

Patent rights and obligations in Viet Nam

ASEAN Intellectual Property Association

<http://www.aseanipa.org>

Patent term and maintenance/renewal

Vietnamese patents become effective on the date of issuance and end 20 years computed from the filing date for inventions (subject to annuity payment), without any renewal term. The patent for utility solution enjoys the term of ten years from the filing date. The patent for industrial design is effective from the granting date, lasts for five years from the filing date, and can be renewed for two further five year terms (subject to payment of renewal fee).

The patent owner of a Patent for Invention or Patent for Utility Solution is required to pay annuity fees in order to maintain its validity. In order to renew the validity of an Industrial Design Patent, its owner shall pay renewal fees.

Annuities are not required for pending patent application(s). The first annuity should be paid on the date of grant of patent while the payment of the succeeding annuities must be made within the six-month period prior to the anniversary of the grant date. A late payment of annuity is available within a grace period of six months counted from the due date of annuity, subject to an extra fee amounting to 10% of said annuity for each month overdue. No provision on the restoration of the validity of a patent is addressed in the IP laws and regulations.

Rights and obligations of patent owners

Patent rights

A patent owner shall be granted the right to use or allow others to use the patented invention or industrial design. The patentee also has the right to prevent others from using the patented invention or industrial design without his/her own authorization and to dispose thereof. The use of an invention means carrying out the following acts: manufacturing the patented product; applying the patented process; exploiting the patented product or a product obtained by the patented process; circulating, advertising, offering for sale, stocking for circulation of and importing the above mentioned product. The use of an industrial design means carrying out the following acts: manufacturing products with an appearance embodying the patented industrial design; and circulating, advertising, offering for sale, stocking for circulation of and importing the above mentioned products.

Obligations of the patent owners

The patent owner has obligation to: (1) pay remuneration to the inventor(s); (2) pay the annuity or renewal fee for maintenance or renewal of the patent; and (3) use or license the patented invention or industrial design to another person upon decision

of the State administrative authority (compulsory license). For a patent for invention, the patent owner shall be under obligation to permit the owner of the dependent invention using his/her dominant (basic) invention, provided that the dependent invention has been proved to have made an important technical advance in comparison with the dominant invention and to have high economic value. In case the owner of the dominant invention fails, without legitimate grounds, to satisfy the request made by the owner of the dependent invention, the State competent authority may, without permission of the owner of the dominant invention, grant a license to exploit the dominant invention to the owner of the dependent invention.

Limitations to patent rights

The patent rights as mentioned above shall be limited by prior user's rights, compulsory license, and other acts.

Prior user's rights

The exercise of the prior user's right to invention or industrial design shall not be considered as an infringement of rights of the owner of the patented invention or industrial design. Where a person who, before the filing date or priority date (if any) of an invention or industrial design application, was using or had made substantial preparation toward the using of an invention or industrial design independently created but identical with the invention or industrial design claimed in the application, the said prior user shall be entitled to continue the use after the patent is granted, within the extent and volume of use or substantial preparation toward the using already made. The prior user shall not be entitled to enlarge the extent and volume of use unless it is so permitted by the owner of the patented invention or industrial design. The prior user's right shall not be allowed to be transferred except for the case it is transferred together with the business establishment where the prior user's right is exercised.

Compulsory license

The right to use an invention shall, without permission of the patentee, be granted to another entity or individual upon decision of the State competent authority if (i) the use of the invention is intended for the public interest, non-commercial purposes, national defense, security, prevention and treatment of disease, for people's nutrition, or meeting other urgent needs of society; (ii) the patentee fails to fulfill the obligation of using the invention after the expiration of four years from the date of filing of the patent application and three years from the granting date of the patent for invention; (iii) the person who wants to use the invention fails, within

a reasonable period of time for negotiation on reasonable considerations and commercial conditions, to reach an agreement with the patentee on a license to use such an invention; or (iv) the patentee is regarded as performing an act of anti-competition prohibited under the competition law and regulations.

The right to use the invention under the compulsory license granted by a decision of a State competent authority shall meet the following conditions:

- a. The right to use shall be non-exclusive;
- b. The right to use shall only be limited to such a scope and duration sufficient to attain the purpose for which the compulsory license was granted, and predominantly for the supply of the domestic market;
- c. The licensee of the compulsory license shall not assign the right to use the patented invention to another person, except where the assignment is made together with his/her business establishment and sub-license others to use the patented invention;
- d. The licensee of the compulsory license shall pay the patentee/licensor adequate remuneration, taking into account the economic value of the allowed use, in compliance with the remuneration frame provided for by the Government;
- e. The patentee of the dominant invention shall also be entitled to grant a license to use the dependent invention on reasonable terms and conditions; and
- f. The licensee of compulsory license to use the dominant invention shall not be entitled to assign such right, except with the assignment of the entire right to the dependent invention.

