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**LUND UNIVERSITY
FACULTY OF LAW**



**HOCHIMINH CITY
UNIVERSITY OF LAW**

PHAN NGOC TAM

WELL-KNOWN TRADEMARK PROTECTION

**A COMPARATIVE STUDY BETWEEN THE LAWS
OF THE EUROPEAN UNION AND VIETNAM**

Field of study: International and Comparative law

Code: 62.38.60.01

DOCTORAL DISSERTATION OF LAW

HOCHIMINH CITY – 2011

PREFACE

In the age of globalization, trademarks have become more and more important assets not only of companies but also of countries. The contribution of well-known trademarks such as COCA-COLA, IBM, NOKIA, TOYOTA, and HONDA into the national economies is very large and quite remarkable. The traditional principles of trademark law have been challenged by the modern conditions of the world economy. Especially in the case of the well-known trademark, that protection is based not only on national law but also on the international legal framework. International attempts during the past time in order to build up a global regime of well-known trademark protection have been realized by many international conventions and treaties. Those have established legal foundations for the protection of well-known trademarks in worldwide.

From a theoretical perspective, well-known trademarks and the protection of well-known trademarks have increasingly become important topics engaging the thoughts of scholars all over the world. There have been many books and research works dealing with issues concerning well-known trademark protection in theory and legislation. However, in Vietnam, as in other developing countries legal issues concerning well-known trademark protection have still not received proper attention even though some scholars and lawyers have examined the issue to some extent in academic works and articles. That is the main reason that I decided to choose this topic for my doctoral research.

This work is not the first one in the field. However, I believe strongly that it will significantly contribute to the theoretical system of trademarks in general and well-known trademark in particular. The research has dealt with two main tasks. I begin my investigation of the regime of well-known trademark protection in a global view (through international conventions and treaties) before focusing on the situation of European Union and Vietnam. Second, based on the comparative analysis made between the two chosen legal systems, I then suggest some suitable solutions to improving the legal regime of well-known trademark protection as well as to the system of trademark law in Vietnam.

This book is the main visible result of my PhD studies of more than four years from the beginning of 2007 to the middle of 2011 at the Faculty of Law, Lund University, Sweden and Ho Chi Minh City University of Law, Vietnam. In order to obtain my results, I worked very hard throughout this time. However, the work would have been impossible without the help, encouragement and input of others.

First of all, I would like to express my great thanks to Professor Hans-Henrik Lidgard and Professor Mai Hong Quy who are not only supervisors of my PhD

studies but also greatest teachers of my life. I must say that I am very lucky to have worked and learned so much from them over this period. Professor Hans-Henrik Lidgard had taught me many significant lessons both in science and in life. He spent a great deal of time discussing matters with me as well as reading and commenting on my writing. His comments and advices were always very exact and valuable for improving my thesis. He also shared with me a great deal of highly valuable life experience. He always reminded me of the real value of life and how to attain a balance between life and work. Professor Mai Hong Quy, who is also my supervisor at Ho Chi Minh City University of Law, also provided a great deal of support not only in my PhD studies but also in my work. She gave me a lot of valuable advice and comments concerning the research through deep discussions and encouraged me as well as creating good working conditions for me which advanced the progress of the work. What I have learnt from her is not limited to scientific knowledge.

Second, I would like to thank the professors, librarians, staff and friends from the Faculty of Law, Lund University, Sweden who helped and supported me so much during my studies in Lund. Without their assistance in providing good conditions and facilities for living and working I would not have completed the PhD program. Special thanks go to Professor Christina Moell, Professor Per-Ole Traskman, Professor Bengt Lundell, Professor Lars Goran Malmberg, Professor Michael Bogdan, Professor Christian Hathen, Ms. Catarina Carlsson and Ms. Anna Wiberg. At the same time, I am also grateful to professors, colleagues and friends at Ho Chi Minh City University of Law (especially the International Law Faculty) and at Hanoi Law University for remarkable contributions to my research. Special thanks go to LLM Nguyen Ngoc Lam, Dr. Nguyen Thi Bich Ngoc, Professor Le Minh Tam and Professor Le Thi Son.

In addition, I highly appreciate the support and help of staffs of the National Office of Intellectual Property (NOIP) and the Ministry of Science and Technology (MOST) during my researching time. I had worked with experts and officers of these bodies and got lot of productive information, especially practical cases concerning the well-known trademark protection.

I would also like to say that I owe a debt to the SIDA-funded project “Strengthening of Legal education in Vietnam” for providing me a precious opportunity to join and become a doctoral candidate of the “Swedish – Vietnamese Joint Doctoral Training Program” and for financing my research.

I express my sincere gratitude to professors, staffs and friends in the places I visited and did my research for all their help and support. I would like especially to thank Professor Stephen C. Hicks, Professor Bernard M. Ortwein and Mr. Jonathan D. Messinger at Suffolk University School of Law in Boston, MA, US; Dr. Kongolo Tshimanga and Ms. Gabriela Tresco at the World Intellectual Property Organization (WIPO), Geneva, Switzerland and Ms. Andrea Wechsler

at the Max Planck Institute for Intellectual Property, Competition and Tax Law in Munich, Germany. I also thank so much Robert Schwartz and Phillip Horowitz not only for reading and editing draft writings of the thesis but also for giving me useful comments.

Honestly, I would never have reached the finish of the research program without the huge support and sacrifices of my family. Therefore, I would like to express my gratitude to my mother, my brothers and sisters for their unlimited, fullest and warmest support, care and love.

Finally, I would like to reserve the greatest thankfulness to my wife and my little daughter, who always side with me and sacrifice so much for me, not only throughout my research time but also all my lifetime. Their love is the strongest power of my success. My loves, this book is dedicated to you.

Ho Chi Minh City, August 2011.

PHAN NGOC TAM

UNDERTAKINGS

I declare that the book **“Well-known trademark protection – A comparative study between the laws of European Union and Vietnam”** is my own work and that all sources that I have used or quoted have been indicated and acknowledged by means of complete references.

All constructive comments and criticism on this book are welcome. I can be reached at pntam@hcmulaw.edu.vn; or pngoctam2001@yahoo.com

TABLE OF CONTENTS

1. RESEARCHING WELL-KNOWN TRADEMARKS.....	10
2. THEORETICAL FOUNDATIONS.....	26
2.1. TRADEMARKS – A GENERAL OVERVIEW	26
2.1.1. Definition of trademark.....	26
2.1.2. Functions of trademarks.....	30
2.1.3. The characteristics of trademark.....	35
2.1.4. Other identification marks	38
2.2. TRADEMARK LAW	41
2.2.1. Trademark law principles	41
2.2.2. Trademark law rationale	44
2.2.3. Trademark law and other legal fields.....	48
2.3. WELL-KNOWN TRADEMARKS	50
2.3.1. Theoretical foundations	51
2.3.2. Well-known trademark – the concept.....	55
2.3.3. Well-known trademark – Specific characteristics	60
2.4. WELL-KNOWN TRADEMARKS IN GLOBAL TRADE	63
2.4.1. The impact of globalization	63
2.4.2. Challenges to protect well-known trademarks.....	66
2.5. SUB-CONCLUDING REMARKS.....	67
3. THE LEGAL FRAMEWORK OF WELL-KNOWN TRADEMARK PROTECTION.....	70
3.1. INTERNATIONAL CONVENTIONS AND TREATIES	70
3.1.1. Paris Convention.....	70
3.1.2. TRIPs Agreement 1994.....	76
3.1.3. Other regulations.....	78
3.2. THE EUROPEAN UNION LEGAL SYSTEM.....	84
3.2.1. Introduction to European Trademark law	84
3.2.2. Well-known trademark in Europe.....	86
3.2.3. Well-known trademark protection in the EU.....	88
3.3. THE VIETNAMESE LEGAL SYSTEM	103
3.3.1. Overview of Trademark Law in Vietnam.....	103
3.3.2. Vietnamese laws on well-known trademark protection.	111
3.3.3. The enforcement of well-known trademarks	122
3.4. SUB-CONCLUDING REMARKS.....	134
4. A COMPARATIVE ANALYSIS	138
4.1. DETERMINATION OF WELL-KNOWN TRADEMARK .	139

4.1.1.	Definition	139
4.1.2.	The criteria for determining a well-known trademark... ..	148
4.1.3.	Degeneration of well-known trademarks.....	166
4.2.	THE LEGAL GROUNDS FOR WELL-KNOWN TRADEMARK PROTECTION.....	168
4.2.1.	The doctrine of likelihood of confusion.....	169
4.2.2.	The doctrine of dilution	173
4.2.3.	The principle of bad faith.....	178
4.3.	THE SCOPE OF PROTECTION	181
4.3.1.	Unregistered trademark.....	181
4.3.2.	Dissimilar goods and services.....	182
4.3.3.	Non-competing goods and services	183
4.3.4.	The duration of protection	183
4.4.	SUB-CONCLUDING REMARKS.....	185
 5. ASSESSING WELL-KNOWN TRADEMARKS IN VIETNAM		188
5.1.	ACHIEVEMENTS	188
5.1.1.	General policies and legislations	188
5.1.2.	Enforcement of the trademark system	189
5.1.3.	Well-known trademark protection	190
5.2.	SHORTCOMINGS	193
5.2.1.	Lack of concerns of the Government.....	193
5.2.2.	The lack of detailed provisions	194
5.2.3.	The weakness of the enforcement system.....	195
5.3.	FURTHER IMPROVEMENTS.....	198
5.3.1.	General suggestions	198
5.3.2.	Specific suggestions.....	200
5.4.	Concluding Remarks.....	209
 6. REFERENCES		213

LIST OF ABBREVIATIONS

ACPA	Anticybersquatting Consumer Protection Act
ACTA	Anti-counterfeiting Trade Agreement
BIRPI	Bureaux Internationaux Reunis Pour La Protection De La Propiete Intellectuelle (United International Bureaus For Protection Of Intellectual Property)
EC	European Community
ECJ	European Court of Justice
EEC	European Economic Community
EU	European Union
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
IP	Intellectual Property
MFN	Most Favoured Nation treatment
MOST	Ministry of Science and Technology (Vietnam)
NOIP	National Office of Intellectual Property / National Office of Industrial Property (Vietnam)
NT	National Treatment
OHIM	Office for Harmonization in the Internal Market
TLT	Trademark Law Treaty
TRIPs	Agreement on Trade-Related Aspects of Intellectual Property Rights
UC	University of California (US)
UK	The United Kingdom
US	The United States
USPTO	United States Patent and Trademark Office
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

1. RESEARCHING WELL-KNOWN TRADEMARKS

BACKGROUND

Trademarks, together with patent, copyright, and other intellectual property right subject matters, has come under increasing study because they are utilized on a global scale. Actually, the concept of “trademark” has been in use from as early as the Stone Age. The predominant view regarding their historical development is that the earliest form of marking (branding) was used in respect of animals, namely, the marking of a "brand" on cattle by farmers using hot irons. This practice is portrayed in early Stone Age cave drawings, and in wall paintings of ancient Egypt. Another form of marking was the ear-cut branding of cattle, which appeared in Madagascar.¹ However, the codification of trademark law was first enacted and cases concerning the protection of trademark rights first addressed in the United Kingdom from the 1800's.² A number of international conventions have been enacted affecting trademarks as well as a great deal of national legislation relating to intellectual property rights and specifically to trademarks.³ These sources of law are necessary to protect

¹ See e.g. Amir H. Khoury, *Ancient and Islamic sources of intellectual property protection in the Middle East: A focus on trademarks*, 43 IDEA 151, 155-156 (2003). See also, World Intellectual Property Organization (WIPO), *Intellectual Property Reading Materials* 191 (WIPO Publication, Geneva 1995) ("As long as 3000 years ago, Indian craftsmen used to engrave their signatures on their artistic creations before sending them to Iran. Manufacturers from China sold goods bearing their marks in the Mediterranean area over 2,000 years ago and at one time about a thousand different Roman pottery marks were in use, including the FORTIS brand, which became so famous that it was copied and counterfeited.").

