of other organizations or individuals. Therefore, before signing a trademark transfer contract, the transferee must verify the transferor's ownership of the trademark by checking whether the trademark protection certificate for goods and services is still valid or not.

Intellectual Property Law 2005 amended in 2009, 2019, 2022 provisions on provisions that unreasonably restrict the rights of the licensee in a trademark licensing contract⁶⁷. Accordingly, a trademark licensing contract must not contain provisions that unreasonably restrict the rights of the licensee, especially provisions that do not originate from the rights of the licensor. These are provisions that: *"require the licensee to transfer free of charge to the licensor improvements to the industrial property object created by the licensee or the right to register industrial property, industrial property rights to such improvements; directly or indirectly restrict the licensee from exporting goods or services produced or provided under the trademark licensing contract to territories other than those where the licensor holds the corresponding industrial property rights or has the exclusive right to import such goods; forcing the licensee to purchase all or a certain percentage of raw materials, components or equipment from the licensor or a third party designated by the licensor without the purpose of ensuring the quality of goods and services produced or provided by the licensee; prohibiting the licensee from suing about the validity of the industrial property rights or the licensee's transfer rights"*. Vietnamese law does not allow the parties to have any agreement that unreasonably restricts the rights of the licensee, especially agreements that do not originate from the rights of the licensor. It can be clearly seen that this provision mainly focuses on protecting the licensee as well as the general competitive market from the abuse of the owner's monopoly rights in transferring the right to use.

In general, the Vietnamese Intellectual Property Law stipulates provisions that cause unreasonable restrictions on the rights of the transferee. The advantage is that it lists in detail the provisions that are not allowed to be agreed upon in the contract. These provisions are intended to guide the parties when drafting the contract and serve as a basis for reviewing and evaluating the validity of the contract for the litigation agency when a dispute arises. However, the disadvantage of this provision is that it only lists, creating a closed list of provisions that cause unreasonable restrictions on the rights of the transferee. In practice, the transferor and the transferee in the contract can agree on provisions that unreasonably restrict the rights of the transferee, but they are not listed in specific provisions of law. These provisions still infringe upon the rights of the transferee as well as the competitive market and customers. At that time, the existence of provisions causing unreasonable restrictions on this right had a significant impact on the rights of the transferee, as well as customers and the market, but because they were not listed in the law, there was no legal basis for handling it, which was a huge shortcoming of intellectual property law in general and the law on trademark licensing contracts in particular.

According to the provisions of Clause 2, Article 144 of the 2005 Intellectual Property Law, amended and supplemented in 2009, 2019, and 2022, which stipulates the content of unreasonable restrictions on the

⁶⁶Clause 3, Article 142, Clause 3, Article 143 of the 2005 Intellectual Property Law, amended and supplemented in 2009, 2019, 2022

⁶⁷Clause 2, Article 144 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

rights of the licensee in a trademark license contract, we can see that this provision aims to protect the rights of the licensee from the imposition of unreasonable terms in the trademark license contract. In terms of advantages, these provisions list in detail the things that the licensor is not allowed to include in the trademark license contract, affecting the rights of the licensee being unreasonably restricted. In terms of disadvantages, this provision uses the listing method, so the disadvantage is that it cannot foresee all cases in which the licensor imposes unreasonable restrictions on the licensee. Therefore, lawmakers need to have more open regulations for this provision to avoid situations where, although the provision unreasonably restricts the rights of the transferee, because the law does not stipulate it, there is no legal basis to protect the rights of the transferee.

According to the provisions of Point b, Clause 2, Article 144 of the 2005 Law on Intellectual Property, amended in 2009, 2019, 2022, the law only prohibits the licensor from restricting the export of goods and services of the licensee⁶⁸ without taking into account other acts such as import, circulation, offering for sale, advertising, etc., which are also defined as acts of using the trademark⁶⁹. This provision is intended to protect the licensee from unreasonable restrictions from the licensor. The author recommends that the prohibited acts in this clause should be expanded to prohibit the licensor from “*directly or indirectly restricting the licensee from using the trademark in territories other than those where the licensor holds the corresponding industrial property rights or has the exclusive right to use such goods.*”

3. CONCLUSION

Firstly, according to the TRIPS Agreement, trademarks are words, letters, numbers, figurative elements and combinations of colors as well as any combination of such signs, which are capable of being registered. Thus, the content of trademarks under Vietnamese law does not include “*numbers*” as according to the TRIPS Agreement, this is considered one of the shortcomings of current Vietnamese IP law. It is necessary to add the subject “*numbers*” to the definition of trademarks in the IP Law to be consistent with the TRIPS Agreement, helping Vietnamese IP law to be closer to international treaties on IP.

Second, the provision of the phrase “*must have*” is contrary to the spirit of the law on contracts in general and trademark licensing contracts in particular. Therefore, the author recommends that the phrase “*must have*” in Clause 1, Article 144 of the 2005 Intellectual Property Law, amended and supplemented in 2009, 2019, and 2022, should be removed, which would be more appropriate. Vietnamese law does not require quality control to be a basic provision of a trademark licensing contract like other provisions in Clause 1, Article 144, but indirectly through the provision on unreasonable restrictions of the rights of the licensee. The author recommends that a separate article be added to the Vietnamese Intellectual Property Law to regulate “*quality control of goods and services*” when transferring trademark licensing in a contract. The law needs to clarify the connotation of the two phrases “*limitation of use rights, territorial limits*” according to Point d, Clause 1, Article 144 of the 2005 Intellectual Property Law, amended and supplemented in 2009, 2019, 2022, as a basis for determining the scope of transfer of trademark use rights.

Third, according to the provisions of Article 144 of the 2005 Intellectual Property Law, amended in 2009, 2019, and 2022, which regulates the unreasonable restriction of the rights of the licensee in a trademark licensing contract. However, the Vietnamese Intellectual Property Law has the disadvantage of creating a closed list of prohibited terms. Therefore, the Vietnamese Intellectual Property Law on this issue should have a more open provision on the list of terms that are not allowed to be agreed upon in a general licensing

⁶⁸ Point b, Clause 2, Article 144 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022: “*Directly or indirectly restricting the licensee from exporting goods or services produced or provided under a contract for the use of industrial property objects to territories other than those where the licensee holds the corresponding industrial property rights or has the exclusive right to import such goods.*”

⁶⁹ Clause 5, Article 124 of the 2005 Law on Intellectual Property, amended and supplemented in 2009, 2019, 2022

contract and a trademark licensing contract in particular; as well as set out a guiding principle to evaluate agreements in a licensing contract in situations that arise in practice but are not specifically regulated by law. From the above analysis, it can be seen that Vietnamese law on trademark licensing contracts still has some limitations and shortcomings that need to be overcome in order to create a legal corridor in accordance with international law in order to promote socio-economic development.

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