

ROGUE WARS

Defeating the Counterfeit Army



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VIETNAM



Vietnam Issues New Circular Concerning IP Fees

On November 14, 2016, Vietnam's Ministry of Finance issued Circular No. 263 prescribing rates and the collection, remittance, management and use of IP fees. This replaced Circular No. 22 dated February 4, 2009, by the MOF. This new standard of fees applies to all IP registrations and it went into effect on January 1, 2017.

The main changes in Circular No. 263 are as follows:

Increase in applicable fees.

Compared to former rates, the newly prescribed fees in Circular No. 263 have increased, ranging from 20 to 50 percent, depending on the type of application.

Nguyen Thi Hong Anh, head of IP&T at Indochine Counsel in Ho Chi Minh City, says that the increase may affect companies' motivation to file for IP rights, especially if they intend to file a great number of applications.

On the other hand, Do Anh Tuan, an IP specialist at Russin & Vecchi in Ho Chi Minh City, thinks that the increase is unlikely to affect either foreign and Vietnamese applicants, because the base fees are low and have already existed for seven years. "The intervening inflation plus currency devaluations are further reasons why the increase is inconsequential. The main purpose of the new fees is to provide additional revenues to the National Office of Intellectual Property and the comparison of old and new fees is difficult as some new categories of fees have been created and old categories have been closed."

See Figure 1, which uses the example of a trademark application to be filed for one mark in three classes. The total difference in cost is D28,000 – about US\$1.20.

"With just US\$1.20 added to the official filing fee, you can see that the additional fee is unlikely to have any

impact," Tuan says. "Moreover, not all fees have been increased. For example, fees to grant a Certificate of Trademark Registration remain unchanged at D240,000 (US\$9.60)."

Allocation of charges after collection. Under Circular No. 263, NOIP has the right to retain 85 percent of collected fees to reimburse the costs arising from undertaking its services. The remaining 15 percent would be transferred to the state's budget in accordance with current regulations.

"We have been verbally advised that because of the need to increase human resources, salaries and related expenses, those fees need to be increased and that a larger portion of the fees need to be retained by NOIP to meet its increased expenses," says Tuan.

"I agree with this arrangement, because NOIP may then have more resources to improve its services," says Nguyen.

New fees for formality examination.

Under the former Circular No. 22, the fees payable are for substantive examination only. However, Circular No. 263 allocates 20 percent of the collected fees for formality examination fees, and 80 percent for substantive examination fees.

Note that the fee for substantive examination applies only to patents, Tuan says. "Under the former Circular 22, the fee to examine a patent application as to form was separated from the fee to examine that patent application as to substance. There is still a separate fee for examination as to form; however, now under Circular 263, the fee for examination as to substance is divided. Under the new regime, the fee for examination as to form and as to substance remain the same but the fee for examination as to substance has been reduced by 20 percent and that 20 percent has been added to the fee for examination as to form."

Consequently, from now on, when a patent application is filed, the applicant must pay an additional fee that is equal

to 20 percent of the fee to examine as to substance, Tuan says. "We do not know yet how NOIP will calculate the 20 percent portion. The fee to examine as to substance depends on the number of independent claims in the application. In some cases, the number of independent claims will be adjusted during the substantive examination process."

"The allocation is to ensure that NOIP is able to collect fee for works they will have to do in due course," says Nguyen.

New fees for using a protection title. Under Circular No. 263, the owners of invention and IP are subject to fees for using the protection titles whenever they file applications for renewal/maintenance of their protection titles.

In general, fees to maintain validity of a patent and to renew a trademark registration have been increased. For example, the fee to renew a trademark under Circular 22 was D540,000 (US\$21.60). The fee has been increased to D800,000 (US\$32). However, in fact, IP owners do not have to pay fees in order "to use a protection title." There is new language in order to allocate the fees between the state and the NOIP. As you will see, fees are allocated not on the basis of simple amounts, but on the basis of function.

As mentioned previously, the old fees were allocated 35 percent to NOIP and 65 percent to the state. Under the old fee structure, the state received D351,000 and the NOIP D189,000 for each D540,000 trademark registration. Now that the fee to renew a trademark has been increased to D800,000, the new allocation is as follows:

- D100,000 to the state, called "fee to renew the mark"; and
- D700,000 to the NOIP, called "fee to use a protection of title".

Generally, the purpose of the new category of fee – to use a protection of title – is just for the internal allocation of fees to NOIP, says Tuan.

Removal of miscellaneous fees. Compared to Circular No. 22, Circular No. 263 does not include miscellaneous fees, such as fees for obtaining a Certificate Duplicate/a Re-granted Certificate, a certified copy of any documents issued by the NOIP, a certified priority document, etc. These miscellaneous fees will be set forth in a separate regulation.

- Johnny Chan

Filing fee	Old fee	New fee
For one mark in one class with up to six goods/services	D30,000	D40,000
For each additional class from the 2nd one x 2 classes	D30,000 x 2 = D60,000	D34,000 x 2 = D68,000
For each additional good or service in one class from the 7th one	D60,000	D70,000
Total	VND150,000	VND178,000

Figure 1.

Copyright - Sri Lanka

Tier 1	FJ & G De Saram John Wilson Partners Julius & Creasy Neelakandan & Neelakandan Varners
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- Registration of technology transfer agreements
- Registration of food, cosmetics and drugs
- Protection of business models, trade secrets and undisclosed information
- IP Litigation (Infringement and Unfair Competition; Cancellation Proceedings)
- IP Enforcement

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