² See subchapter 2.1.2 infra.

³ See e.g., The Paris Convention for the Protection of Industrial Property 1883, The Madrid Agreement for The International Registration of Marks 1891, The Agreement on Trade – Related Aspects of Intellectual Property Rights (TRIPs) concluded as a part of the Uruguay Round on the re-negotiation of the GATT in 1994, The Arrangement of Nice for the International Classification of Goods and Services in 1957, First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks OJ 1989 L40/1; Council Regulation (EC) 40/94 OF 20 December 1993, OJ 1994 L11/1 on the Community Trade mark. And some national laws such as : The Trade Marks Act 1938 and after that being replaced by the Trade marks Act 1994 of the United Kingdom, The

trademarks nationally as well as globally. However, there is an important aspect of trademark law which has not been addressed in national law or in international conventions over this long period.⁴ This is the “well-known” or “famous” trademark which may be understood as a trademark which is widely known and/or used in a global context or at least within a country. In this thesis I will initially use the words well-known and famous as synonyms, but eventually I will try to make a distinction between the terms.

The lack of legislation in this field has created many difficulties for the practical use and protection of “well-known” trademarks. There have been many disputes over the years, arising in commercial transactions involving well-known trademarks. Settlements of these disputes have mainly been based upon judicial decisions in common law countries or by application of the related laws of civil law countries. This has created many obstacles to defending owners’ legitimate rights in well-known trademarks. This also has impeded the process of improving laws regarding intellectual property rights and well-known trademarks or ensuring the integrity, operation and feasibility of legal systems. Thus, establishing a legal regime with respect to well-known trademark protection that is applicable globally is one of the most important goals for the development of trademark law in national and international legal environments.

International law doctrine in respect of well-known trademarks was first incorporated into the Paris Convention of 1925. Today, an understanding of this doctrine is especially important in a world of increased global marketing and advertising. Creating a global brand has become much easier with the advent of new, less costly, and more accessible long-distance communications. While political boundaries and demarcation lines may hinder the movement of our physical bodies around the globe, they provide no barriers to the free flow of information.⁵ Thus, a trademark can be delivered everywhere at once to consumers as well as to the public in increasingly faster and more effective channels. In this manner a trademark can become widely known in many markets all over the world, unrestricted by restrictions to physical movement.

Well-known trademarks have been recognized as one of the most important types of trademark in the trademark system as reflected in both national law and in international treaties. The legal regime of well-known trademark protection has been continuously enhanced and developed over time due to the increasing importance of well-known trademarks becoming known to a worldwide public

Lanham Act 1946 of the United States of America, The Federal Trade mark Dilution Act in 1995 (as revised in 2006).

⁴ The concept of well-known trade mark was first stated in the 1925 Amendment of the Paris Convention.

⁵ Frederick Mostert, *Famous and Well-known Marks – An international Analysis*, (Toronto Butterworth’s 1997), page v.

as well as development of their role in the international trade system. However, these legal issues are novel concepts for many countries, especially in developing and least developed countries, including Vietnam.

With the trend towards integration and globalization, greater numbers of foreign investors enter the Vietnamese domestic market. They bring with them many foreign trademarks, including well-known trademarks, not only into the domestic marketplace but also into the national legal system. Nowadays, we see universal brands appearing in Vietnamese markets such as SONY, TOYOTA, COCA-COLA MICROSOFT, and NOKIA. These trademarks not only represent assets of the foreign companies bearing these names but also become important elements of the national economic system whenever they are brought into that market. For example, the monetary value of the Coca-Cola mark (comparing products with the mark on them to other non-trademarked products sold by the company) was calculated to be 33.4 \$ USD Billion in 1993, and more than 70.0 \$ USD Billion in 2010 (making it the most valuable global brand of the year).⁶ This proves that the economic value of intellectual property rights, and particularly trademarks, play a key role in the development of each company as well as in the world economy.

This also highlights the issue that protection and enforcement of intellectual property rights is still a dimly lit picture in Vietnam. Even though the Government has attempted to promulgate new laws and regulations, infringement and violation of intellectual property rights continue to present major challenges to national authorities and intellectual property rights holders. The field of trademark law is especially troubling as many disputes and claims have been submitted to the authorities regarding trademark infringement.

In Vietnam, most people do not have a great deal of awareness of well-known trademarks. For example, the word “**HONDA**” is commonly used generically to refer to all brands of motorbikes without any distinction among them. This seems to be a common practice that has existed for a long time. This raises some important questions that to be clarified:

- (1) Are there any infringements of the trademark owner’s rights in the “**HONDA**” example?
- (2) Do the owners of the mark “**HONDA**” have the right to make a claim for protection of their rights relating to this mark?
- (3) If such rights may be claimed, how they can be protected in Vietnam?

⁶ Ruth Annand and Helen Norman, Blackstone’s Guide to the Trade marks Act 1994, (Blackstone Press Limited 1994), page 10. See also Business Week and Interbrand Special Report on the 100 Top Brands, 2010. Available at :

<http://www.interbrand.com/en/knowledge/branding-studies.aspx>.

These are not simple questions and the answer depends on the legal situation. For instance, we must ask whether “HONDA” is a well-known trademark; whether or not there is a specific law concerning well-known trademarks in Vietnam, and, if so, what the law requires in each case. It should be noted that there are some unofficial classifications of trademarks in Vietnam which have been enforced by national authorities and other organizations, and there have been separate articles in the 2005 Law on Intellectual Property concerning well-known trademarks.⁷ However, common standards for the recognition of well-known trademarks have still not been precisely or consistently defined. Most people will not be able to define what “well-known trademarks” are. They may confuse public knowledge of a trademark with the existence of its high commercial value. Some will be of the opinion that a trademark should be famous whenever many people are aware of it. The majority of the public will not care about why a trademark is a famous one. They will respond to the question of whether a certain trademark is well-known or not, relying solely on their own feelings. Therefore, at present, it is not easy to find a common understanding of the concept of “well-known trademark” in Vietnam. I will return to the Honda example and answer these questions after a careful comparative review.

As have other countries Vietnam enacted a system of general regulations on intellectual property rights in 1995 in Vietnam’s Civil Code⁸ and with respect to industrial property in Decree No. 63 – CP in 1996,⁹ which formed the initial basis of Vietnamese law regarding intellectual property. They are also the main source of Vietnam’s trademark law. The 1995 Civil Code was last modified and replaced by the Vietnam Civil Code of 2005.¹⁰ Furthermore, in 2005 Vietnam adopted its first law solely governing intellectual property rights.¹¹ Provisions on trademarks can also be found in other legal documents enacted by State authorities such as by the Ministry of Science, Technology and Environment, the Ministry of Trade, and the Ministry of Justice.

⁷ For instance, see Article 75 of The 2005 Law on Intellectual Property (as amended in 2009).

⁸ Civil Code No. 44-L/CTN was passed by the IX National Assembly, session 8th, on 28 October, 1995, came into force on July 1st, 1996 and expired on January 1st, 2006.

⁹ Decree No. 63 of the Government of the Socialist Republic of Vietnam enacted on October 24, 1996 detailing the regulations on the industrial property. This Decree was amended by Decree No. 06/2001/ ND-CP, enacted on February 01, 2001.

¹⁰ Civil Code No. 33/2005/QH11 was passed on June 14, 2005, by the XI National Assembly of the Socialist Republic of Vietnam, at its 7th session and came into force as of January 1, 2006.

¹¹ The Law on Intellectual Property was adopted by the National Assembly of The Socialist Republic of Vietnam at the Legislature XI, session 8, on November 29, 2005 and came into force on July 1, 2006. This Law consists of 222 articles and is divided into 6 parts and 18 chapters. It stipulates copyright, copyright-related rights, industrial property rights, and rights in plant varieties and for the protection of these rights. However, problems relating to well-known trade marks are merely referred to in a number of articles.

2006 marks the date of many important events with significant effects upon the Vietnamese economy as well as of enactment of legal provisions for the protection of intellectual property rights. The most important event was the successful conclusion of Vietnam's WTO accession negotiation process on November 7, 2006 with Vietnam becoming the 150th official member of the WTO. The second event was Vietnam's officially becoming a party to the Madrid Protocol. The Vietnamese government deposited its instrument of accession to the Madrid Protocol with the director general of WIPO on April 11, 2006. The Protocol came into force in Vietnam on July 11, 2006 with the consequence that, from that date, Vietnamese trademark owners could obtain international registration for marks based on a Vietnamese application or registration. Similarly, foreign trademark owners were able to obtain international registration in their home countries with such registered marks becoming protected in Vietnam as domestic marks. Also, Vietnam's Law on Intellectual Property came into force on July 1, 2006. That Law is more suitable to the realities of Vietnam and consistent with the international legal framework and standards set forth in international treaties, especially the TRIPs Agreement and the Paris Convention.

However, the above-described regulations and provisions apply to all types of trademarks, including signs, and color and shape marks. These regulations, however, are not specific enough to provide sufficient guidance for all types of mark. The same situation obtains regarding well-known trademarks and it is these issues which are the object of this research. Vietnamese law in this field faces challenges from the standpoint of the needs of the community as well as Vietnam's international obligations under the international conventions and treaties it has acceded to.

THE PURPOSES OF THE DISSERTATION

As mentioned, well-known trademarks and legal issues concerning their protection have not been adequately addressed in Vietnam. Therefore, this dissertation has two main purposes. The first is to contribute to the theoretical knowledge regarding well-known trademarks not only in a global perspective but also in the context of Vietnam.¹² This is intended to help relevant actors to recognize well-known trademarks in the market place in order to distinguish them from other marks. The second is through an analysis and investigation of the legal regime concerning protection for well-known trademarks in an international legal context¹³ and within specific national legal systems¹⁴ to draw

¹² As presented in the subchapter 2.2.

¹³ As introduced in the subchapter 3.1.

¹⁴ As defined in the Delimitations *infra*.

from their experience methods for enhancing and improving the Vietnamese legal system regarding well-known trademark protection.

