VIETNAM PATENT LAW
SUBSTANTIVE LAW PROVISIONS AND EXISTING UNCERTAINTIES

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Introduction

Intellectual property ("IP") protection is one of the fastest developing areas of law in Vietnam. The pace of development has been expedited in recent years when Vietnam initiated the country’s bid for the World Trade Organization ("WTO") membership. The open door policy that Vietnam embarked upon a long time ago increased foreign investment and technology transfer from overseas companies to Vietnam. The law reform program that Vietnam launched along with its open door policy has created a more favorable investment environment and stronger IP protection for investors. Thus, this article seeks to provide the fundamental information on patent protection in Vietnam to foreign investors, especially to United States businesses that contemplate the expansion of their business into Vietnam. The main issues discussed in sections I and II of the article include the introduction of the development of the Vietnam patent protection system and an overview of the main aspects of the patent rights of the country. Section III focuses on the analysis of the substantive law provisions of the Vietnam patent rights in comparison with the relevant provisions of United States patent law. The author believes that a comparative review shall make those provisions more understandable to the readers. Finally, section IV addresses five existing problems of Vietnam patent system. Those uncertainties may need to be remedied in the implementing regulations or by further amending the patent law in order to further improve the country’s patent protection.

I. Development of Vietnam’s Patent System and its Conformity to TRIPS Requirements

Vietnam is an economy in transition. The shift of Vietnam from a centrally planned economy towards a market regime (along with the opening of the economy to foreigners) began in 1986.¹ During the 1980s, private property rights were not yet recognized in the country. The exclusivity of intellectual property rights was almost nonexistent. All creative and intellectual achievements belonged to the State.

A. The Ordinance on Innovation and Invention 1981

The protection of intellectual property rights was first introduced in Vietnam in 1981 by the promulgation of the Ordinance on Innovation and Invention 1981 ("Ordinance 1981").²

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Ordinance 1981 focused on personal moral rights rather than property rights of inventors. Although Vietnamese inventors might choose between a certificate and a patent, there were certain inventions for which only inventor’s certificates were granted. Those inventions include service inventions, inventions related to national defense and security, inventions in the fields of medical, chemical and food substances, treatment of diseases and agriculture. Unlike patents, an inventor’s certificate did not create exclusive rights in the subject matter. The rights to use inventions were vested in the State. Inventors enjoyed only moral reward and limited remuneration. Any natural persons other than the inventor and any legal entities could use the invention by obtaining the authorization of the State Committee for Science and Technology. Patent rights were granted mainly to foreigners.

The economic crisis in Vietnam during 1980s forced the country to initiate socioeconomic reform. In 1986, the reform policy "Doi moi" ("Renovation") aimed to gradually move the country’s economy from the centrally planned state to a market regime. It is worth mentioning that in centrally planned economies, inventors prefer inventor’s certificates over patents. One of the reasons is the Government’s disfavor of market activities in those economies. The disfavor made it impracticable for inventors to reduce their inventions to practice to seek economic rewards. An inventor’s certificate at least offered a certainty of moral reward and limited monetary remuneration. Since the shift to a market economy, inventors have had more opportunities to exploit their inventions for potentially greater economic rewards. Patent protection has become a guarantee for their investment and exploitation.

### B. The Ordinance on the Industrial Property Protection 1989

The Ordinance on the Protection of Industrial Property Rights enacted in 1989 ("Ordinance 1989") marked a turning point for the industrial property laws of Vietnam. For the first time in the history of the country’s IP protection, the concept of “industrial property” was introduced in a legal instrument. Ordinance 1989 provided the fundamentals for the protection of inventions, utility solutions, industrial designs, trademarks, and appellation of origin.
origin in the country. Most importantly, Ordinance 1989 specifically recognized patent rights as exclusive rights.

In comparison with the provisions of the Trade Related Aspects of Intellectual Property ("TRIPS") Agreement, a number of subject matters required by TRIPS were not protected by Ordinance 1989, including trade secrets, geographical indications, layout designs of integrated circuits, and unfair competition. Ordinance 1989 also contained a number of provisions which were not in compliance with the TRIPS Agreement. For example, the protection term for inventions was fifteen years, not 20 years as required by TRIPS. There also was no protection regime for well-known trademarks.

C. The Civil Code 1995

Another landmark in the development of the patent protection in Vietnam was the introduction of the Civil Code in 1995 ("Civil Code 1995"). Civil Code 1995 created the legal foundation for ownership and recognized intellectual property rights as civil rights. The IP related provisions of Civil Code 1995 replaced all the previous IP regulations. In order to implement IP related provisions of Civil Code 1995, Vietnam subsequently issued various implementing decrees and circulars. Among them was Decree 63/ND-CP ("Decree 63"), which provided detailed regulations and guidelines on industrial property protection. Decree 63 still did not specifically discuss all the subject matters of IP protection as demanded by TRIPS. However, the coverage of these subject matters was left open to possibly include "other subject matters as provided by laws." The term of protection for inventions was 20 years, in compliance with TRIPS requirements. Some provisions on the scope of protection, compulsory license, and procedures for appeal and opposition against administrative decisions were modified in light of TRIPS. Though the IP legal framework of Vietnam by then was still not fully TRIPS-compliant, it met the minimum obligations of TRIPS.

D. Intellectual Property Law 50/2005

For a long time, the IP related provisions in Vietnam have been scattered over 40 legal documents, the provisions of which are not always consistent with each other. To pave the country’s way to access the WTO, Vietnam considerably revised its IP legislation and consolidated those IP rules and regulations into one all-encompassing version, Intellectual

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14 The Ordinance on the Protection of Industrial Property Rights, enacted by the State Council of Vietnam, 11 February 1989.
15 Id.
19 Pham, supra note 2.
Property Law 50/2005 ("the Law"). The Law addresses almost every subject-matter of IP protection as demanded by TRIPS. The intellectual property users and practitioners in Vietnam have regarded the Law as a great advance toward adequate protection and full compliance with TRIPS.

