

Intel Acts Aggressively to Protect Trademarks in Vietnam

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In booming Vietnam, some companies have found a way to avoid trademark compliance – they incorporate famous brands into their company name. Some protections are now in place, but the problem is far from solved.

Under Vietnam's Law on Intellectual Property (IP Law), which went into effect on July 1, 2006, the use of a trade name which is identical or confusingly similar to a registered trademark is considered to infringe the owner's trademark rights. However, Vietnam's law on business registration does not deal adequately with the problem.

Trademarks and Trade Names

We look first at the difference between a trademark and a trade name. A trademark, for example "Intel," is an intellectual property that is registered with the National Office of Intellectual Property (NOIP). Trade names are different. They are created when an owner establishes a company. The trade name is then registered with the local Department of Planning and Investment (DPI). A trade name is the full, proper name of the company. An abbreviated name is a short form of the trade name, created for convenience in daily business usage. The rules which apply to trade names apply equally to their abbreviated name.

First we discuss the situation as it existed prior to June 2010. Under Decree 88/2006/ND-CP (Decree 88), in forming a company, an owner was prohibited from choosing a trade name that was identical or similar to the trade name of a company which had already been registered in the same city or province (Article 11.1 of the Decree 88). Decree 88 made an owner responsible if it used a registered trade name. Thus the owner had to review the list of existing trade names and not choose a similar or identical name. In addition, the enforcement by an existing trade name owner against an infringing corporate name was rather complicated. While the DPI was empowered to make a final decision in the event of a conflict, the responsibility to determine if a conflict existed remained with the owner. We will return to this problem later.

Numerous companies have taken names, especially abbreviated names that infringe trademarks. For example: "Intel Solution Co, Ltd," "Intel Diligence Co, Ltd," etc. Decree 88 did not require either an owner, nor the DPI official, when choosing a trade name, to consult trademark databases in order to avoid choosing a trade name which infringed a registered trademark. However, if the name did infringe a trademark, the owner could later be required to change the trade name of the enterprise. Obviously, many enterprise owners resisted changing the trade name. Thus, under Decree 88, the protection of a registered trademark was limited.

The gap between the regulations on IP Law and the regulations on business registration has led to conflicting decisions by regulatory agencies charged with protecting intellectual property and the agencies charged with registering trade names. Consequently, a company could easily secure DPI approval for a trade name that infringed a trademark.

In response to the practice of naming enterprises after registered trademarks, the Government passed a law which integrates trademark protection into business naming procedures. In June 2010, Decree 43/2010/ND-CP (Decree 43) replaced Decree 88. Articles 13-18 regulate the naming of enterprises. While Decree 43 provides more protection, some of the flaws of Decree 88 remain.

Broadened Protection of Trade Names

Both Decree 88 and Decree 43 provide equal protection in respect of the selection of a trade name. That is, “an enterprise shall not be allowed to have a name which is identical or confusingly similar to that of another enterprise which has been registered” (Article 11.1 of the Decree 88 and Article 14.1 of the Decree 43).

Decree 43 does provide broader geographical protection. That is, under Decree 88, an enterprise owner, needed to refer only to trade names of existing companies in its own *city or province*. Decree 43 now requires that “before registering its company names, an enterprise owner should refer to names of all enterprises currently in [use] on *the national enterprise registration database*” (emphasis added). While this protective language is weak, the intention is to prevent adoption of identical or confusingly similar company names which exist beyond one’s own city or province. Naturally, it will take time for this database to be put in place.

Broadened Protection of Trademarks

Decree 43 goes further. It protects registered trademarks against trade names. Decree 88 did not require a company owner to refer to existing trademark registrations in choosing a company name. (An enterprise was encouraged to review the list of existing trade names before selecting a name. Although in case of a conflict, the business registry can reject a proposed trade name, it was the enterprise owner itself that was responsible under Decree 88 to select a name that did not infringe an existing trademark. Article 17.1 of Decree 43 does. It provides that “*it is prohibited to use registered trademarks or geographical indications of organizations and individuals to form names of enterprises, unless consent of owners of those trademarks or geographical indications is obtained*” (emphasis added). This change is very positive, but Article 17.1 goes on to say that an owner “*may*” refer to existing, registered trademarks. In view of the use of the word “prohibited,” we believe that the later use of the weaker word “may” was probably unintended.