In order to address the above mentioned purposes this dissertation addresses specific issues including:

First, presenting a broad analysis of the theoretical basic knowledge on trademarks in general and well-known trademarks in particular. This helps to provide basic answers to the question of what is a well-known trademark in a global context.

Second, making a comparative study between the legal systems of the European Union and Vietnam as it addresses well-known trademark protection.

Third, presenting an analysis of the Vietnamese situation regarding protection for trademarks with particular emphasis on well-known trademarks and evaluating the efficiency of its legal regime as well as the challenges of their effects on Vietnam and its integration into international trade.

Finally, based upon these analyses, proposing suitable solutions to enhance and improve the Vietnamese legal system for the well-known trademark protection.

DELIMITATIONS

As noted, the dissertation mainly concentrates on theoretical knowledge and practical issues concerning well-known trademarks and legal regimes for their protection as a distinct part of trademark law. Accordingly, the dissertation begins with an overview of the definition of well-known and famous trademarks in a theoretical perspective, and then examines the international legal framework for the protection of well-known trademarks provided under the Paris Convention, and the TRIPs Agreement. This consists of a thorough discussion and comparison of specific legal issues concerning the definition of and protection for well-known or famous trademarks, and the enforcement of the legal regime of well-known trademark protection of a number of national and international legal systems. Generally the dissertation focuses mainly on well-known trademarks and, to some extent, famous trademarks and trademarks with a reputation. However, other aspects of intellectual property rights are referred to for purposes of comparing or clarifying issues relating to the main content of the dissertation.

The scope of the research is consistent with the purposes stated in order to ensure that the main goals of the dissertation are addressed properly.

Due to time constraints and the vast scope of the subject, this dissertation only reviews the European Union legal system and Vietnamese legal system dealing with the protection of well-known trademarks. Accordingly, the research focuses only on the European Union level, including the legislation of the European

Union for the protection of well-known trademarks, and judgments and decisions of the European Court of Justice concerning well-known trademarks and marks with a reputation. It makes references to certain national legislations such as the United Kingdom, Germany and France and to a minor extent to the law in certain other countries. The dissertation will only make limited references to the legal system of the United States.

METHODS

Academic research is important not only in defining the problems to be solved at both theoretical and practical perspectives but also in solving questions regarding how such problems may be resolved. This dissertation utilizes a variety of research methods in order to answer its questions. These methods will be applied corresponding to the specific aims and contents of each chapter as well as to the dissertation as a whole. The most important point regarding the methodology used is that the research is based mainly on dialectical legal scientific analysis in order to bring to the readers an adequate and comprehensive view of the issues analyzed.

Traditional legal methods or legal dogmatic method

The traditional legal method (also known as the legal dogmatic method) is commonly used in most fields of legal research. This method is normally understood as a way of interpreting, clarifying, evaluating and analyzing applicable legal regulations in order to make clear theoretical and practical matters. Legal dogmatic, in other words, as the most common method in the study of law, is used to interpret, clarify, and evaluate the content of valid legal norms, to systematize them, i.e. to reformulate them as a systematic unit, and to predict (and even propose) the development of these legal norms.¹⁵ Further aspects of the traditional legal method include predictions regarding developing tendencies of the laws in general and on specific legal provisions.¹⁶ It should be noted that this method is applied mainly on the basis of, and in association with, legal norms and rules. Therefore, when using this method, the author has approached and studied many legal sources, on the international and national levels, such as international conventions and agreements, national laws, case law, preparatory works and legal doctrines.

¹⁵ Aulis Aarnio, "Reason and authority – A treatise on the Dynamic Paradigm of Legal Dogmatics", (Ashgate Dartmouth, Aldershot 1997), pages 68 and 75.

¹⁶ Tu Thanh Nguyen, "Competition law in Technology transfer under the TRIPs Agreement – Implications for Developing countries", PhD. Dissertation 2009 – Lund University Faculty of Law, page 11.

The legal dogmatic method is used in the dissertation in order to reach reasonable answers to key questions such as: What does the law say about well-known trademark protection? Why and how is a well-known trademark protected under the laws? In order to obtain the benefit of this method, one is required to perform a number of tasks known as synthesis, analysis, and statistics. These are subsets of the process known as the traditional legal method.

In line with the main purpose of the research as stated above, the author also applies the legal dogmatic method in approaching and investigating the provisions concerning the well-known trademark protection found in legal documents such as the Paris Convention, the TRIPs Agreement, the EU Trademark Directive, the Trademark Regulation, the Law on Intellectual Property in Vietnam 2005 (as amended in 2009), and the national trademark law of specific European countries.¹⁷

Furthermore, case law is also an important source used in the dissertation for interpreting the laws on well-known trademarks and clarifying how the laws are applied in specific cases. For instance, on the European side, study of the *General Motors* case¹⁸ or the *Davidoff* case¹⁹ helps the readers to understand how the provisions of articles 4 and 5 of the Trademark Directive are interpreted. On the Vietnamese side, even though there are not many cases dealing with well-known trademark protection, the author also tries to introduce and analyze cases such as the *McDonald's* case²⁰ or the *Shangri-La* case²¹ in order to investigate how protection for well-known trademarks has been interpreted in Vietnam.

Thus, the legal dogmatic method i.e. the traditional legal method is primarily utilized throughout the dissertation, especially in the third and fourth chapters. The analysis obtained through using this method of investigating the laws and cases are extremely important to the comparisons made in chapter 4.

Comparative legal method

¹⁷ For example, Article 6bis of the Paris Convention, the Article 16 of the TRIPs Agreement, the Article 4 and 5 of the Trade mark Directive, Article 8 and 52 of the Community Trade mark Regulation, Article 75 of the Vietnamese 2005 Law on Intellectual Property (as amended in 2009).

¹⁸ Case C-375/97, *General Motors Corporation v. Yplon SA*. See generally chapter 4 *infra*.

¹⁹ Case C-292/00, *Davidoff & Cie SA, Zino Davidoff SA v. Gofkid Ltd.*, See generally chapter 4 *infra*.

²⁰ *McDonald's Corporation v. an Australian Company* relating to the registration of the trade mark "McDonald's" filed by the Australian Company, in 1992.

²¹ *Shangri-La International Hotel Management Ltd, v. Phu Tho Joint Venture Co.*, in 1995.

Generally speaking, the comparative method is simply a way of studying differences by putting them side by side and discovering similarities and differences between them. Depending upon the various goals of researcher, the comparative method can be applied in different manners and at different levels. In practice, the comparative method, in common with comparative thinking, is not only useful for performing legal research but is also a useful tool for studying other fields of science.

The comparative legal method is a popular and helpful method for performing legal research. Originating with the observations of a famous German scholar²², the comparative method has become increasingly used by legal science. The comparative legal method is commonly understood to be a method which examines the differences and similarities between different objects or between different parts of one object. The main tool of this method is a comparison which can be made at both the micro and macro levels. At the macro level, the comparison should be made by approaching and studying the legal systems or legal regimes to evaluate differences and similarities from a general perspective. In the micro level, the comparison should be carried out between specific norms and regulations of legal systems concerning certain legal problems. Those comparisons should be considered together while the research progresses because of the dialectical relationship between the two. Based upon all materials and information obtained by using the traditional legal method, they are then combined and compared on both levels in order to discover the similarities and differences between different sources of information and then between different legal systems. The main tasks of the comparative legal method are to answer the questions: What are the differences and similarities? Why do these differences and similarities exist? What is the significance of the comparison?

This dissertation is intended as a comparative legal research as stated in its title and purpose. Therefore, the comparative legal method is used throughout the dissertation. However, because of the specific focus of each chapter, the method is used differently in different parts. It plays an important role in chapter 4 which focuses mainly on a comparison between the Vietnamese and European legal systems regarding well-known trademark protection. After a careful examination of the legal systems of the European Union and Vietnam as presented in chapter 3, the chapter 4 systematically makes comparisons between the two in order to analyze and interpret the similarities, differences, achievements and shortcomings of each system. The comparisons are made

²² Rudolph von Jhering, *Der Geist des Romischen Rechts auf den verschiedenen Stufen seiner Entwicklung*, Part I, 9th Edition 1955 (1st edition 1852), pages 8-9. "The question of the reception of foreign legal institutions is not a question of nationality, but simply one of expediency, of need. No one will fetch a thing from abroad when he has as good or better as home; but only the fool will reject the bark of the cinchona because it did not grow in his vegetable garden".

based on factors concerning key legal issues of well-known trademark protection such as the determination of well-known trademarks, the legal grounds for the protection of well-known trademarks, the scope of protection applied to well-known trademarks and finally enforcement of the legal regimes for the protection of well-known trademarks. The comparative analyses made in this chapter form the foundation for the dissertation's suggestions relevant to Vietnam in the next chapter.

Legal historical perspective

The legal historical method may be understood as a way of approaching and studying certain issues in the context of the history of their development. It is uncontroversial that law is historical in nature. This means that laws have always existed within the historical contexts of countries or territories and therefore, has been influenced and affected by their historical conditions. Thus, it is reasonable to approach and study a legal system or in more particularly to address a legal issue using a historical perspective. This approach has three main functions: firstly, the legal historical method can help researchers understand current statutes by understanding their historic sources and development; secondly, this method seems to be helpful for analyzing and studying the development of a rule, law or legal system; thirdly, based upon considerations of the historical development and conditions in a country or a community, the legal historical method will supply reasonable and scientific explanations for legal problems which they face.

This dissertation uses the legal historical method in parts of certain chapters depending on the content of the subject matter examined. It is necessary to briefly study the historical development of the Vietnamese and European Union legal systems in order to provide a general view and contextual background of these systems. Accordingly, the legal historical method is used primarily in chapters 1, 2 and 3 in order to understand the theoretical foundations for addressing the legal issues of concern to this dissertation. In more specific perspective, the method is used for investigating particular issues in certain parts of the dissertation. For instances, the historical review of the development of the well-known trademark doctrine through the terms and their amendment in the international conventions and treaties and national legislation in chapter 2 or a historical study of trademark dilution doctrine in chapter 4 play an important role in understanding and explaining the current legal regimes on well-known trademark protection both at the international and national levels.

Economic legal perspective

In every country, the economic system is an important factor strongly related to other factors in a society, including its legal system. Indeed, the legal world is not to be understood on its own, but requires application of methods from other

disciplines, among them economics.²³ There is a close relationship between law and economics, not only because of the inherent link between the two but also because of the requirements of this age where globalization has become an important element in defining the development and direction of the world. It would make no sense to consider systems of law, especially the law on intellectual property, separately from economics. Economic principles provide useful guidance concerning a number of intellectual property issues, including how to design intellectual property rights policies, how to determine the appropriate level of damages to award in intellectual property litigation, and how to manage an intellectual property portfolio.²⁴ Therefore, the law, and legal norms, should be understood, explained, and evaluated based upon an economic perspective.

The economic legal perspective is a way of studying legal norms or legal regimes from the point of view of two important questions: Firstly, how economic factors can affect legal norms and secondly, and from the opposite direction, how legal norms affect the economic environment of a country. The economic legal perspective permits researchers to evaluate the significance and efficiency of legal norms or a legal system at a higher level by investigating its transaction costs.