The provisions related to patent rights have been revised and modified considerably in certain aspects. For example, the Law introduces the improved requirement for inventiveness for utility solutions. With regard to priority right, the Law furnishes the patent applicant with the right to claim an internal priority in addition to the Convention priority. The Law newly provides the re-issue provisions in accordance with which the patentee is allowed to narrow the scope of claim. The domination of patent rights has also been introduced into the Law. The Law further attempts to deal with the enforcement of intellectual property rights, including patent rights, in a separate section. It is reasonably fair to say that this Law is the most comprehensive and detailed set of IP rules and regulations Vietnam has had since the country established its IP protection system.

II. Overview of Vietnam Patent Law

This part of the article will discuss some key aspects and procedures of Vietnam’s current patent law and patent practice before the National Office of Intellectual Property ("NOIP") of Vietnam. Although the new IP Law became effective July 1, 2006, as of the date of this article only four implementing decrees have been enacted. However, the patent right provisions provided for in those decrees are not sufficiently detailed and still unenforceable without implementing regulations in sub-decree circulars. Thus, in this section, the author shall discuss only the patent provisions of the IP Law, not the patent provisions of those sub-law decrees.

A. Exception from Patentability - Method of Treatment

Vietnam patent law does not restrict protection for pharmaceutical products in general. However, method of treatment is one of the subject matters that are excepted from protection under Vietnam’s patent system. The patent law is silent on any potential protection for that subject matter; however, this does not mean that the treatment method may not be protected in Vietnam. In practice, the NOIP (also called “the Office” or “Vietnam Patent Office") allows protection for method of treatment as long as the applicant re-drafts a method of treatment claim into the form of a use claim. That is to say, in order to be

23 Id. at Art. 91.
24 Id. at Art. 97.
25 Id. at Art. 137.
26 Id. at Arts. 198 - 219.
27 Those decrees enacted in September 2006 are Decree 100/2006/ND-CP detailed and implemented the provisions on industrial property rights of the IP Law 50/2005; Decree 103/2006/ND-CP detailed and implemented the provisions on copyrights of the IP Law 50/2005; Decree 105/2006/ND-CP detailed and implemented the provisions on enforcement of the IP Law 50/2005; Decree 106/2006/ND-CP detailed and implemented the provisions on handling of administrative violations.
protected by the Office the method of treatment claims need to be re-drafted from the form of “method of treatment of disease X by administration of a compound/composition A to a patient” into the form as “use of compound/composition A for manufacture of medicament for treatment of disease X.”

Vietnam’s field of biotechnology protection differs from the norm in the United States. First, the NOIP makes an assessment of whether an invention is contrary to morality and public order before deciding whether to grant a patent. Second, the NOIP does not grant patents for new plant or animal “varieties” regardless of whether those plant varieties are asexually reproducible. Nor can the NOIP grant a patent for an essentially biological process for the production of plants or animals. However, inventions concerning plants or animals are not exempted from protection as long as such inventions are not confined to a single plant or animal variety. Also, processes for making or obtaining plants are statutorily patentable provided they are not essentially biological processes.

B. Filing, Formal Examination, and Publication

Vietnam follows the first-to-file principle. Vietnam patent law determines priority based on the date of the first application and simply gives the rights to the party who is the first to file a patent application.

All Vietnam patent applications are automatically subject to formal examination. The NOIP conducts the examination as to form within a one-month statutory period that starts either from the filing date or from the date on which the NOIP receives all necessary documents. If the patent application is formally accepted, the NOIP issues a Notice of Acceptance of the application in order to confirm the filing date and assigned application number. If there are certain defects in form, discrepancies in the information concerning the applicant or inventor, or non-descriptive title of the invention, the NOIP issues a Notification to the Defect(s) of the application. The NOIP gives the applicant a statutory period of two

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31 Examples of those plant or animal inventions include the transgenic plants or animals. In practice, the NOIP granted the Vietnamese patent No. 1-0004743 to SYNGENTA PARTICIPATIONS AG in 2004 for the invention entitled “DNA comprising rice anther-specific gene and transgenic plant transformed therewith”, available at http://www.noip.gov.vn/noip/ipright.nsf/vwIPRightPatentListFromWebsite/AEBCC588FFA92D97E472571530019E168?OpenDocument (last visited October 25, 2006). With regards to transgenic animal, the invention entitled “Transgenic animals expressing androgen receptor complex associated protein” of the Applicant TAIPEI-VETERANS GENERAL HOSPITAL was published on the Official Gazette, NOIP, Volume 195A, June 25, 2004 under Publication No. 9206. The transgenic animal invention is now under examination as to substance at the NOIP.
32 To take some examples, a method of crossing or selectively breeding tomatoes, involving merely selecting for breeding and bringing together those plants having certain valuable characteristics would be essentially biological and therefore statutorily exempted from protection. On the other hand, a process for obtaining a plant having an improved property characterized by the application of a growth-stimulating substance, radiation, or transforming would not be essentially biological because while a biological process is involved, the essence of the invention is technical.
months to correct such defects.\footnote{Circular 30/2003/TT-BKHCN, Rule 5.} The defects relating to formality do not affect the filing date of the application.