A trademark owner now has a basis to act if an existing trade name infringes its registered trademark. Article 17.2 specifically provides that “in case an enterprise name violates regulations on protection of intellectual property rights, the enterprise bearing that name *shall* register for change of its name” (emphasis added). A trademark owner can now request the enterprise registration office, like DPI-Ho Chi Minh City, to request the enterprise owner to change its infringing name (Article 17.3). Enterprise registration offices have explicit authority to request an enterprise to change its infringing trade name (Article 17.4 of Decree 43) and the enterprise has two months to comply. Trademark owners must prove infringement by obtaining an official decision from competent authorities concluding that the trade name infringes the trademark (Article 17.4.a). Unfortunately, no consequences are stated for failure to comply. (Decree 43 does not state from whom a trademark owner should obtain a decision on infringement. See our discussion at “Some Issues Remain” at the end of this article.)

While the situation has improved, as we discuss below, some key issues have not been resolved.

Intel Corporation (“Intel”) and the Infringers

Intel, the world’s largest microprocessor producer, established its business in Vietnam in the early 1990s. The mark “Intel” was registered in 1992. Since then, Intel has waged an aggressive war not only against infringing trademarks, but against companies which have adopted trade names that contain the word Intel.

Some companies which have mimicked Intel or used a variation have gone further. They have tried to register Intel or a variation, like “IntelPool”, as a new trademark; like “Intel Diligence”, as a new trade name; or they have tried to register both, like “Intel Solutions”.

Intel’s Opposition to Trademark Application of the Mark “IntelPool”

We start with the case of Intelligent Pools Technology Joint Stock Company (IPT) and its applied trademark “IntelPool”. This case does not involve the infringement of a trade name.

The “IntelPool” trademark application provided grounds for Intel to argue that its mark is a well-known trademark. Article 75 of the IP Law provides criteria to determine whether a mark is well-known, but does not create a clear mechanism to do so. Despite the gap, Intel has succeeded to establish that “Intel” is well-known.

IPT filed an application for the mark “IntelPool” in January 2007. The application covered swimming pool construction, clearly an activity unrelated to the manufacture of microprocessors. Intel filed an opposition. In support, Intel set out to establish that “Intel” is a “well-known” trademark. If the NOIP were to agree, then “Intel” would be protected from confusingly similar applied trademarks involving different classifications and different activities. Stated differently, if successful, Intel would be protected from confusingly similar applied marks that involved not only production and use of microprocessors but which involved unrelated activities such as swimming pool construction.

Intel’s arguments were successful. On April 8, 2010, the NOIP issued a Decision of Refusal to IPT. The Decision rejected the application for the mark “IntelPool” because the applied mark was confusingly similar to “Intel,” a mark which it concluded was well-known. In its Decision, the NOIP cited Article 74.2(i) of the IP Law regarding well-known marks. The NOIP gave IPT 90 days to submit counter arguments. IPT failed to respond and the Decision became final.

The NOIP’s rejection of the applied mark “IntelPool” involving totally different activities, illustrates the rule that the protection given a well-known trademark crosses activities. That is, protection is not confined to the challenger’s core activities. The significance of the Decision can be seen in our discussion of the trade name infringement by Intelligent Diligence Company Ltd below.

Intel’s Opposition to the Trade Name “Intel Solution Co, Ltd” and the Applied Trademark “Intel Solution”

This case involves the more traditional case of a company which incorporates a registered trademark into its trade name. Intelligent Solution Company Ltd (ISCL), an online business services company, registered its abbreviated trade name “Intel Solution Co, Ltd” with the DPI-Ho Chi Minh City in 2008. A few months later, it applied to register the trademark “Intel Solution” with the NOIP.

a) ISCL’s trade name conflicts with Intel’s trade name

The abbreviated name “Intel Solution Co, Ltd” was adopted in 2008 when ISCL was established in Ho Chi Minh City. However, Intel had established a company – Intel Products Vietnam Co, Ltd (Intel Products Vietnam) – in Vietnam in 2006; that is, before ISCL formed its company and adopted a similar trade name.