The economic legal perspective is used in this dissertation where the commercial or economic values of legal objects are considered, such as in chapters 1, 2, 4, 5. For instance, economic factors should be considered in dealing with questions concerning why there needs to be an extension of protection applied to well-known trademarks, when a trademark can be considered well-known, considerations regarding the commercial value of trademarks, and how to define the infringement activities in trademark cases based on economic damage.

Sociological legal perspective

The sociological legal perspective is applied to dealing with legal matters by carefully considering the social factors affecting those matters. In other words, the sociological legal method is a method built based on resolution of the relationship between law and society, in which the explanation and analysis focus on how legal norms affect society and conversely, how social conditions influence the value and effectiveness of legal norms.

²³ Tu Thanh Nguyen, "Competition law in Technology transfer under the TRIPs Agreement – Implications for Developing countries", PhD. Dissertation 2009 – Lund University Faculty of Law, page 17. See also: Marc Galanter and Mark Alan Edwards, "Introduction: The Path of The Law And's", 1997 Wis. L. Rev. 375, 376 (1997). Richard A. Posner, "The Decline of Law as an Autonomous Discipline: 1962 – 1987", 100 Harv. L. Rev. 761 (1987).

²⁴ Gregory K. Leonard, Lauren J. Stiroh, "Economic approaches to Intellectual property – Policy, Litigation and Management", National Economic Research Associates, Inc. 2005, page vi.

The sociological legal perspective appears to be less important than the others. The law always co-exists with other social factors and is of course, influenced by those factors. When investigating legal problems or answering legal questions, the normal way to evaluate them is to put those issues into the context of how they relate to each part of society. There are many differences among communities with respect to specific legal questions due to the effects of social conditions particular to them. Therefore, the scope of this dissertation is limited and defined in relation to the social conditions specific to each set of laws and communities.

The sociological legal perspective is used in certain parts of this dissertation where it is necessary to evaluate the social aspect of legal norms or regulations. This method is relevant to chapters 4 and 5 which focus on the comparison between the two legal systems as well as on the realities of the Vietnamese legal system and on proposed solutions for improving the present legal system in Vietnam.

Interviews

All of the above mentioned methods and perspectives are useful for the purposes of this thesis. However, there remains the challenge of approaching and investigating the realities of the Vietnamese legal system of well-known trademark protection because of the lack of practical information showing the current status of how the Vietnamese trademark system is operating. At this point, meetings and discussions with experts who work in the various fields of intellectual property rights as well as that of the trademark system appeared to be a significant supplementary resource for the author. Therefore, during the course of the doctoral program the author made at least three working trips to Ha Noi to meet and work with Vietnamese IP experts. The author participated in discussions with the trademark system operators of the NOIP and the Ministry of Science and Technology (MOST). In addition, the author also participated in meetings with lawyers and other persons who have had long-term experience with the IP system. Such meetings and discussions which were mainly been carried out using questionnaires²⁵ were very helpful in clarifying theoretical issues concerning well-known trademarks as well as for suggesting solutions and recommendations for improving the Vietnamese legal system for well-known trademark protection as presented in Chapter 5. Indeed, while discussions with NOIP's experts and MOST's officers were helpful in approaching and understanding the trademark system and particularly the legal regime of well-known trademark protection from an administrative viewpoint, the meetings with lawyers brought out significant issues concerning the realities of their application in practice. Even if these meetings have a lesser scientific value, they still form an important input for the ideas researched and the measures proposed.

²⁵ See Appendix 1.

WELL-KNOWN TRADEMARKS IN LEGAL RESEARCH

Much has been written about well-known, famous and reputable trademarks on the international level. Most of this legal writing is shorter comments in text books or expanded law review articles. This thesis has primarily relied on the pioneer international work by Frederick W. Mostert, *Famous and well-known marks – An international analysis*.²⁶ Mostert's work has not the least been helpful in understanding how well-known trademarks are addressed on the global national level. But Mostert also deals with legal issues such as the definition of well-known trademarks, the parameters for determining well-known trademarks and famous trademarks and the enforcement of protection for well-known trademarks on national and international levels. Furthermore Jeremy Phillips, *Trademark Law: A Practical Anatomy*²⁷ has been an important source to understand trademark law in general. A third important source has been Christopher Heath and Kung – Chung Liu, *The protection of well-known marks in Asia*.²⁸ It contains a collection of significant research on well-known trademark protection by a group of researchers from many countries in Europe and Asia. The book compares the three big legal traditions: the US legal system, European legal systems and Asian legal systems.

On the Vietnamese side there is less to be found regarding the treatment of well-known trademarks. The concept is briefly discussed by Le Net, *Intellectual Property Rights* (2004). The dissertation by Le Mai Thanh, *Legal issues on trademark protection in the conditions of international economic integration in Vietnam* (2006), also briefly refers to well-known trademarks. In a master thesis titled *Well-known trademarks versus dilutive signs – A trans-Atlantic comparative analysis of protection schemes* (2004),²⁹ Pham Thanh Tra focuses on the protection of well-known marks against dilution in the United States and the European Community.³⁰ Furthermore Ha Thi Nguyet Thu, *Well-known trademark protection – Reference to the Japanese experience*, (2010) is a research focused mainly on the protection of well-known trademark based on comparisons between Vietnamese and Japanese law.

²⁶ Frederick Mostert, *Famous and Well-known Marks – An international Analysis*, (Toronto Butterworth's 1997). The second edition of the book was published in 2004.

²⁷ Jeremy Phillips, *Trade mark Law – A Practical Anatomy*, (Oxford University Press 2003.)

²⁸ Christopher Heath, Kung-Chung Liu, *The protection of well-known marks in Asia*, Max Planck Series on Asian Intellectual Property Law, 2000.

²⁹ Master Thesis 2003 – 2004, University of Leuven, Belgium, available at <https://www.law.kuleuven.be/cals/llm/papers/Y0304/PhamThanhTra.pdf>.

³⁰ Pham Thanh Tra, *Well-known trade marks versus dilutive signs – A trans-Atlantic comparative analysis of protection schemes*, Master Thesis 2003 – 2004, University of Leuven, Belgium, page 5.

While issues concerning well-known trademarks as well and their protection have been addressed extensively in the literature they are still a new concept in Vietnam. Therefore, this thesis is considered as the next and important work that deals extensively with well-known trademarks within Vietnamese legislation and practice.

STRUCTURE OF THE DISSERTATION

Following the first part which may be referred to as the Introduction, Chapter 2 deals with painting a general picture of the theoretical knowledge regarding well-known trademarks, a definition of the concept of “well-known trademark” and related terms in a national and international perspective. It then addresses the roles of various legal regimes concerning well-known trademarks in the law of trademarks and analyses how globalization presents challenges to the protection of well-known trademarks in national legislation and the international system.

Chapter 3 introduces the international legal framework concerning well-known trademark protection, including the Paris Convention of 1883, the Madrid Agreement of 1891 and its Protocol, the TRIPs Agreement of 1994, and other treaties concerning trademarks. This chapter presents the reader with a universal perspective on well-known trademarks and their protection in both theory and legislation. Chapter 3 also approaches and generally introduces trademark law and the legal regimes concerning well-known trademark protection under European Union and Vietnamese law. Accordingly, Chapter 3 provides a sketch of the history of trademark law within Europe and a general introduction to the current trademark law of the European Union. It also presents a sketch of trademark law in the separate national legal systems of countries such as United Kingdom, Germany and France. As regards Vietnamese law, Chapter 3 first introduces the general trademark law system of Vietnam, then continues with an examination of specific provisions concerning well-known trademark protection contained in the Law on Intellectual Property and its guidelines.

In Chapter 4 legal issues concerning well-known trademark protection are identified based on side by side comparison between the European Union and Vietnamese legal systems. Chapter 4 provides a detailed examination and analysis of the similarities and differences between the two systems concerning definitions criteria and legal grounds for protection and enforcement of well-known trademarks. The comparisons are made based upon the various legislative provisions as well as through the court practices.

Chapter 5 continues by examining the situation in Vietnam. Chapter 5 focuses on an evaluation of the current legal regime of well-known trademark protection within Vietnamese law. The achievements and shortcomings of the legal system are carefully analyzed not only in regard to Vietnamese legislation but also its application. Based upon the results of the comparisons which have been made in

chapter 4, chapter 5 continues by evaluating the current situation of Vietnam and suggesting suitable solutions for enhancing and improving the current Vietnamese legal system for well-known trademark protection in order to achieve consistency with current trends in international law.

The dissertation's concluding remarks summarize its results. It serves not only to confirm the viewpoints expressed by the writer but also to open questions for further examination and to make predictions for the development of the legal system for the future regarding well-known trademark protection.

2. THEORETICAL FOUNDATIONS

Well-known trademarks are first of all trademarks. Therefore, before approaching and investigating the situation of well-known trademark protection, there is a need to define well-known trademarks within the entire system of trademark law. In this chapter, the author aims at demonstrating the entire picture of the theoretical foundations of trademark law upon which the legal regime of well-known trademark protection is built. The chapter starts with an overview of trademarks and trademark law before going through the main part on the theoretical analysis of well-known trademarks and well-known trademark protection. Especially, the chapter also mentions and analyses the tendency of globalization and its impacts to the trademark law in general and the protection of well-known trademarks in particular.

2.1. *TRADEMARKS – A GENERAL OVERVIEW*

Before dealing with trademark law and well-known trademarks more specifically, some general observations are required regarding trademarks as such that deal with important theoretical issues including the definition, functions, characteristics of trademark as well as the distinctions among trademark and other related terms.

2.1.1. Definition of trademark

Trademarks have long been used by manufacturers and traders to identify the origins of their goods and services and to distinguish them from goods and services made or sold by others. This function of identifying the source of goods and services has historically been the trademark's most important element. Trademarks play a central role in the economy and are the subject of national trademark laws in most of the world's countries.

Trademarks have had a long history.¹ According to archaeologists somewhere between 5000 and 4000 BC primitive man used signs or symbols to mark their animals or property so as to identify their rights over them.² The great achievements of archaeology in the forty years since the publication of Joseph Kohler's work have added much to our knowledge of the early use of trademarks. The ruins of the prehistoric settlement at *Korakou*³ near *Corinth* have yielded up saucers and bowls bearing potters' marks at least four thousand years old.⁴ In Roman times, it was common for pottery to be impressed with a mark.⁵ The Romans were successful in using such means to identify their own products and distinguishing them from others. Nowadays, trademarks are used in connection with many different types of goods and services. Trademarks have become a valuable form of intellectual property because they have become associated with quality and consumer expectations in a product or service.

¹ Frank Schechter, *The historical Foundations of the Law relating to Trade marks*, Columbia University Press 1925; Gerald Ruston, *On the origin of Trade marks*, 1955, 45 TMR 127 – 44.

² See Dinh Van Thanh, Le Thi Hang, "The Trade mark in Civil Law", (People's Police Press, Ha Noi 2004), page 13.