The NOIP follows the international norm and publishes the application eighteen months after the priority date.\footnote{Vietnam Intellectual Property Law 50/2005, Art. 110.} Patent applications are published for opposition nineteen months after the priority date. Publication of patent applications also gives rise to provisional protection that allows the applicant to recover damages for the use of invention after the application is published. Specifically, the patentee has the right to obtain a reasonable royalty for the period from the publication of the application to the grant date. Any person who uses the claimed invention after the application is published and continues the use notwithstanding actual notice of the published patent application from the applicant shall be subject to the payment of a royalty.\footnote{Decree 63/ND-CP, Art. 10(2).}

Vietnam patent law has does not give exceptions from publication like those given under the United States patent law.\footnote{Equivalent provisions are available under the US Patent Law. See 35 U.S.C. 122(2A) (2001).} The patent law in Vietnam is also silent on the exemption from publication as subject to a secrecy order. That is, the NOIP shall publish all pending patent applications whether they are subject to a secrecy order or not. Also, the NOIP does not furnish the applicant with the opportunity either to delay or to withdraw publication.

\textbf{C. Substantive Examination}

The NOIP will not examine published Vietnam patent applications on their merits without a request from either the applicant or a third party. The request for examination must be submitted to the NOIP within 42 months of the earliest priority date upon payment of an appropriate fee. Failure to file the request within the prescribed time limit results in the application being considered withdrawn.\footnote{Vietnam Intellectual Property Law 50/2005, Art. 113.} However, the statutorily-set time to file the request may be extended up to six months by filing a petition for an extension of time and paying an extension fee.\footnote{As of the date of this writing, the regulations to implement the IP Law are not yet available. However, as stipulated in the existing regulations, the applicant is allowed to file a late request for examination within six months, computed from the expiration of the 42-month period provided the applicant shall file a petition for an extension of time specifying that the entire delay was unintentional and paying an appropriate fee. Circular 30/2003/TT-BKHCN, Rule 21(4).}

The NOIP conducts a substantive examination of the application to determine whether the invention claimed is patentable.\footnote{A technical solution shall be protected as invention if it is new, involves an inventive step; and is capable of industrial application. See Vietnam Intellectual Property Law 50/2005, Art. 58.} During the examination, the patent examiner in charge compares the essential technical features of the claimed invention to those of the closest prototype in the prior art. The closest prototype is the document that shares the most features with the invention, or most closely resembles the invention in some other way.\footnote{Differences between US and European patents, http://www.iusmentis.com/patents/uspto-epodiff (last visited October 23, 2006).} The examiner will reject claims that define an invention already disclosed to the public, i.e., claims that lack novelty.\footnote{Circular 30/2003/TT-BKHCN, Rule 34(4).} Further, claims that are not substantially different from what is
already available to the public are likewise rejected. This is the same for claims that are merely juxtapositions or associations of known features functioning in their normal way without producing any surprising working relationship or synergism,\(^4\) or claims that are not susceptible to industrial application.\(^4\) The examiner in charge notifies the applicant through an office action that states the results of the examination and explicitly states whether the claimed invention is patentable.\(^4\) If the examiner rejects the claims, the examiner will issue an office action that lists the examiner’s grounds for rejection and sets a certain time period for the applicant to reply in a responsive manner. Failure to respond within the prescribed time period deems the application abandoned.\(^4\)

Upon receiving the office action, the applicant has a number of ways to respond. The applicant may narrow the claims to overcome the prior art that has been cited by the examiner.\(^4\) The applicant may refuse to amend by arguing that the examiner is misinterpreting the meaning of the claims and thus has erred in applying the prior art. Alternatively, the applicant may argue and amend the claims, i.e., amending by argument. Finally, the applicant may abandon the application by filing a request to withdraw the application to the Office or by not replying at all to the office action.\(^4\) The applicant may choose to not reply to the office action if the claimed invention is clearly anticipated by the prior art and there appears no way to amend the application. This is also the case when the invention turns out to be commercially unsuccessful.

If the invention is obvious to a person ordinarily skilled in the art, the applicant may either abandon or convert the claimed invention to a utility solution.\(^4\) It is worth noting that a patent for utility solution is a kind of protection that exists only in Vietnam. Utility solutions are statutorily defined as inventions that do not involve an inventive step. A Vietnamese patent for utility solution shall be granted for an invention that is new and industrially applicable.\(^5\)

**D. Patent Term**

Vietnamese patents become effective on the date of issuance. The term of a patent for inventions is 20 years computed from the effective filing date. For utility solutions, the patent term is ten years. Vietnam patent law discusses neither patent term guarantee nor patent extension. The term of Vietnamese patents cannot be subject to any extension, neither for the delay in issuance of the patent incurred through the fault of the NOIP nor for offsetting the delay associated with the regulatory approval process (e.g., for patents on human drugs), interference proceeding, or secrecy order.\(^5\)

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\(^4\) *Id.* at Rule 35(5c).
\(^4\) *Id.* at Rule 33.
\(^4\) *Id.* at Rule 29(1).
\(^4\) *Id.* at Rule 29(2).
\(^4\) *Id.*
\(^4\) *Id.* at Rule 29(5).

For example, § 4402 of the 1999 Patent Term Guarantee Act provides that the term of the patent shall be extended one day for each day after the end of the three-year period until the patent has issued if the USPTO takes more than three years to issue the patent. Section 4402 also provides that if the USPTO fails to meet any of the deadlines for the following actions, the term of the patent will be extended one day for each of the days beyond the periods specified above until the required action is taken:

This part of the article analyzes key substantive law provisions of Vietnam patent law. The author shall compare each substantive aspect of interest of Vietnam patent law to the relevant aspect of the United States patent law to clarify Vietnam patent law for readers.

A. Grace Period

Vietnam patent law does not offer the one-year grace period that is currently granted under the United States first-to-invent system. Under the first-to-invent system, a grace period is not an exception. Rather, it is a principle to determine the novelty. That is, the United States patent system determines the novelty based on the date of first conception and gives the first inventor the right to the invention. The extended grace period that is usually one year under the first-to-invent system is an advantageous tool for inventors because it gives inventors more time to further develop their inventions. Inventors have one extra year to determine whether an invention has sufficient commercial potential to be worth seeking patent protection. The grace period also provides a temporary safe harbor to an inventor unaware of the existence of an on-sale bar that would otherwise cause the inventor to inadvertently lose the opportunity to get a patent.