Other cases

The following shall be exempted from patent infringement:

1. Use of the invention or industrial design for personal needs or non-commercial purposes, or for the purposes of evaluations, analysis, research, teaching, testing, pilot production or for collecting data to carry out procedures to obtain a production license, import or product marketing permit;

2. Use of the invention or industrial design only for the purpose of maintaining the operation of a foreign vehicle in transit or only temporarily entering into the territory of Vietnam;

Who may file and where to file patent applications

The right to file a patent application for invention or industrial design generally belongs to inventors who have created the invention or industrial design by his/her own efforts and expenses. In case an invention or industrial design is created by the inventors during the course of employment or hire, the entitlement to file patent applications for such invention or design shall belong to the entities or individuals who have invested finance and material facilities to the inventors through employing or hiring, unless otherwise agreed by the parties (the employee invention). In this case, the employees shall enjoy some moral rights over the invented technology in addition to some remuneration. Moral rights of employee-inventor(s) are to be named as inventor in relevant patent letters as well as in any documents in which the invented technology is published or introduced. The remuneration for the employees is stipulated as 10% of benefits obtained from using the invention, and 15% of the sum amounted from each royalty for granting a license to use the invention, unless otherwise agreed by the parties. In addition, persons entitled to file an application may assign that right to other organizations or individuals through written contract or inheritance in accordance with the law.

The right to file patent applications for inventions/industrial designs made by using the State budget belongs to the State. All applications must be lodged with the National Office of Intellectual Property (NOIP), which has been entrusted to be the State administrative authority under the jurisdiction of the Ministry of Science and Technology. Vietnamese entities and individuals, foreign individuals permanently residing in Vietnam, and foreign entities having an industrial or commercial establishment in Vietnam may file patent applications directly or through an IP agency licensed to practice before the NOIP. Foreign individuals not permanently residing in Vietnam and foreign entities having no industrial or commercial establishment in Vietnam shall file applications for patent rights through a licensed IP agency. As of May 2015 there are 158 local IP agencies licensed to practice in Vietnam before the NOIP.

Home-grown innovation

The Network for Drugs, Diagnostics, Vaccines and Traditional Medicines Innovation (ASEAN-NDI) brings together researchers from 10 ASEAN countries to create products that combat diseases like tuberculosis (TB), malaria, dengue, and parasitic infections.

For more information, contact:

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Voluntary licensing of patents in the Philippines

The Intellectual Property Office, Philippines

<http://ipophil.gov.ph>

REPUBLIC ACT NO. 8293

SECTION 85. Voluntary License Contract — To encourage the transfer and dissemination of technology, prevent or control practices and conditions that may in particular cases constitute an abuse of intellectual property rights having an adverse effect on competition and trade, all technology transfer arrangements shall comply with the provisions of this Chapter. (n)

SECTION 86. Jurisdiction to Settle Disputes on Royalties — The Director of the Documentation, Information and Technology Transfer Bureau shall exercise quasi-judicial jurisdiction in the settlement of disputes between parties to a technology transfer arrangement arising from technology transfer payments, including the fixing of appropriate amount or rate of royalty. (n)

SECTION 87. Prohibited Clauses — Except in cases under Section 91, the following provisions shall be deemed prima facie to have an adverse effect on competition and trade:

- 87.1. Those which impose upon the licensee the obligation to acquire from a specific source capital goods, intermediate products, raw materials, and other technologies, or of permanently employing personnel indicated by the licensor;
- 87.2. Those pursuant to which the licensor reserves the right to fix the sale or resale prices of the products manufactured on the basis of the license;
- 87.3. Those that contain restrictions regarding the volume and structure of production;
- 87.4. Those that prohibit the use of competitive technologies in a nonexclusive technology transfer agreement;
- 87.5. Those that establish a full or partial purchase option in favor of the licensor;
- 87.6. Those that obligate the licensee to transfer for free to the licensor the inventions or improvements that may be obtained through the use of the licensed technology;
- 87.7. Those that require payment of royalties to the owners of patents for patents which are not used;
- 87.8. Those that prohibit the licensee to export the licensed product unless justified for the protection of the legitimate interest of the licensor such as exports to countries where exclusive licenses to manufacture and/or distribute the licensed product(s) have already been granted;
- 87.9. Those which restrict the use of the technology supplied after the expiration of the technology transfer

arrangement, except in cases of early termination of the technology transfer arrangement due to reason(s) attributable to the licensee;