³ Korakou (Greek: K?????) was built around the year 3100 – 3000 BC and is now a village in the Nicosia District of Cyprus.

For more information, see: http://projectsx.dartmouth.edu/history/bronze_age/lessons/les/3.html.
<http://en.wikipedia.org/wiki/Korakou>.

⁴ Frank Schechter, *The historical Foundations of the Law relating to Trade marks*, (Columbia University Press 1925), (6th Printing The Lawbook Exchange 2008) page 20.

Available at

http://books.google.com.vn/books?id=5S8v535AwSoC&pg=PA13&lpg=PA13&dq=history+of+trade+mark+law&source=bl&ots=rbrBFnzjR&sig=IA5ejSb-sunr7j3dpjBBNSO0vvo&hl=vi&ei=a1WJTutIM-ysAaB9r2RBg&sa=X&oi=book_result&ct=result&resnum=1&ved=0CBIQ6AEwADgo#v=onepage&q=history%20of%20trade%20mark%20law&f=false.

See also, C. W. Blegen, *Korakou, A prehistoric settlement near Corinth*, (American School of Classical Studies at Athens 1921), Fig. 3, No. 6, paragraph 5, 11.

Available at: <http://www.archive.org/details/korakouprehistor00bleg>.

⁵ Davis I Bainbridge, *Intellectual Property*, published in London 1999, page 521. According to Arthur R. Miller and Michael H. Davis in : "Intellectual property – Patents, Trade marks and Copyrights", (Thomson West Publishing Co., 2000) page 156: A useful place to start the exploration of today's controversy over the objectives of trade mark law is to look at the original purpose of guild members during the medieval period who affixed the mark of their guild to the goods as the product of a particular craftsman or group of craftsmen... . Thus trade marks originated as devices to identify in the marketplace the craftspeople responsible for producing goods for sale. There are indications that long before medieval days, the practice of affixing producers' markets existed in the Mid and Far East, where archaeologists have found such symbols on unearthed artefacts.

The term trademark has several different definitions. As observed by Davis Bainbridge, a trademark is frequently defined by the courts as a mark, sign or symbol, the primary and proper function of which is, “to identify origin or ownership of the goods to which it is affixed”.⁶ Based on the evidence of more than one hundred years, he also argues that “[T]his definition of the function of the trademark has been in use with almost unvarying uniformity throughout the formative period of trademark law up to the present day”.⁷ According to the definition on the USPTO⁸ website:

A trademark includes any word, name, symbol, or device, or any combination, used, or intended to be used, in commerce to identify and distinguish the goods of one manufacturer or seller from goods manufactured or sold by others, and to indicate the source of the goods. In short, a trademark is a brand name.⁹

In the light of this wording, there are three main ingredients in the definition of trademark. First, a sign which may be considered as trademark may be a word, name, symbol, device or any combination thereof. Second, such a sign should be used or intend to be used in commerce. Third, the main function of such a sign is to indicate the source of goods. This definition is merely used for the goods as such. Within this definition, a trademark may be synonymous with a brand name even if there may in practice be some distinguishing features. In addition, the USPTO also gives a definition for a service mark which is the same as that of a trademark except that a service mark identifies and distinguishes the source of a service rather than a product. The terms "trademark" and "mark" are commonly used to refer to both trademarks and service marks.¹⁰

⁶ Frank Schechter, *The historical Foundations of the Law relating to Trade marks*, (Columbia University Press 1925), page 19.

⁷ *Idem*.

See also the case *Hanover Milling Co. v. Metcalf*, in 1915; *Canal Company v. Clark* in 1871; *Amoskeag Mnuufacturing Company v. Spear* in 1840; or *Boardman v. Meriden v. Britannia Company* in 1868.

⁸ The United States Patent and Trade mark Office (USPTO) is a federal agency in the Department of Commerce. For over 200 years, the basic role of the USPTO has remained the same: to promote the progress of science and the useful arts by securing for limited times to inventors the exclusive right to their respective discoveries (Article 1, Section 8 of the United States Constitution). Under this system of protection, American industry has flourished. New products have been invented, new uses for old ones discovered, and employment opportunities created for millions of Americans. The strength and vitality of the U.S. economy depends directly on effective mechanisms that protect new ideas and investments in innovation and creativity. The continued demand for patents and trade marks underscores the ingenuity of American inventors and entrepreneurs. The USPTO is at the cutting edge of the Nation’s technological progress and achievement. For more information, see <http://www.uspto.gov/web/menu/intro.html>.

⁹ See [http://www.uspto.gov/faq/trade_marks.jsp#DefineTrade mark](http://www.uspto.gov/faq/trade_marks.jsp#DefineTrade%20mark).

¹⁰ See <http://www.uspto.gov/web/offices/pac/doc/general/whatis.htm>.

Meanwhile, under the provisions of European Union trademark law, a unified definition is used for trademarks in general (including marks to goods and marks to services). Accordingly, “[A] trademark may consist of any sign capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.”¹¹ Under this definition, a trademark covers not only normal signs such as words, names, letters, numerals but also designs, the shape of goods or of their packaging. Bypassing the differences in language, it seems that EU trademark law uses a broader definition than United States law.

From a Vietnamese viewpoint, a trademark is briefly defined in the wording of Article 4.16 of the 2005 Law on Intellectual Property (as amended in 2009) as “any sign used to distinguish goods or services of different organizations or individuals”¹² and then further clarified in the Article 72 of this Law which says that such a sign “is a visible sign in the form of letters, words, drawings or images including holograms, or a combination thereof, represented in one or more colours”¹³ and “is capable of distinguishing goods or services of the mark owner from those of other subjects.”¹⁴ This definition seems to be similar to the abovementioned definitions except for the additional category of the visibility of a sign. This means that a trademark should be visible. Where does that leave the case of non-conventional marks like smell or sound marks¹⁵ and the signature tune of a television program?

Thus, although there are some differences among the statutory wordings, most authorities agree that a trademark should be defined as a specific sign used to separate goods or services from each other. Such a sign is usually the first characteristic that customers use to recognize a good or service represented by that sign. In other words, a trademark (including service mark) is a sign which

We can also see the same definition of both trademark and service mark listed on website <http://cyber.law.harvard.edu>: “A trademark is a word, symbol, or phrase, used to identify a particular manufacturer or seller's products and distinguish them from the products of another” and “when such marks are used to identify services rather than products, they are called service marks.” <http://cyber.law.harvard.edu/metaschool/fisher/domain/tm.htm>,

¹¹ Article 2 of the Trade mark Directive.

¹² Article 4.16 of the 2005 Law on Intellectual Property (as amended in 2009).

¹³ Article 72.1 of the 2005 Law on Intellectual Property (as amended in 2009).

¹⁴ Article 72.2 of the 2005 Law on Intellectual Property (as amended in 2009).

¹⁵ Many countries have expanded the scope of signs which may be considered as trade marks, accordingly a trade mark is not required to be visible but perceptible only. For example, under the Trade marks (Amendment) Act 2004 of Singapore, a trade mark no longer has to be visually perceptible. A sound or smell mark would be registerable. (James C. Chao, “Recent Trends in Asian Trade mark Law – Changes and Challenges”, *The Trade mark Reporter*, July-August 2005, 95 TMR 883, page 2).

symbolizes the origin of goods or services as well as, to some extent, the quality and the prestige of the good or service in the market place. Therefore, the fundamental problem is how to define that sign. According to WIPO, a trademark is understood as “a **distinctive sign** which identifies certain goods or services as those produced or provided by a specific person or enterprise. Its origin dates back to ancient times, when craftsmen reproduced their signatures, or “marks” on their artistic or utilitarian products. Over the years these marks evolved into today's system of trademark registration and service because its nature and quality, indicated by its **unique** trademark, meets their needs.”¹⁶

In short, a trademark may be understood as any perceptible sign including words, names, letters, numerals, symbols, designs, devices, or any combination thereof, shapes of goods or of their packaging, used or intended to be used in commerce to identify and distinguish goods or services of one undertaking from those of other undertakings. But there may be additional requirements under different national laws.

2.1.2. Functions of trademarks

As noted, a trademark, and of course the trademark system, have an important role in the economy, not only in relation to the origin of the goods or services, but also concerning the quality and the position of goods and services in the market place. Thus, in its essence the trademark system is designed to perform the following functions.¹⁷

To identify the actual physical origin of the goods and services

The theory is that the trademark is designed to serve as a badge of origin of goods and services is one of ancient provenance.¹⁸ The trademark first presents the consumers with the initial information regarding the origin of goods and services. It tells them that that the trademark is made and designed by a particular producer and by no one else. Thus, a brand itself is a seal of authenticity, a practical method for consumers to appreciate the quality of goods by viewing the mark rather than inspecting each product.¹⁹

¹⁶ See <http://www.wipo.int/trade-marks/en/trade-marks.html> and WIPO pamphlet “What is Intellectual Property?” p. 8.
www.wipo.int/freepublications/en/intproperty/450/wipo_pub_450.pdf.

¹⁷ Jeremy Phillips, “TRADE MARK LAW – A practical anatomy”, (Oxford University Press, 2003), page 23 – 28, paragraph 2.24 – 2.41.

¹⁸ Idem, page 23, paragraph 2.24.

¹⁹ Frederick Mostert, “Authenticity: The Timeless Quest” (2003) 156 Trade mark World 22, 24.

To guarantee the identity of the origin of goods and services

The importance of trademarks is referred to by the ECJ in some cases. For instance, in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.*,²⁰ the ECJ stated that:

... according to the settled case-law of the Court, the essential function of the trademark is to guarantee the identity of the origin of marked product to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin. For the trademark to be able to fulfill its essential role in the system of undistorted competition..., it must offer a guarantee that all the goods or services bearing it have originated under the control of a single undertaking which is responsible for their quality.²¹

This definition addresses the relationship of the trademark owner with his competitors by enabling him to keep his channel of communication to the consumer free from interference by other, unauthorized uses of the same or similar trademarks. The relationship that the law seeks to protect is one of “undistorted competition” between two or more competitors.²² To that extent, this function of a trademark is concerned with and referred to in competition law more than in traditional trademark law.

It should be noted that the difference between guaranteeing “the identity of the origin of goods and services” and guaranteeing the “physical origin of goods and services” itself is not always visible in most cases.

To guarantee the quality of goods and services

In contrast to the ECJ’s perspective, American trademark theory consists of the notion that consumers often seek an assurance that relates to the quality of goods or services to which the trademark testifies rather than the origin itself. The trademark identifies a product as satisfactory and thereby stimulates further purchases by the consuming public.²³

²⁰ Case C – 206/01, *Arsenal Football Club plc. v. Matthew Read* [2002] ETMR 975, [2003] RPC 144, [2003] ETMR 227 (ECJ).

²¹ Case C-39/97, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.*, [1999] ETMR 1, paragraph 28. See also Jeremy Phillips, “TRADE MARK LAW – A practical anatomy”, (Oxford University Press, 2003), page 25, paragraph 2.30.

²² Jeremy Phillips, “TRADE MARK LAW – A practical anatomy”, (Oxford University Press, 2003), page 25, paragraph 2.31.