Similar to most other first-to-file systems, Vietnam has adopted a disclosure-specific grace period, in which only certain categories of disclosure are qualified to take advantage of

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1. The PTO is to provide an Office Action or Notice of Allowance not later than 14 months after the date on which the application was filed or the date on which an international application fulfilled the requirements of 35 U.S.C. 371 (2001) (i.e. a U.S. filing based on an international application designating the United States);
2. The PTO is to respond to a reply to an Office Action, or to an appeal to the Board of Patent Appeals and Interferences within 4 months after the date the reply was filed or the appeal was taken;
3. The PTO is to Act on an application in which allowable claims remain within 4 months after the date of a decision by the Board of Patent Appeals and Interferences or a decision by a Federal court;
4. The PTO is to issue a patent within 4 months after the date on which the issue fee was paid.


Toshiko Takenaka, The Future of Patent Law: Rethinking the United States First-to-Invent Principle from a Comparative Law Perspective: a Proposal to Restructure § 102 Novelty and Priority Provisions, 39 Hous. L. Rev. 621, 626 (2002) (“One commentator from a first-to-file country defines grace period as a specific period of time prior to the filing of a patent application by the inventor or his or her successor in title, during which time disclosures of an invention do not forfeit a right to patent the invention.”)


Toshiko Takenaka, supra note 52, at 630 (citing Ned L. Conley, First-to-Invent: A Superior System for the United States, 22 St. Mary’s L.J. 779, 782-89, 792-93 (1991) that the true first-to-invent system, which does not require inventors to file immediately, encourages and protects inventors by allowing them to proceed slowly with the further development of the invention). Contra Mark A. Lemley & Colleen V. Chien, Are the U.S. Patent Priority Rules Really Necessary, 54 Hastings L.J. 1299, 1300 (2003).

LaMarca, supra note 55.

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a grace period. According to the novelty provisions of the United States patent law, there is no restriction on the type of disclosures available during the grace period that will be considered for novelty and non-obviousness. In contrast, Vietnam patent law restricts the disclosure exemptions to three disclosure-qualified categories: abusive disclosure by a third party, display at an international exhibition, and presentation in the form of a scientific report. Grace period provisions under Vietnam patent law are not provided as a rule, but as exceptions to the principle that novelty is determined as of the application date. The subject matter's condition as of the filing date is crucial in considering its patentability. Further, the grace period provided for in the United States patent system is one year prior to actual filing date. In Vietnam, the grace period is six-months, the same as the grace period adopted in the majority of first-to-file countries.

B. Novelty

Under Vietnam’s patent system, an invention is considered new if “it was not publicly disclosed prior to the filing date or, where priority is claimed, before the priority date of the patent application.” That is, prior art comprises any information made publicly available anywhere in the world prior to the date of application. Vietnam’s patent system defines the critical date as the filing date instead of the conception date. Any disclosures by any means anywhere in the world constitute the prior art. Vietnamese novelty provisions do not distinguish disclosures made by the inventor and by others, uses inside and outside the country, oral disclosures and printed publications. Nor does it provide that an offer for sale or a sale of some elements embodying the invention, by itself, necessarily cause the invention to be “made available to the public.” The United States, on the other hand, makes public use or on-sale acts in the United States prior art, while public use or on-sale acts in foreign countries are excluded.

With regards to geographical limitations, not only disclosures inside Vietnam attack the novelty of an invention claimed in a Vietnamese patent application. Instead, information constitutes prior art based upon the public accessibility regardless of the geographical limitations or the means of disclosures. In other words, Vietnamese novelty provisions do not take into consideration the place of disclosure. Under 35 U.S.C. 102(b), a United States inventor may have the advantage of not being barred for commercial exploitation activity that

58 Takenaka, supra note 52, at 630. See also Vietnam Intellectual Property Law 50/2005, Art. 60.
60 Id. at 632 (presenting the type of disclosure specified under 35 U.S.C. 102 (2001)).
62 Id. But see Takenaka, supra note 52.
64 Takenaka, supra note 52. (“Among those countries that provide a grace period, the majority, 57%, adopted a six-month grace period; only 30% adopted a one-year grace period.”)
65 Vietnam Intellectual Property Law 50/2005, Art. 60(1), saying that “An invention shall be considered new if it was not publicly disclosed by means of use, written description or in any other way inside or outside the country, prior to the filing date or, where priority is claimed, the priority date of the patent application.”
66 Contra Takenaka, supra note 52, at 625.
70 35 U.S.C. 102(b) (2001) says “A person shall be entitled to a patent unless the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States”.

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occurred in a foreign country. The on-sale bar also is not applied to the use outside the United States more than one year prior to the United States filing of an application. However, the advantage may become a disadvantage whenever the inventor considers a patent filing in Vietnam. The reasons are clear. The exploitation and use of the invention anywhere in the world constitutes a prior art to attack the novelty of the invention under Vietnam patent law. United States inventors or businesses who consider expanding business into Vietnam should be aware of this absolute worldwide novelty. Otherwise, the NOIP may refuse to grant patents to their inventions because the inventions have been in public use before filing in Vietnam and therefore are no longer novel.

Unpublished prior filed applications are technically not publicly accessible. However, Vietnam previously viewed prior rights pending in Vietnam Patent Office as prior art, as long as the application was later published, thereby becoming publicly available. Similar to the patent practice in the United States, the NOIP adopted the whole-contents approach for prior art. That is, the Office considers the whole contents of Vietnamese applications filed prior to the date of filing, or the priority date, of the subsequent application as prior art. However, Vietnam followed the whole-contents novelty-only approach instead of novelty-and-obviousness approach used in the United States. That is, Vietnam considers prior patent applications as prior art only for purposes of novelty. Under current United States patent law, prior rights are considered prior art for both novelty and non-obviousness.