- 87.10. Those which require payments for patents and other industrial property rights after their expiration, termination arrangement;
- 87.11. Those which require that the technology recipient shall not contest the validity of any of the patents of the technology supplier;
- 87.12. Those which restrict the research and development activities of the licensee designed to absorb and adapt the transferred technology to local conditions or to initiate research and development programs in connection with new products, processes or equipment;
- 87.13. Those which prevent the licensee from adapting the imported technology to local conditions, or introducing innovation to it, as long as it does not impair the quality standards prescribed by the licensor;
- 87.14. Those which exempt the licensor for liability for non-fulfilment of his responsibilities under the technology transfer arrangement and/or liability arising from third party suits brought about by the use of the licensed product or the licensed technology; and
- 87.15. Other clauses with equivalent effects. (Sec. 33-C (2), RA 165a)

SECTION 88. Mandatory Provisions — The following provisions shall be included in voluntary license contracts:

- 88.1. That the laws of the Philippines shall govern the interpretation of the same and in the event of litigation, the venue shall be the proper court in the place where the licensee has its principal office;
- 88.2. Continued access to improvements in techniques and processes related to the technology shall be made available during the period of the technology transfer arrangement;
- 88.3. In the event the technology transfer arrangement shall provide for arbitration, the Procedure of Arbitration of the Arbitration Law of the Philippines or the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) or the Rules of Conciliation and Arbitration of the International Chamber of Commerce (ICC) shall apply and the venue of arbitration shall be the Philippines or any neutral country; and

88.4. The Philippine taxes on all payments relating to the technology transfer arrangement shall be borne by the licensor. (n) cdt

SECTION 89. Rights of Licensor — In the absence of any provision to the contrary in the technology transfer arrangement, the grant of a license shall not prevent the licensor from granting further licenses to third person nor from exploiting the subject matter of the technology transfer arrangement himself. (Sec. 33-B, R.A. 165a)

SECTION 90. Rights of Licensee — The licensee shall be entitled to exploit the subject matter of the technology transfer arrangement during the whole term of the technology transfer arrangement. (Sec. 33-C (1), R.A. 165a)

SECTION 91. Exceptional Cases — In exceptional or meritorious cases where substantial benefits will accrue to the economy, such as high technology content, increase in foreign exchange earnings,

employment generation, regional dispersal of industries and/or substitution with or use of local raw materials, or in the case of Board of Investments, registered companies with pioneer status, exemption from any of the above requirements may be allowed by the Documentation, Information and Technology Transfer Bureau after evaluation thereof on a case by case basis. (n)

SECTION 92. Non-Registration with the Documentation, Information and Technology Transfer Bureau — Technology transfer arrangements that conform with the provisions of Sections 86 and 87 need not be registered with the Documentation, Information and Technology Transfer Bureau. Nonconformance with any of the provisions of Sections 87 and 88, however, shall automatically render the technology transfer arrangement unenforceable, unless said technology transfer arrangement is approved and registered with the Documentation, Information and Technology Transfer Bureau under the provisions of Section 91 on exceptional cases. (n)

Translation tool for patent documents

The World Intellectual Property Organization (WIPO) has developed a ground-breaking new “artificial intelligence”-based translation tool for patent documents, handing innovators around the world the highest-quality service yet available for accessing information on new technologies. WIPO Translate now incorporates cutting-edge neural machine translation technology to render highly technical patent documents into a second language in a style and syntax that more closely mirrors common usage, out-performing other translation tools built on previous technologies. WIPO has initially “trained” the new technology to translate Chinese, Japanese and Korean patent documents into English. Patent applications in those languages accounted for some 55% of worldwide filings in 2014. Users can already try out the Chinese-English translation facility on the public beta test platform.

The high level of accuracy of the Chinese-English translation is the result of the training of the neural machine translation tool, which compared 60 million sentences from Chinese patent documents provided to WIPO’s PATENTSCOPE database by the State Intellectual Property Office of the People’s Republic of China with their translations as filed at the United States Patent and Trademark Office. WIPO plans to extend the neural machine translation service to French-language patent applications, with other languages to follow. The PATENTSCOPE database integrates with other translation engines freely available on the internet and continues to use existing statistical-based translation technology for languages where it performs well. WIPO has shared its translation software with other international organizations, including the United Nations conference management service, Food and Agriculture Organization, International Telecommunication Union, International Maritime Organization, World Trade Organization, and The Global Fund to Fight AIDS, Tuberculosis and Malaria.

Neural machine translation is an emerging technology. It is based on huge neural network models that “learn” from previously translated sentences. The specificity of neural machine translation (compared to previous “phrase based” statistical methods) is that it produces more natural word order, with particular improvements seen in so-called distant language pairs, like Japanese-English or Chinese-English. In a recent test, WIPO Translate’s neural-based machine translation service substantially out-performed both the previous statistical-based model on distant language pairs, as well as other non-WIPO translation services. Since this WIPO tool is trained and focused uniquely on patent documents, instead of a more-disparate array of texts, it gives higher-quality renderings.

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