²³ Frank Schechter, “The rational basis of Trade mark protection”, 1927, 40 *Harvard Law Review* Volume 813.

Within the meaning of this theory, a trademark serves not only as a badge of origin but also as the guaranteeing symbol of the quality and prestige of the goods and services bearing the mark. In other words, the trademark promises the consumer satisfaction and the chance of repeated satisfaction.²⁴ For instance, with the trademark “Coca-Cola”, consumers will be informed not only of the origin of a famous brown color soft-drink of an American producer but also its taste and safety.

As early as 1970’s it was apparent that this justification of the trademark system was not favored in Europe.²⁵ That theory of trademark was dismissed by one commentator as follows:

The quality or guarantee function has in my view no independent legal significance. It is derived from the basic function of identifying the origin of goods and simply means that the public, from its knowledge that trademarked artifacts have the same origin, often believes these to be of the same quality. But this expectation to the extent that it really exists is not protected by trademark law. Protection against deception of quality is rather a matter for criminal law or the law against unfair competition.²⁶

Under European Union trademark law, the guarantee or at least an expectation that goods bearing a trademark will be of good quality is not a justification for the protection of trademarks, but a responsibility which flows from it. Other laws allow consumers to seek compensation from the producers if the products they purchased are defective or have technical faults.

To serve as a badge of support or affiliation

This is a rare function of trademark and is in some ways removed from the normal and traditional scope of a trademark’s function. However, in practice, it is evident that a trademark may be used as a badge of support or affiliation for the trademark owners and such the uses by the other parties will still be qualified as infringements under the trademark laws.

This was the issue in *Arsenal v. Reed*²⁷ where the ECJ ruled on the question. The case arose out of an attempt by Arsenal football club to prevent the unauthorized sale of football memorabilia such as hats and scarves bearing

²⁴ Jeremy Phillips, “TRADE MARK LAW – A practical anatomy”, (Oxford University Press, 2003), page 26, paragraph 2.35.

²⁵ Idem, page 26, paragraph 2.36.

²⁶ Friedrich-Karl Beier, “Territoriality of Trade mark Law and International Trade”, 1970, 1 IIC 48 – 72, 64.

²⁷ Case C-206/01, Arsenal Football Club plc. v. Matthew Reed [2002] ECR I 10273 ETMR 975, [2003] RPC 144, [2003] ETMR 227 (ECJ).

Arsenal's trademark which had not been officially sanctioned by the Club. The referring court²⁸ found some merit in the argument that the trademark was being used by the defendant as a badge of allegiance for support of Arsenal football team rather than an indication of any connection with Arsenal the public limited company. However, Advocate General Ruiz-Jarabo²⁹ did not see a difference between the use made of a football team's name by its trademark owner as a way of making money and the use made of the team's name by its supporters as a badge of loyalty or support.³⁰ The ECJ adopted the argument in its decision holding:

In a situation which is not covered by Article 6(1) of the First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trademarks, where a third party uses in the course of trade a sign which is identical to a validly registered trademark on goods which are identical to those for which it is registered, the trademark proprietor of the mark is entitled, in circumstances such as those in the present case, to rely on Article 5(1)(a) of that directive to prevent that use. It is immaterial that, in the context of that use, the sign is perceived as a badge of support for or loyalty or affiliation to the trademark proprietor.³¹

Accordingly, the ability to exploit a trademark as a badge of loyalty or affiliation by the trademark owner himself falls within the scope of justification for the trademark system.³²

To serves as an advertising symbol of the goods or services of producers

This theory is derived from the traditional function of trademark as an indication of the origin and the quality of goods and services. Under this view, a trademark may also be used as an advertising tool used for promoting trade in the product in the marketplace. By the Sixteenth century, as industrialization took hold, traders not only applied marks to their manufactured goods but also

²⁸ The High Court of Justice of England and Wales in which the decision on the case at the first instance was made by Mr. Justice Laddie on April 2001.

²⁹ Case C-206/01, Arsenal Football Club plc. v. Matthew Reed [2002] ECR I 10273 ETMR 975, [2003] RPC 144, [2003] ETMR 227 (ECJ). The opinion of the Advocate General Ruiz-Jarabo delivered on June 13, 2002.

³⁰ Jeremy Phillips, "TRADE MARK LAW – A practical anatomy", (Oxford University Press, 2003), page 27, paragraph 2.38.

³¹ Case C-206/01, Arsenal Football Club plc. v. Matthew Read [2002] ECR I 10273 ETMR 975, [2003] RPC 144, [2003] ETMR 227 (ECJ), paragraph 63.

³² Jeremy Phillips, "TRADE MARK LAW – A practical anatomy", (Oxford University Press, 2003), page 27, paragraph 2.38.

used their marks in connection with their advertising activities. The message hidden inside a trademark can give consumers more information about the product. It brings them the assurance of the origin and quality of goods or services and, at the same time, creates a link between the consumers and the products attracting and connecting the product to the trademarks that they were familiar with.

Thus, the mark itself acquires an advertising function as a symbol rather than a signal. Reinforced by advertising, the trademark could evoke the product's broader attributes and make it desirable to the consumer.³³

To enable the consumer to make a lifestyle statement

Apart from its traditional function, trademarks may be used as symbols or evidence of the lifestyle or levels of the consumers in a social context. This means that one important channel for evaluating the trademark is from the consumer's viewpoint. "[O]nce a trademark is created and used, it remains not only the private property of the trademark owner but also the toy of the consumer, to do with as he chooses".³⁴ Thus, there is a special relation between the fame level of a trademark and the celebrity ranking by consumers. Celebrities often refer to their use of famous trademarks, and such use by them will often be significant in affirming the endorsed product or service's ranking by consumers of the trademark. This justification is often seen in connection with consumer products such as clothes, shoes, watches, and cars. Users of these trademarks send a public message with respect to who they are and their status. For instance, the wearers of the "Benetton" label would project an image to the effect that that "I am young, beautiful, affluent, stylish, not carrying any hang-ups about race, gender or politics and dedicated to the pursuit of my personal relationships with like-minded people"; or a person who wears "Nike" sportswear announces "I am young, oriented towards physically stimulating challenges and achievements and have a cool, couldn't-careless, attitude."³⁵ It should be noted that the messages sent by using these trademarks are often consistent with the advertising slogans used in connection with them. Another example of the principle is provided by the "iPod" trademark which is used in connection with a digital music player. The increase in the sales and use of the mark *iPod* in the past ten years³⁶ indicates that the iPod means far more than just

³³ Catherine Seville, "EU Intellectual Property Law and Policy", (Edward Elgar Publishing Limited 2009), page 210.

³⁴ Jeremy Phillips, "TRADE MARK LAW – A practical anatomy", (Oxford University Press, 2003), page 27, paragraph 2.39.

³⁵ *Idem*, page 28, paragraph 2.40.

a product to the consumer. It conveys a way of life, a style, a “personality” with which the purchasers are delighted to interact.³⁷

2.1.3. The characteristics of trademark

Distinctiveness

As described above, a sign which is recognized as a trademark should be distinctive from signs used by others. This is the first and important feature of a mark. This is because the historical and original function of trademark was simply to indicate the origin of goods by identifying the craftsmen who produced them.³⁸ If a trademark is to protect purchasers from confusion over what they are purchasing, then the trademark somehow must be recognizable, identifiable and different from other marks.³⁹ On the other hand, a trademark can only fulfill its function as a guarantee of origin if it is exclusive⁴⁰. Indeed, customers can recognize and distinguish the goods of these producers from those of others based first on the signs applied to those goods, thus avoiding confusion, deception or mistake. This may help customers to choose and buy products that they trust. In that way, not only the producer’s prestige and benefits will be protected in the market but also the benefit to the customer will, to a certain extent, be ensured.

The distinctiveness requirement is always considered in cases of registration or dispute resolution under all national as well as international laws. Absent distinctiveness, or in some cases, where the distinctiveness is not obvious

³⁶ Press Release: “Apple Reports Fourth Quarter Results”, 22 October 2007. Nearly 120 million iPods have been sold since the product’s launch in 2002; over 10 million of these were sold in the final quarter of 2007 alone. Also see: Catherine Seville, *EU Intellectual Property Law and Policy*, (Edward Elgar Publishing Limited 2009), page 211.

³⁷ Catherine Seville, *EU Intellectual Property Law and Policy*, (Edward Elgar Publishing Limited 2009), page 211.

³⁸ Arthur R. Miller and Michael H. Davis, “Intellectual property – Patents, Trade marks and Copyrights”, (Thomson West Publishing Co., 2000), page 156.

³⁹ *Idem*, page 166.

⁴⁰ David T. Keeling, *Intellectual Property Rights in EU Law – Volume I – Free movement and Competition law*, Oxford University Press 2003, page 159. See also, Opinion of Mr Advocate General Jacobs delivered on 13 March 1990 in Case C-10/89 SA CNL-SUCAL NV v. HAG GF AG (“HAG II”) (1990) ECR I – 3711, para. 19: “A trade mark can only fulfill that role [i.e. as an indicator of origin] if it is exclusive. Once the proprietor is forced to share the mark with a competitor, he loses control over the goodwill associated with the mark. The reputation of his own goods will be harmed if the competitor sells inferior goods. From the consumer’s point of view, equally undesirable consequences will ensue, because the clarity of the signal transmitted by the trade mark will be impaired. The consumers will be confused and misled”.

enough, the registration should be refused and any trademark rights which have been granted should not be enforced. In line with most trademark law, the 2005 Law on Intellectual Property of Vietnam (as amended in 2009) states that a mark shall not be considered as distinctive if it falls under one of the circumstances set forth in the statute.⁴¹

The distinctive characteristics of a trademark not only serve to effectively identify the origin of goods or service but also assist in calling attention to the good or service. It means that, in certain sense, it also serves a marketing function for products. This characteristic of trademarks always exists in a close relationship with trademarks' other factors, especially the characteristics of representative and valuation.