C. Priority

According to the “first-to-file” principle, the NOIP grants a Vietnamese patent to the person who is the first to file a patent application for invention. If there are two or more patent applications filed for the same invention, the NOIP requires that all applicants reach an agreement to proceed with one application only. Without such an agreement, the NOIP will refuse all those applications. This practice avoids lengthy and expensive interference proceedings that have been currently applied in the United States Patent and Trademark Office (“USPTO”).

71 See Takenaka, supra note 52, at 626; But see LaMarca, supra note 55, at 28 (“Since the 102(b) sale/use bar is limited to conduct in the United States, an applicant or third party may commercially exploit an invention in a foreign country without triggering the one year statutory bar. For instance, an inventor living in Buffalo, New York may use an invention in Canada, only a few miles across the United States border, for many years and successfully apply for a patent in the United States without being barred under 102(b). Simultaneously, another inventor in Buffalo, New York could use his invention in Florida, many miles away, for one year and a day and be subject to the bar under 102(b).”)
72 Decree 63/ND-CP, Art. 4. The IP Law 50/2005 no longer comprise the prior rights in the prior art when examining patentability of an invention (Arts. 60 and 61).
73 C. Douglass Thomas, Notes Secret Prior Art - Get Your Priorities Straight!, 9 Harv. J. Law & Tec 147, 151 (1996) (presenting that the United States pending patent applications are viewed today as part of the prior art, used in making novelty and non-obviousness determinations).
74 Id. at 165.
As a matter of law, a United States inventor who invents in the United States may use evidence of conception, diligence and reduction to practice to prove the invention date. The invention date is used to defeat a competing United States inventor who has an earlier United States filing date for the same invention. The inventor can also use the invention date to swear behind a patent defeating reference. However, when entering Vietnam, the United States inventor may have lost his entitlement to file a patent application for the invention. The Vietnamese first-to-file system does not allow the inventor to use the evidence of prior invention to defeat a competing inventor who may have had an earlier Vietnamese filing date of the same invention.

**D. Vietnamese Utility Solutions versus the United States Origination Patents**

Though utility model regimes have existed in many countries for a long time, neither the United States nor other patent systems across the globe have sought to develop protection for utility solutions; that is unique to Vietnam. The patents for utility inventions in Vietnam, in general, largely differ from the proposed Origination Patents in the United States. Ann Bartow, author of the article “Separating Marketing Innovation from Actual Invention: a Proposal for a New, Improved, Lighter, and Better-Tasting form of Patent Protection”, has suggested adding a second tier of inventions to the United States patent system for products and processes that fit within the vast confines of 35 U.S.C. 102. Vietnamese patents for utility solutions are granted to the same subject matters as regular patents but for a shorter term. That is, utility solutions may include compositions, processes, products, and apparatus. Bartow’s proposed “Origination Patent” would include streamlined prosecution and issue within one year. The time period for obtaining patents for utility solutions at Vietnam Patent Office is as lengthy as that for regular patents. The term of the Origination Patent would be three to five years while the corresponding figure for Vietnam utility solution patent is ten years. The examination process of the Origination Patent would be based on all of the traditional patentability standards, namely patentable subject matter, novelty, and non-obviousness. However, an Origination Patent would not be subject to invalidity challenges based on utility or obviousness in litigation. No relevant exemption is provided for in Vietnam patent law for utility solution patents.

The previous patent law in Vietnam did not require utility solutions to involve an inventive step to be patentable. The patent law provided for in the new Vietnam IP Law, on the other hand, requires a reduced level of inventiveness that is not as stringent as the inventive step requirement of regular inventions. A moderate requirement for non-obviousness for utility solutions, on the one hand, eliminates the grant of patents to solutions

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77 LaMarca, supra note 55, at 48. Also, the term “to swear behind a patent defeating reference” means an inventor can rely on the date of invention to swear behind that he had made invention prior to the date of the reference, which is used to defeat patentability of his invention.


80 Id.


82 See Bartow, supra note 79.


84 See Bartow, supra note 79.

85 IP Law 50/2005, Art. 58(2) (providing that an invention be something other than general common knowledge to be protected by a patent for utility solution).
of common general knowledge. The inventions of common general knowledge may consist of known devices or processes that are merely combined in an ordinary way. This produces no inventive working relationship. That is to say, Vietnam IP Law excludes inventions that involve no inventive step from protection in the form of patent for utility solution. The author believes that a reduced level of inventiveness for utility solutions on the other hand would congest the NOIP’s patent grant system. Previously, the NOIP did not have to conduct inventiveness test for utility solutions and therefore the examination for utility solutions was not burdensome. With a reduced level of inventiveness newly required for utility solutions in the new IP Law, the burden of examination would become heavier at the NOIP. The most complicated non-obvious test would slow down the overall examination. The Origination Patent in the United States, in contrast, has been proposed as one potential solution to reduce the congestion and overcrowding at the USPTO.

E. The Practice to Drafting Patent Claims before the NOIP

Being aware of what the Vietnam patent system requires for claims can save time and financial expenditure when drafting a first application. The requirements for claim drafting in Vietnam are somewhat different from claim drafting practices before the USPTO. For example, the NOIP accepts both one-part and two-part claims, however two-part claims are preferred. Two-part claims include two main portions. The first portion is a pre-characterizing part that contains features known in the prior art. The second portion is a characterizing part, containing characterizing features that constitute the invention. The claim’s two parts are connected by the phrase, e.g., "characterized in that", "with an improvement comprising", or the like.