ISCL’s abbreviated trade name could be seen to be confusingly similar to the trade name Intel Products Vietnam. That is, people could easily think that Intel Solution Co, Ltd is an Intel company. Why did the DPI-HCM City allow registration of ISCL’s trade name? What is

considered to be “confusingly similar” to an existing trade name and what is considered to be “confusingly similar” to an existing trademark? They are different. In the case of a trademark, a form of universal rules and practice have been created. At its most basic and simplistic level, for example, two marks with the word “Intel” in them could easily be seen to be confusingly similar. In such case, by applying the IP Law, the NOIP would easily provide protection and would refuse to register the second mark. The business language of Decree 88 and Decree 43, however, are different. Although there is a long list of situations in which one trade name is considered to be “confusingly similar” to another trade name, the use of the word “Intel” in the trade name of a second company is not one of them. To be confusingly similar, a trade name must fit within a very strict (and impractical) definition of what is “confusingly similar.”

Under the business registration regulations, the abbreviated name Intel Solution Co, Ltd would not be seen to be confusingly similar to the trade name Intel Products Vietnam. First, how does Decree 43 define identical and confusingly similar names? The definition under Decree 43 has been carried over in tact from Decree 88. Both Decrees (Article 12 of Decree 88 and Article 15 of Decree 43) say that an enterprise name is considered to be confusingly similar to that of another enterprise in the following cases:

- The name in Vietnamese of the enterprise applying for registration is read in the same way as the name of a registered enterprise;
- The name in Vietnamese of the enterprise applying for registration differs from the name of a registered enterprise only in the symbol “&”; the dash “-” or the word “and”;
- The abbreviated name of the enterprise applying for registration is identical to the name in that foreign language of a registered enterprise;
- The name in a foreign language of the enterprise applying for registration is identical to the name in that foreign language of a registered enterprise;
- The proper name of the enterprise applying for registration differs from that of a registered enterprise in one or several cardinal number(s), ordinal number(s), or one or several Vietnamese letter(s) (A, B, C, ...) which stand(s) right after the enterprise name, unless the enterprise applying for registration is a subsidiary of the registered enterprise;
- The proper name of the enterprise applying for registration differs from that of a registered enterprise in the word “tan” (new) standing in front of or “moi” (new) after the name of a registered enterprise;
- The proper name of the enterprise applying for registration differs from that of a registered enterprise only in the words meaning Northern, Southern, Central, Western, Eastern or words of similar meaning, unless the enterprise applying for registration is a subsidiary of the registered enterprise;
- The proper name of the enterprise is identical to that of a registered enterprise.

If we were to apply these conditions, one could not conclude that the abbreviated trade name Intel Solution Co, Ltd is confusingly similar to the trade name Intel Products Vietnam. In this regard, nothing has changed between the language of Decree 88 and Decree 43.

“Intel Solution Co., Ltd” is not confusingly similar to “Intel Products Vietnam” because:

- the Vietnamese name of ISCL – Công ty TNHH Giải Pháp Thông Minh, was different from the Vietnamese name of Intel Products Vietnam – Công ty TNHH Intel Products Vietnam;
- the foreign name of ISCL – Intelligent Solution Company Ltd, was different from the foreign name of Intel Products Vietnam – Intel Products Vietnam Company Ltd;
- the proper name of ISCL – Giải Pháp Thông Minh, was different from the Vietnamese name of Intel Products Vietnam – Intel Products Vietnam;
- as Intel Products Vietnam has no abbreviated name, so the issues of confusingly similar or identical by the abbreviated name of ISCL – Intel Solution Co., Ltd, was not mentioned.

2) ISCL’s trademark conflicts with Intel’s trademark

However, Intel’s first concern was that both the abbreviated trade name Intel Solution Co, Ltd and its applied mark Intel Solution would be seen to be confusingly similar to its own trademark “Intel” and that consumers would think ISCL was an Intel company.

Intel filed an opposition to ISCL’s application for the mark “Intel Solution” under the IP Law. Intel’s argument was that ISCL’s applied mark “Intel Solution” was confusingly similar to “Intel,” that the two companies were engaged in a similar industry, and that therefore infringement had occurred under Article 129 of the IP Law. The NOIP agreed and, in early 2010, rejected ISCL’s trademark application.