Multiform

Signs, which are trademarks, exist in many different forms. They may consist of words, names (including personal names), symbols or devices, images, sounds (or any combinations thereof), the shape of goods (three-dimensional mark), colors or color combinations and everything else that may be used to identify the particular goods or services sold or supplied in the marketplace. A trademark is most commonly a word ("Sprite"), a phrase ("Kentucky Fried Chicken – KFC"), a symbol (the scallop shell of Shell Oil Co.), stylized letters ("Coca-Cola") or a design (McDonald's "golden arches"). It may include "trade dress" – the overall

⁴¹ Article 74 – 2005 Law on Intellectual Property (2009 Revision) sets forth cases to registration as a distinctive sign which may be considered as a trade mark as follows: "... Signs, symbols, pictures or common names in any language of goods or services that have been widely and often used and are common knowledge; Signs describing the legal status and activity field of businesses; Signs identical with or confusingly similar to another person's mark having been widely used and recognized in respect of the similar or identical goods/services as before the filing date or the date of priority, as the case may be; Signs identical with or confusingly similar to another person's mark already registered in respect of identical or similar goods or services the Mark registration Certificate of which has been terminated for no more than 5 years, except where the ground for such termination is non-use of the mark as provided for in subparagraph d paragraph 1 Article 95 of this Law; Signs identical with or confusingly similar to another registered person's mark recognized as well-known in respect of the goods or services that are identical with or similar to those bearing the well-known mark; or in respect of dissimilar goods/services if the use of such marks may prejudice the distinctiveness of the well-known mark or the registration of such signs is aimed at taking advantage of goodwill of the well-known mark; Signs identical with or similar to another person's trade name having been used if the use of such signs is likely to cause confusion to consumers as to the source of goods or services; Signs identical with or similar to a geographical indication being protected if the use of such signs is likely to cause mislead consumers as to the geographical origin of goods; Signs identical with or containing geographical indications or being translated from the meaning or transcription of the geographical indication being protected with respect to wines or spirits if such signs have been registered for use with respect to wines and spirits not originating from the geographical area bearing such geographical indication..."

appearance, image or “look” of goods or services as offered for sale in the marketplace. It may also be represented by the visible features of the design of the product itself if they are not purely functional.⁴² In addition, in some specific cases, a musical notation or the graphical representation of the sound may suffice (sound mark).⁴³

Accordingly, it is difficult to limit the scope of the physical forms of trademarks to specific signs. Trademarks may be anything which is distinctive and made and used by the producers, and in accordance with the laws.

Valuable

Trademarks are not only signs or symbols, which can be seen as representative for products or services made or supplied by trademark’s owners, but also serve as an important assets of companies owning them. The commercial value of a trademark may first be found in the mark itself if it becomes an important separate good and is transferred in the marketplace. Such transfers are often made through contracts, which are known as franchising contracts signed between trademark owners and parties who want to use the mark in connection with their business. The commercial value of a trademark may also be established by its role as a company asset.

Territorial limitation

According to the principle of territorial limitation, a trademark will normally be registered in a certain territory or country. It will then be protected by the laws of that country. Most countries base trademark protection on an act of registration. Accordingly, the protection of a trademark in one country will not extend to other countries, except in the case of international conventions containing specific provisions on international protection of intellectual property rights in general and trademarks in particular.

As mentioned above, trademarks are treated separately under the laws of different countries, and ownership of a mark in one country does not automatically confer the right to use the mark in another country.⁴⁴ However, there have been some exceptions relating to a principle set forth by the Federal

⁴² William Burnham, “Introduction to the law and legal system of the United States”, (West Group – Thomson Co., 2002), page 488.

⁴³ W. J. Stewart, “Collins Dictionary of Law”, (Collins Publishers – 2006), page 430.

⁴⁴ Anne Gilson LaLonde on the “Famous Marks Doctrine”: Foreign Trade mark Renown as the Basis for Protection in the United States.

Court of Justice of Germany (“Bundesgerichtshof”) in 1898 and the case of well-known or famous trademark protection.⁴⁵

2.1.4. Other identification marks

As mentioned above, the concept of trademark has a long history within the development of the international trade system. This concept is derived from an economic context and has been popularly applied to many various fields of society. However, there are now many ways of approaching and understanding the concept as belonging to different perspectives. In this part, the author clarifies the term trademark by making clear the differences between trademark and other related terms. Such a clarification makes sense in investigating trademarks in general and well-known trademarks in particular.

Trademarks and service marks

Trademarks are used in relation to goods. They are representative of the products of the trademark’s owners. Service marks are used mainly to identify services supplied by the service mark’s owners. However, in most cases and statutes, the concept of trademark will be applied to both marks for goods and marks for services. There are now many well-known, globally recognized service marks such as “DHL” or “FedEx”.

This dissertation does not focus on the distinctions between trademarks and service marks. Accordingly, the term “trademark”, therefore, will hereafter be used to collectively describe both trademarks and service marks.

Trademarks and trade names

A trade name is a name under which a business trades with the public. This may or may not be registered as a trademark. Trade names are commonly used in commercial transactions between companies as well as for enhancing the position of certain companies in the marketplace, while trademarks are connected with goods or services supplied in the market. Even though there are some differences between the two, in a practical context, trademarks and trade names are closely identified with each other for the unified purpose of their owners which is to achieve business success.

⁴⁵ This point will be made clear in following chapters.

Trademarks and brands

The words “trademark” and “brand” are often used synonymously. For example, a beer drinker might announce to his friends: “My favorite beer is Heineken”. This statement would be interpreted by a trademark lawyer as meaning “The trademark which identifies my favorite brand of beer is Heineken”. But this same statement may convey to someone in the beer trade the same information as “My favorite beer is manufactured under license from Heineken and sold under the Heineken trademark”⁴⁶. Thus, there is virtually no distinction, in practice, between the concepts “trademark” and “brand”.

In Vietnam, the public identify the word “trademark” (“nhãn hi?u”) with the word “brand” (“thuong hi?u”). However, under Vietnamese law only the term “trademark” (nhãn hi?u) is referred to as a subject of intellectual property rights. The term “brand” is still used in an economic context.

Nevertheless, the historical consanguinity of brands and trademarks does not mean that the terms “trademark” and “brand” share a common meaning. A “trademark” is a sign which is registered and controlled by its legal proprietor. He alone can use, permit or prohibit its use on the products or services for which he holds a registration certificate or the consuming public would think were connected to him. Otherwise, a “brand” is a form of shorthand, a signal by which the consuming public can identify and relate to actual goods or services.

Trademarks and geographical indications

Geographical indications are generally understood as names or signs used on certain products which correspond to a specific geographical location or origin (e.g. a town, region, or country). The use of geographical indications may act as a certification that the product possesses certain qualities, or enjoys a certain reputation, due to its geographic origin. Under the TRIPs Agreement, geographical indications are defined as place names (in some countries also words associated with a place), used to identify the origin and quality, reputation or other characteristics of products (for example, “Champagne”, “Tequila” or “Roquefort”).⁴⁷ Under US law geographical indications are indications that identify a goods as originating in the territory of a country, a region or locality in that country, where a given quality, reputation or other characteristic of the goods is essentially attributable to its geographic origin. Examples of

⁴⁶ Jeremy Phillips, “TRADE MARK LAW – A practical anatomy”, (Oxford University Press, 2003), page 7, paragraph 1.14.

⁴⁷ See http://www.wto.org/english/tratop_e/trips_e/gi_e.htm.

geographical indications from the United States include: “Florida” for oranges; “Idaho” for potatoes; “Vidalia” for onions; and “Washington State” for apples.⁴⁸

Geographical indications are often widely known at least within a certain region (i.e. the geographical indications of “Trang Bang” used for rice cakes, or “Phu Quoc” for fish soup are well-known within the territory of Vietnam), or throughout the world (the geographical indication of “Bordeaux” in connection with wine is known worldwide).

Although geographical indications and trademarks are two separate concepts, to some extent, the distinction between geographical indications and trademarks is not always clear. A trademark can be constituted as a geographical indication and a geographical indication can become a trademark. In some countries the protection afforded to geographical indications by law is similar to the protection afforded to trademarks, and in particular, certification marks.

Trademarks and domain names

In computer networking, a “domain name” is a name given to a collection of network devices that belong to a domain, which is an administrative space managed according to common characteristics of the members. In particular, the term “domain name” is best known in connection with the Internet where it describes the regions of administrative authority within the Domain Name System, the facility to locate resources on the Internet.⁴⁹ The most basic functionality of domain names is to provide symbolic representations, i.e., recognizable names, to mostly numerically addressed Internet resources. A domain name can be created using the names of nations⁵⁰ or territories, names of scientific fields, and the names of organizations or bodies. Other domain names have been registered using trademarks or some other subject of intellectual property rights, such as trade names, geographical indications or brands.

The distinction between a trademark and a domain name lies in the manner in which the two operate. A trademark is protected by the laws of a country where such trademark may be registered. Therefore, it may have multiple registrations throughout the world. On the other hand, since the internet allows for access without any geographical limitation, a domain name is potentially accessible irrespective of the geographical location of the consumer. The outcome of this potential for universal connectivity is not only that a domain name requires

⁴⁸ See <http://www.uspto.gov/ip/global/geographical/index.jsp>.

⁴⁹ For example, see <http://www.icann.org/en/registrars/accredited-list.html>.

⁵⁰ See <http://www.iana.org/>

worldwide exclusivity but also that national laws might be inadequate to effectively protect a domain name.⁵¹

There is a close relationship between the trademarks and the domain names. This may be seen throughout the provisions of the US law as an example. The Anticybersquatting Consumer Protection Act (ACPA) was enacted for the purpose of dealing with this practice. By granting trademark owners a claim against third parties who use their marks as domain names, the statute views the mark devoid of the type of context traditional trademark law relies on for assurance that a junior user intends to divert sales from a particular mark owner.⁵²

In this Information Age, domain names are receiving more attention from both companies and the community. The use of certain domain name sometimes causes an infringement of a trademark right, especially well-known trademarks. For instance, the use of the domain name www.cocacola.com by one person can harm the legitimate interests of the owner of the “COCA-COLA” trademark. Therefore, in practice, there is a need for the consideration and investigation of domain names when dealing with issues on trademark protection.

2.2. TRADEMARK LAW

Trademark law is now one of the most important components of the law of intellectual property rights both at a national level and in an international context. Approaching and investigating the general theoretical knowledge of trademark law in this part aids the author to scrutinize the legal regime of well-known trademark protection in later parts of the thesis. In this subchapter, the author analyzes theoretical foundations of trademark law based on different perspectives, such as on the historical, economic and social sides.

2.2.1. Trademark law principles

Trademarks are important not only to their holders but also to their customers and the whole community. Therefore, from a legal perspective, the protection of a trademark primarily aims to defend the legitimate rights and benefits of trademark owners, and more basically to protect their benefits to the community. Trademarks originated as devices to identify in the marketplace the craftspeople

⁵¹ Virendra Kumar Ahuja, Law relating to Intellectual property rights, Lexis Nexis 2007, p 230.

⁵² Mark P. McKenna, The Normative Foundations of Trade mark Law, Notre Dame Law Review Vol. 82:5, 2007, page 1914.

responsible for producing goods for sale. The medieval European practice of inscribing the name or mark of the manufacturer is the direct antecedent of our modern trademark law.⁵³ Although the application of distinguishing marks to goods has a long history, statutory law relating to trademarks is relatively younger, going back to the early part of the nineteenth century⁵⁴ with statutes such as the Trademarks Registration Act 1875 and the Merchandise Marks Act 1862⁵⁵ adopted in the United Kingdom. However, before the adoption of these statutes a number of famous cases addressed trademark rights, such as *Southern v. How*⁵⁶ in 1618 which was to some extent related to the reputation of a trademark⁵⁷, the case of *Blanchard v. Hill* in 1742 or the case of *Sykes v. Sykes* in 1824.