The one-part claim consists of three elements, namely the preamble, the transition phrase, and the body. The claim preamble introduces the subject matter that is to be claimed, e.g., “A pharmaceutical composition” or “An electric cable.” Preambles may also include the purpose of the invention, e.g., "A machine for producing sausages,” or “A method for regulating a lateral part of a seat.” A transitional phrase may be “comprising,” “consisting of,” or “essentially consisting of.” The body of claim lists all limitations of the claim.

One-part claims are desirable before the USPTO. However, two-part claims known as Jepson claims are also acceptable before the USPTO. If an applicant uses two-part claims

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87 See Kristen Osenga, Entrance Ramps, Tolls, and Express Lanes - Proposals for Decreasing Traffic Congestion in the Patent Office, 33 Fla. St. U.L. Rev. 119, 132-133 (2005) (arguing that at the heart of both the speed and the quality problems in the Patent Office is the overcrowded nature of the patent grant system: there are simply too many cars on the patent grant highway. One solution to this overcrowding, in keeping with the highway metaphor, is to build more roads. The multitiered patent grant system is believed to be one potential solution to this problem.)
88 Circular 30/2003/BKHCN, Rule 6(7c).
89 Id.
90 37 C.P.R. 1.75(c) (2003). See also What is a "claim preamble" and does it affect what the claim means? (March 28 2006), http://lorac.typepad.com/patent_blog/have_you_ever_wondered_/index.html (last visited October 23, 2006).
91 What is a “claim preamble” and does it affect what the claim means?, supra note 90.
92 37 C.P.R. 1.75(c) (2003).
93 What is a “claim preamble” and does it affect what the claim means?, supra note 90.
in the United States, anything before the characterizing portion is regarded to be prior art by definition.\footnote{Two-part claims in the United States are named after the 1917 patent case, \textit{Ex parte Jepson}, 1917 C.D. 62, 243 O.G. 525 (Comm'r. Pats. 1917) and 37 CFR 1.75(e) (2003). Jepson claims contain a preamble comprising a general description of all the elements or steps of the claimed combination which are conventional or known. A phrase such as "wherein the improvement comprises" joins the preamble to the body of the claim. The body comprises those elements, steps and/or relationships which constitute that portion of the claimed combination which the applicant considers as the new or improved portion.} If the applicant by accident put a novel feature in the pre-characterizing portion, the novel feature would be regarded as prior art and may damage the patentability of the invention claimed in the claim. The NOIP of Vietnam provides no similar rules and regulations.

With regards to multiple dependent claims, a multiple dependent claim in the United States shall not serve as a basis for any other multiple dependent claims.\footnote{What is a "claim preamble" and does it affect what the claim means?, \textit{supra} note 90.} Vietnam patent laws and regulations are silent on the multiple dependencies of claims. However, in practice before the NOIP, a patent drafter can draft claims such that a multiple dependent claim is dependent on another multiple dependent claim. The advantage of this drafting practice is that a patent drafter can significantly reduce the number of claims in a patent specification by drafting a multiple dependent claim dependent on the other multiple dependent claims.\footnote{37 C.P.R. 1.75(c) (2003).}

\section*{IV. Existing Problems in Vietnam’s Current Patent System}

Section I of this article argued that the new IP Law is the most comprehensive and well-drafted set of IP rules and regulations in Vietnam’s history. However, there are still some uncertainties relating to the patent rights. Those uncertainties need to be remedied either in the implementing regulations or by further amending the Law. The analysis of a few of these uncertainties is provided in the following section.

\subsection*{A. Whether the Patent Confers the Right to Use the Patented Invention}

\footnote{For example, before the NOIP a patent drafter can draft claim in the following manner:  
\begin{quote}
What is claimed is:
\begin{enumerate}
\item A sewing machine comprising feature A.
\item The machine of claim 1 further comprising feature B.
\item The machine of claims 1 or 2 further comprising feature C.
\item The machine of claims 1, 2, or 3 further comprising feature D.
\end{enumerate}
\end{quote}

In the United States, since claim 3 is multiple dependent claim, claim 3 cannot serve as basis for another multiple dependent claim such as claim 4. Therefore a patent drafter should draft claims as follows:

\begin{quote}
What is claimed is:
\begin{enumerate}
\item A sewing machine comprising feature A.
\item The machine of claim 1 further comprising feature B.
\item The machine of claim 1 further comprising feature C.
\item The machine of claim 2 further comprising feature C.
\item The machine of claim 1 further comprising feature D.
\item The machine of claim 2 further comprising feature D.
\item The machine of claim 3 further comprising feature D.
\item The machine of claim 4 further comprising feature D.
\end{enumerate}
\end{quote}

Thus, the number of claims in the specification before the USPTO shall be eight compared to four claims in the specification before the NOIP of Vietnam.}

{6 Chi.-Kent J.I. Prop. 150}
It is widely known that a patent grants an exclusive right to the inventor for a finite period of time. In exchange for such exclusive rights, the inventor is required to disclose the invention in enabling mode so that a person ordinarily skilled in the art to which the invention pertains can make use of the invention without further experimentation.

In many parts of the world, the rights given by a patent do not include the right to practice the invention but only the right to exclude others from doing so. In the WIPO Background Reading Material, it is stated that the inventor or the owner of a patent does not have the right to make, use or sell anything anywhere across the globe. A patent is not a grant to use the patented invention and it does not imply any such right directly or indirectly. Rather, a patent is a grant of right to exclude others from using the patented technology. Even the patentee may not be able to exercise the technology claimed in the patent in certain circumstances. In a classic situation, the owner of a patent for an improvement (dependent invention) cannot freely exploit his invention without permission of the owner of the basic invention to which the improvement was made. In other examples, owning a patent for a new drug does not give the patentee the right to market the drug without permission from appropriate health authorities. Nor does the owner of a patent for either a radioactive substance or a method of production thereof have a right to actually practice the patentee’s patented technology.