3) ISCL’s trade name conflicts with Intel’s trademark

However, a more complex problem remained. While ISCL’s trademark application had been rejected, it nevertheless continued to use the abbreviated corporate name “Intel Solution” in its business. ISCL argued that its abbreviated name “Intel Solution” had been approved by the DPI-Ho Chi Minh City and that, if the abbreviated name “Intel Solution” infringes Intel’s trademark “Intel”, why had DPI-Ho Chi Minh City permitted ISCL to select that name? That is to say, in applying the language of Decree 88, and not the IP law, the DPI-Ho Chi Minh City had apparently concluded that “Intel Solution Co, Ltd” was not confusingly similar to the name “Intel Products Vietnam” as discussed above. In addition, and as we have discussed, under Decree 88, there was no legal basis for the abbreviated trade name “Intel Solution Co, Ltd” to be rejected on the basis of the existence of the registered mark “Intel”.

While, in fact, there was a legal basis to protect trademarks against infringing trade names, there was no mechanism for Intel to learn of the intended trade name filing and to ask the DPI-Ho Chi Minh City to request ISCL to change its abbreviated name.

In this regard, Decree 43 goes further than Decree 88. See our analysis of Decree 43 at “Broaden Protection of Trademarks” above. Intel therefore brought the matter to the Inspectorate of Science and Technology of Ho Chi Minh City (ISST-Ho Chi Minh City), an administrative body, separate from the NOIP. ISST-Ho Chi Minh City is in charge of dealing with cases involving alleged IP infringement. Soon after Intel brought the matter to the ISST-Ho Chi

Minh City, and after first resisting Intel's request to change its abbreviated name, ISCL voluntarily ceased the use of its abbreviated name "Intel Solution Co, Ltd".

ISCL's voluntary act has resolved the issue. However, the question remains: if Intel (assuming it received a favorable ruling from ISST-Ho Chi Minh City) had asked DPI-Ho Chi Minh City to request ISCL to change its abbreviated name, would DPI-Ho Chi Minh City have concluded that ISCL's abbreviated name "Intel Solution" was confusingly similar to the registered mark "Intel", would it have taken the IP Law into account and followed the ISST-Ho Chi Minh City's ruling, and would it have requested ISCL to change its abbreviated name? Indeed, would the DPI-Ho Chi Minh City argue that the name had met its own legal standards and so was not seen to be confusingly similar?

Because ISCL voluntarily ceased to use the name "Intel Solution", DPI-Ho Chi Minh City's willingness to comply with the spirit and language of Decree 43 has not yet been tested.

Intel's Opposition to the Abbreviated Name "Intel Diligence"

The case of Intelligent Diligence Company Ltd (IDCL), a Vietnamese financial services company, was different and more complex. As stated above, Intel registered its trademark "Intel" in Vietnam in 1992. IDCL's abbreviated trade name "Intel Diligence" was approved when IDCL was established in 2005, well after registration of "Intel". Again, when DPI-Ho Chi Minh City considered IDCL's 2005 application, it only checked whether the trade name "Intel Diligence" was identical or confusingly similar to the trade names of prior registered companies. Having concluded that it was not, the DPI-Ho Chi Minh City permitted registration of "Intel Diligence".

IDCL, of course, used its trade name "Intel Diligence" on its correspondence and on signs marking its offices. Intel challenged IDCL's abbreviated name "Intel Diligence" saying that it was confusingly similar to its registered mark "Intel" and that people would think that "Intel Diligence" was an Intel company. In July 2008, Intel sent a cease and desist letter requesting IDCL to stop using "Intel Diligence" and to change its abbreviated name. IDCL's reaction was the same as ISCL's response: if the name "Intel Diligence" infringed Intel's trademark rights, why had the DPI-HCM City approved it?

IDCL also argued that while the trademark "Intel" is synonymous with microprocessors, its own business was to provide financial services, a totally unrelated field. In IDCL's view, its abbreviated name could not mislead.