Apart from the right to exclude others from using the patented invention, Vietnam also furnishes the patentee with the right to use and to allow others to use the patented invention, subject to the requirements of relevant laws. A right-to-use provision unnecessarily creates more confusion for the patentee because it seems unfair to confer on the patentee the rights that may not be enforceable themselves, e.g., exploiting a dependent patent or patent for radioactive substance. In order to exercise a dependent patented invention, the patentee needs the authorization to use the basic invention on which his invention. The patentee of a radioactive substance patent may never be allowed to manufacture the radioactive substance. The rights to use a patented invention therefore are not enforceable themselves.

B. Unpublished Earlier Filed Patent Applications (Prior Rights)

Under previous Vietnam patent law, the NOIP considered earlier filed applications as prior art to attack the novelty of an invention claimed in a later filed application. Both

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99 The specification must contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention. 35 U.S.C. 112 (2001).
103 Id.
104 Decree 63/ND-CP, Art. 123(1b).
105 Id. at Arts. 123(1a), 124(1).
106 Id. at Art. 7(2).
107 Contra Thomas, supra note 73, at 165.
double patenting and prior art matters have been successfully avoided. The new IP Law removed such applications from the prior art and made them separate grounds to refuse a patent for a later filed application. Though considering unpublished applications as prior art seems inequitable in the sense that the applications are not yet disclosed to the public, making them grounds to refuse a patent is also undesirable for two reasons. First, Art. 117.1(b) of the new IP Law has made no attempt to avoid double patenting. Second, as exemplified below, Art. 117.1(b) fails to prevent granting different patents to different parties for the same invention.

1. Double Patenting

The new IP Law of Vietnam provides that where two or more applications for the same invention were filed by different applicants, a Vietnamese patent shall be granted only to the valid application with the earlier priority date or filing date. The possibility that one may get two patents for a single invention may happen in the following situation. The applicant initially filed a patent application with the NOIP. Twelve months after the filing date of the first patent application, he filed a second application that is exactly the same as the first application. Since the unpublished first application is no longer used as prior art to consider the novelty of the second application, it is possible that a patent shall issue for the second application before the first application is published. At some point in time after the issuance of a patent for the second application, assume that the applicant will get another patent for the first application. That is, the applicant can potentially get two patents for the same inventions in which one patent shall expire twelve months after another. Thus, the Vietnam patent law is no longer able to prevent double patenting.

One may argue that a few extra months towards the end of the life of the patent may not be important. This might be true in certain technologies like electronics or computer engineering where the speed of development causes inventions to be out of date within years or even months. However, twelve extra months can be extremely valuable in other fields like medicine, pharmacology, and biotechnology, where the last years of a patent are of significant importance. The public has little by little become used to and gradually accepted the patented product. The matured and accepted product generates steady income for a manufacturer. This is especially true in the case of drug patents. With a few extra months on its patent term, the drug manufacturer may enjoy more benefits from exploitation of an invaluable drug without worrying about competition from generic drug manufacturers.

2. Failure to Prevent Patenting of a Known Invention

The Law fails to prevent granting patents for known inventions in the following hypothetical situation. Since the Law provides no grounds to determine whether two inventions are the same, we assume that two inventions are the same if they relate to the same technical solution.

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108 All the grounds for refusal to grant patents are provided for in Art. 117, IP Law 50/2005, wherein Section (1b) reads as:
"1. The grant of a Protection Title in respect of an application for an invention, industrial design, trademark, or geographical indication shall be refused in the following circumstances:
   b. The application meets the conditions for patentability but it is not the application having the earliest date of filing or earliest priority date as provided in paragraph (1), Art. 90 of this Law".

109 Grubb, supra note 102.
Consider now the following situation. Assume that applicant A generated the description disclosing new compound X and method Y for the preparation of compound X. However, in the patent application that A filed to the NOIP entitled “new compound X,” A claimed only new compound X (“A’s Invention”). One month later, applicant B learned about A’s invention and filed another application comprising exactly the same description and a single claim, claiming solely method Y (“B’s Invention”).

Thus, although B’s Invention was already disclosed in the compound application, the NOIP’s examiner shall potentially regard B’s Invention as new since the earlier compound application is no longer used as the prior art to anticipate the method claimed in the later filed method application.\(^{10}\) Also, the examiner cannot reject the later method application for B’s Invention in light of the earlier compound application based on the provisions of Art. 117(1b) because Art. 117(b) is applied only to the same invention\(^{11}\) and compound X and method Y are different inventions. That is, the Law fails to prevent granting patents for known inventions.

### 3. Failure to Prevent Granting Two Patents for the Same Invention to Two Applicants

Granting two patents for the same invention to two different applicants may happen in the following situation and therefore disregard Art. 90 of the Law. Expanding upon the situation specified in Section Two above, assume that the NOIP issued a compound patent A1 to inventor A for his compound invention fifteen months after A’s filing date, and a method patent B1 to inventor B ten months after B’s filing date (that is, eleven months after A’s filing date). Also assume that eleven and a half months after the filing date of the first compound application, inventor A decided to file a second application claiming method Y and also claiming internal priority from the earlier compound application in accordance with Art. 91(1a) of the new IP Law.\(^{13}\) Since A’s method application has the priority date as the filing date of A’s compound application, the method invention claimed is novel (as the prior art does not comprise B’s method application). The NOIP can potentially issue a method patent A2 to A. Thus, two method patents, B1 and A2, could have been granted to inventors B and A, respectively for the same method Y for manufacture of composition X. When it occurs, this hypothetical situation contravenes Art. 90 of the Law.

#### C. Internal priority

A significant change in new Vietnam IP Law concerning priority rights is the introduction of domestic priority right (“internal priority”) in addition to Paris Convention priority (“Convention priority”).\(^{14}\) As a member of the Paris Convention, Vietnam has followed the Convention priority principle. The Paris Convention confers the benefits of the first filing in one member country on subsequent applications later filed in other member countries.

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\(^{11}\) The new IP Law of Vietnam provides that “where two or more applicants filed patent applications for the same invention, a patent shall be granted only to the valid application having the earlier priority date or filing date”, Vietnam Intellectual Property Law 50/2005, Art. 90.

\(^{12}\) It is supposed that inventor B filed a request for early publication and expedited examination to get patent B1 for B’s method invention.


\(^{14}\) Id.
countries. Nonetheless, the Convention priority principle is not applicable where both first and subsequent applications are filed at the same Patent Office. Prior to the Law, IP legislation of Vietnam never discussed internal priority. The Law now allows an applicant to claim priority based on the first application filed either in Vietnam or in another country that is member of the Paris Convention.

However, the Vietnam patent system provides no provisions on the fate of the first application from which the applicant claims priority for a subsequent application. The system is silent on whether the earlier application will be treated as a parent application of a continuation-in-part application or provisional specification. Thus, whether the first application can be co-pending with the subsequent application or treated as abandoned is still questionable. The internal priority practice across the globe appears to be comparable to the practice of provisional application before the USPTO. In the United States, a provisional application shall automatically become abandoned twelve months after the filing date. In almost every internal priority system, the patent office regards the earlier application as having been withdrawn either when the applicant filed a new application claiming domestic priority or after the filing date of the prior application or the date of filing subsequent application, whichever is later.\(^{115}\) In certain countries, however, the patent office may allow the first application to exist together with the subsequent application.\(^{116}\) The patent practitioners and relevant users in Vietnam expect the question to be addressed in the soon to be released implementing regulations.\(^{117}\)

**D. Re-issue Provision**

For the first time in the development of Vietnam patent law, the law makers furnished the patentee with the opportunity to narrow the patentee’s claims in accordance with appropriate re-examination proceedings to obtain re-issued or corrected patents.\(^{118}\) However, unlike the re-issue practice provided for in the United States patent law, Vietnam IP Law does

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\(^{115}\) Under French patent law, the grant of a patent enjoying a prior filing date shall lead to termination of the effects deriving from the first filing date for the elements claimed therein. Intellectual Property Code, L.612-3 (Fr.), available at http://www.chaillot.com/En/pages/p9.html (last visited May 14, 2006).

\(^{116}\) Under China’s patent law, the earlier application shall be deemed to have been withdrawn when a new application claiming domestic priority is filed. Domestic Priority, http://www.honban.com.cn/PracticeGroup.htm (last visited May 14, 2006).

\(^{117}\) As at the last revision of this paper of 25 October 2006, there are still no circulars to implement IP Law 50/2005 in Vietnam. Therefore, the question of how the internal priority provision is applied is still open.

not discuss whether the NOIP shall re-issue the patent to the patentee for broader claims nor consequent intervening rights thereof.\footnote{That is to say, the rights of a party who would otherwise be an infringer, to continue certain activities, if those activities or substantial preparations started before the grant of fresh broader claims as a result of reexamination of patent, 35 U.S.C. 252 (2001).}

Further, the Law is also ambiguous as to whether the NOIP should issue corrected patents with narrower claims by issuing a Certificate of Correction\footnote{Vietnam Intellectual Property Law 50/2005, Art. 97(3).} or through re-issuance proceedings. The Certificate of Correction seems to be a good fit to rectify mistakes incurred through the fault of the Office, minor mistakes on the applicant’s account such as clerical or typographical errors, or wrong information on the inventor.\footnote{See McCarthy, \textit{supra} note 101, at 128.} On the other hand, a remedial provision on re-issue rather than Certificate of Correction is more appropriate when there is a need to overcome the potential invalidity of a patent because the patentee claims more than he is entitled. Vietnam patent practitioners and relevant users expect the implementing regulations to clarify all those questions.

\textit{E. Indirect Infringement}

Vietnam IP Law makes no attempt to furnish provisions on indirect infringement of a patented technology,\footnote{Contra 35 U.S.C. 271 (2001).} nor does the Law address contributory infringement of product patents where the accused infringer contributes to the direct infringement of someone else. The Law also is silent on active inducement where the accused infringer brings about the infringement of a patent by another. More importantly, the Law fails to discuss the question of contributory infringement of method patents. The Vietnamese legislators should have recognized that the patentees of method patents do not have effective protection unless they are protected from contributory infringers. For example, it may not be cost- and time-effective for the patentee to sue all infringers that are directly infringing upon the patentee’s patented process. However, it is much easier and more practical for the patentee to sue a person who supplies a main commodity used \textit{only} in the patented process as a contributory infringer.\footnote{See McCarthy, \textit{supra} note 101, at 109.} The soon-to-be-released regulations to implement the Law should address all these infringement questions in order to provide stronger protection for the owners of Vietnamese patents.

\textbf{Conclusion}

Although still in its early stage of development, the Vietnam IP system has shown it is capable of providing strong protection to inventors. The system has developed from being far from compliant with TRIPS obligations to being a fully TRIPS-WTO compliant legal instrument. Since the standards of patent protection in Vietnam are in line with the international norms, the holders of Vietnamese patents now can trust that their patent rights will be effectively enforceable. Investors now can feel secure that their technologies will be effectively and fairly protected in order to help them to recover their substantial investments. The above analysis and explanations are not exhaustive. However, the author believes that the overall picture of Vietnam patent system from its infancy in 1980s to date, the comparative explanation thereof, and the analysis of the existing uncertainties of the system will have a
wide-ranging impact. The impact shall benefit not only the United States nationals but also those from other countries who do or intend to do businesses and protect their intellectual property rights in Vietnam.

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