Similar to the ISCL case, Intel sought administrative relief. In July 2009, it filed a complaint with the ISST-Ho Chi Minh City. The complaint asked ISST-Ho Chi Minh City to request IDCL to stop using the name "Intel Diligence". The ISST-Ho Chi Minh City's first point was odd. It said that because IDCL used its abbreviated name only on its correspondence, it could not conclude that IDCL's abbreviated name "Intel Diligence" infringed Intel's trademark rights. More relevantly, however, the ISST-Ho Chi Minh City also stated that because the mark "Intel" has not been recognized as "well-known" in Vietnam, it could not be enforced against Intel Diligence Co, Ltd, a company which provides unrelated services.

By the time of ISST-Ho Chi Minh City's response, Intel had received the NOIP's Notification of Refusal of the applied mark "IntelPool", as discussed above, which concluded that "Intel" was indeed a well-known trademark. Intel was prepared to present the "IntelPool" finding that the mark "Intel" is well-known. However, before it could do so, IDCL voluntarily changed both its registered name, from "Intelligent Diligence Company Ltd" to "Illuminant Peak Consulting

Limited Liability Company”, and its abbreviated trade name, from “Intel Diligence” to “IP Consulting LLC”. The reason for its decision is not known. It might have been concerned about the prospect of continued opposition by Intel, Intel’s persuasive arguments, or perhaps informal intervention by authorities. Any one or all factors could have played a role. The result, however, is that the finding that “Intel” is well-known has not yet been tested.

Some Issues Remain

Decree 43 is a large step forward, but, as this discussion shows, limitations clearly remain. One enforcement issue in particular is troublesome. The law says that “business registration offices shall issue notices requesting infringing enterprises to change their names upon being notified by industrial property owners, and that such notification must be accompanied with a true copy of a competent agency’s written conclusion that the use of the enterprise name infringes upon industrial property rights” (Articles 17.4 and 17.4.a).

Decree 43 does not specify which agency is competent to issue a decision on infringement. It does not delegate that responsibility either to the local DPI office, nor does it empower an IP-related administrative body like NOIP.

In the absence of legislative guidance on the issue, trademark owners will have to be creative. One way, of course, is to ask NOIP to opine on the issue, as their decision will be well-regarded. It is unlikely that the NOIP will do so, however, given the fact that there is no legal requirement for it to do so, and because of its current large work load. Another way is to ask the ISST for its opinion. However, while ISST may express its opinion in reaching conclusion, its primary mandate is to adjudicate conflicts. Another option is to solicit opinions from private IP consultancies which have recently been established in order to provide assessment services and to assist entities to settle IP conflicts. However, these consultancies are commercial entities. Their opinions have no official or formal effect. Their value is in the logic and force of their findings.

Another issue exists. The protection of already registered trade names under Decree 43 is prospective not retrospective, Article 16 states that “enterprises that have registered their names in compliance with Decree 88 but not in compliance with Decree 43, are not required to register [a new name]. Such enterprises with identical or confusingly similar names are encouraged and facilitated to negotiate with one another and register to change their names or add geographic names as an element distinctive of their names”. This refers to the case in which a name, at the time it was registered, did not infringe on another trade name in the same province or city, but, after the passage of Decree 43, is found to infringe on a name registered in another province.

More relevant to the issue under discussion, Decree 43 does not require an enterprise which registered its name under Decree 88, and whose name infringes an existing trade name, to change its infringing name. Such an enterprise is “encouraged” to change its name. Importantly, Decree 43 does not mention the case of infringement of trademarks by such an enterprise (Article 16).

The relief provided by Decree 43 vis-a-vis trademarks will always be difficult to achieve. That is, there is no obligation to check trademarks before a trade name is registered. Secondly, even if a right to change is supported by the law, how aggressive will the DPI be to enforce it? Obtaining relief will often mean having the trade name owner voluntarily change a company name or persuading the business registration office to require the trade name owner to change its name. Neither prospect is very encouraging.

The Future

While some important issues clearly remain, Vietnam has enacted a new law designed to extend trademark protection to trade names. Implementation has yet to be tested. We think implementation will be difficult. The value of the change is that a legal framework for protection now exists. This may make it more likely that infringers will comply. Its shortcoming is that enforcement may require business registrars to reverse decisions they previously made.

Even so, promulgation is a signal that the Vietnamese Government remains receptive to an enlarged view of what constitutes trademark infringement. This is important, but to translate this into an enforceable right will require continued vigilance by trade mark owners and continued aggressive defense of their marks.

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