The law of trademarks is derived from the Anglo-America common law of trademark which was meant only to prevent passing off goods of one producer as those of another.⁵⁸ This meant that a producer could prevent others from producing and selling goods as those of the original producer. In other words, it meant that trademark protection was used to protect against a junior producer trading on the goodwill of a senior producer. The common law of trademark has continuously developed and asserted its role in the legal system of trademark protection throughout in the world, especially in the United Kingdom and the United States. In the US the earliest cases concerning trademark protection were consolidated on appeal in the *Trademark Cases*, 100 U.S. 82 (1879) in the

⁵³ Arthur R. Miller and Michael H. Davis, "Intellectual property – Patents, Trade marks and Copyrights", (Thomson West Publishing Co., 2000), page 157.

⁵⁴ David I Bainbridge, Intellectual property, 6th edition, (Pitman Publishing 2007), page 586. See also: Kitchin D., Llewelyn D., Mellor J., Meade R., Moody-Stuart T., Keeling D. and Jacob R., Kerly's Law of Trade marks and Trade Names, 14th edition, (Sweet & Maxwell 2005). However, according to some commentators, the statutory law of trade marks appeared in hundred years earlier. For example, The Statum de Pistoribus (52 Henry III) of 1266 a penal statute requiring each baker of bread to register a mark which he used to distinguish the bread he baked. "Quilibet Pistor habeat suum proprium signum super quodlibet genus panum suorum." (Every baker shall have his own seal to mark the bread made by him.) Violations were met with fines.

⁵⁵ David I Bainbridge, Intellectual property, 6th edition, (Pitman Publishing 2007), page 586.

⁵⁶ *Southern v. How*, 79 Eng. Rep. 1243, 2 Popham 144 (1618)

⁵⁷ Mark P. McKenna, The Normative Foundations of Trade mark Law, *Notre Dame Law Review* Vol. 82:5, 2007, page 1850: According to the Popham's report of that case, an action upon the case was brought in the Common Pleas by a clothier, that whereas he gained great reputation for his making of his cloth, by reason whereof he had great utterance to his great benefit and profit, and that he used to set his mark to his cloth, whereby it should be known to be his cloth; and another clothier perceived it, used the same mark to his ill-made cloth on purpose to deceive him, and it was resolved that the action did well lie.

⁵⁸ Arthur R. Miller, Michael H. David, "Intellectual Property – Patents, Trade marks and Copyrights", Fourth edition, (Thomson West 2000), page 158.

Supreme Court of the United States to include three separate cases, *United States v. Steffens*, *United States v. Wittemean* and *United States v. Johnson*.⁵⁹

One of the central characteristics of the common law of trademark is that the trademark is always connected to commercial activity. This principle is at least in part due to the history of trademark law. Since the trademark originated and developed as a device to identify a business person's goods, it had no function if the sale of goods was absent. This makes trademark law in general different from other subjects of intellectual property. The common law of trademark recognizes that one goal of trademark law is to prevent mistake, deception, and confusion with regard to the origin of goods. Since that goal must be applied and understood through the use of the trademark, priority of use is always the most important principle regarding their registration and protection.

Another characteristic of the common law of trademark is that under the common law, trademark law and competition law co-exist in a close relationship. This is because trademark law traditionally has been considered as a part of the law of unfair competition. At its most basic level a competitor's "passing off" of his goods as those of another constitutes unfair competition. The essence of the tort of unfair competition also explains why trademarks may be only acquired by use. At least, at common law, trademarks have no purpose absent competition. Therefore, only when there is the prospect of competition (within the same geographical area or between the same or similar products) does trademark law, as a category of unfair competition have a legitimate place.⁶⁰ Thus, the common law of trademark mainly functions on principles which are closely akin to the competition law perspective including the requirements of good faith, passing off and priority of use.

Along with the development of the common law of trademark many statutory instruments were enacted very early for governing issues concerning trademark protection.⁶¹ However, at first, legal protection for trademarks was based only on criminal rather than civil law. The trademark system, as we know it, based upon property rights did not yet exist.⁶² Subsequently, the development of trade

⁵⁹ For more information concerning the cases, see: <http://caselaw.lp.findlaw.com/cgi-bin/getcase.pl?court=us&vol=100&invol=82>.

⁶⁰ Arthur R. Miller, Michael H. David, "Intellectual Property – Patents, Trade marks and Copyrights", Fourth edition, (Thomson West 2000), page 161.

⁶¹ For instance, France enacted the "Factory, Manufacture and Workplace Act" of April 20, 1803; in United Kingdom, the "The Merchandise Marks Act," which focused on provisions dealing with deceptive indications, was passed on August 7, 1862 and The "Trade mark Registration Act" was passed in 1875. The Trade mark Protection Law (Gesetz über Markenschutz Deutsches Reichsgesetzblatt Band 1874, Nr. 28, Seite 143 - 146), enacted on November 30, 1874 in Germany.

⁶² For example, In France, the "Factory, Manufacture and Workplace Act" of April 20, 1803, (Article 16) is internationally noted for establishing a system which made it a crime to pass off

systems nationally and worldwide promoted the establishment and development of a legal regime of protection of universal trademarks. The trademark law system accordingly has continually been improved and now is one of the most important legal fields not only within the intellectual property law but also within national legal systems and worldwide.

2.2.2. Trademark law rationale

As presented above⁶³, a historical analysis demonstrates that trademark protection was not granted primarily in the interest of consumers, but rather, in favor of producers. Instead, trademark law, like all unfair competition law, sought to protect producers from illegitimate diversions of their trade by competitors.⁶⁴ Thus, a mark's legal function was its indication of the source of origin of goods and services and the threshold for infringement was the degree of confusion of the public.⁶⁵ This is derived from the traditional functions of a trademark which are to identify and guarantee the identity of the origin of goods and services bearing the mark.⁶⁶ Actually, the courts and authorities also focused on consumer deception in many cases, but only because deception distinguished actionable unfair competition from mere competition, which was encouraged⁶⁷. An English court in *Levy v. Walker*⁶⁸ was even more emphatic that the protection of trademarks was intended to protect producers and was not primarily for the benefit of consumers:

The court interferes solely for the purpose of protecting the owner of a trade or business from a fraudulent invasion of that business by someone else. It does not interfere to prevent the world outside from being misled into anything.⁶⁹

another's seal as one's own. Further, the Criminal Acts of 1810 (Article 142) and 1824 (Article 433) made it a punishable crime to abuse the name of others or wrongly use the names of production areas. See more at: <http://www.iip.or.jp/translation/ono/ch2.pdf>.

⁶³ See subchapter 2.1 and 2.2.1 supra.

⁶⁴ Mark P. McKenna, The Normative Foundations of Trade mark Law, *Notre Dame Law Review* Vol. 82:5, 2007, page 1841.

⁶⁵ Maximiliano Marzetti, "Speechless Trade marks? Dilution Theory meets Freedom of Speech", LL.M. in Intellectual Property University of Turin – WIPO Worldwide Academy, page 3.

⁶⁶ See subchapter 2.1.1 supra.

⁶⁷ Mark P. McKenna, The Normative Foundations of Trade mark Law, *Notre Dame Law Review* Vol. 82:5, 2007, page 1841.

⁶⁸ The case of *Levy v. Walker* in 1878, 10 Ch. D. 436.

⁶⁹ Mark P. McKenna, The Normative Foundations of Trade mark Law, *Notre Dame Law Review* Vol. 82:5, 2007, page 1855. See also Laurence Robert Dicksee and Frank Tillyard, "Goodwill and its treatment in accounts", (*Arno Press Inc*, 1976), page 48. In the case of *Levy v. Walker*,

Most criticisms of trademark law are that it tends not to engage in a balancing of producer and consumer interests so that improving the quality of information in the marketplace as its only legitimate goal and that the deviations from that goal are unjustified.⁷⁰ However, together with the development of intellectual property law in general and trademark law in particular, the goals of trademark law have been extended to the protection of the consumer's interest. Thus, at present, trademark law is used to protect both producers in making and selling or supplying their goods and services as well as consumers in accessing, buying and using such goods and services.

From the economic perspective, the function of protecting the consumer in modern trademark law has been asserted increasingly in both national and international law. The legal regimes of trademark protection granted to producers who own trademarks will be considered in balance with that of assurance of the consumer's interest in using the products bearing those trademarks. This is consistent with the use of well-known or famous trademarks with which consumers are very familiar with and they have become standardized symbols in the minds of most of consumers. Actually, at traditional common law, there was an important difference between law and equity in protecting trademark rights. While actions at law were denominated as actions on the case in the nature of deceit, courts of equity claimed their jurisdiction based on a right in the property of trademark. Many early courts were not particularly clear about the relationship between actions at law and at equity. This was not a good system

two partners, Charbonnel and Walker, carried on business as "Charbonnel & Walker", in London. Charbonnel, who was an unmarried lady, married Levy, and the business partnership with Charbonnel was dissolved on the terms that the partnership business should be sold as a going concern to the highest bidder of the two partners. Walker bought the business, Mr. and Mrs. Levy then lived in Paris. The business was thereafter carried on in London under the old style, "Charbonnel & Walker". Of this Mrs. Complained, and unsuccessfully asked the Court to restrain Walker from trading under that name. Sir George Jessel said that, on the sale of Goodwill, "the name is part of the assets". In the course of his judgment James, L.J., said "But there is another point upon which I myself cannot entertain any doubt, which is this, that the assignment of the Goodwill and business of Charbonnel & Walker did convey the right to use the name of Charbonnel & Walker, and the exclusive right to use that name as between the vender and the purchaser of that business... I think it right to say that the sale of the Goodwill and business conveyed the right to the use of the partnership name as a description of the articles sold in the trade, and that the right is an exclusive right as against the person who sold it, and an exclusive right as against all the world, so that no other person could represent himself as carrying on the same business". Available at http://books.google.com.vn/books?id=CN376ss7U8MC&pg=PA47&lpg=PA47&dq=Levy+v.+Walker&source=bl&ots=TUNlq5n-f4&sig=A5J-R-V7Apnv2P3yTyjpET97yI&hl=vi&ei=V-rdTOjkAYqEOomepOYO&sa=X&oi=book_result&ct=result&resnum=7&ved=0CEYQ6AEwBg#v=onepage&q=Levy%20v.%20Walker&f=false.

⁷⁰ Mark P. McKenna, *The Normative Foundations of Trade mark Law*, *Notre Dame Law Review* Vol. 82:5, 2007, page 1847. See also: Robert G. Bone, *Hunting Goodwill: A history of the concept of goodwill in Trade mark Law*, 86 *B.U.L.Rev.* 547, 583 – 92, (2006).

for providing the consistent results expected by the authorities. Therefore, in reconciling the law and equity approaches, it was found that there was a need to unify and improve the trademark system under which protection would be based on both law and equity. Within such the tendency, the question of protecting the interest and benefit of consumers had been also concerned. As observed by Lord Westbury in *Leather Cloth Co. v. American Leather Cloth Co.*:

The remedy for the piracy of a trademark is by an action on the case in the nature of a writ of deceit. This remedy is founded on fraud, and originally it seems that an action was given not only to the trader whose mark had been pirated, but also to the buyer in the market, if he had been induced by the fraud to buy goods of an inferior quality.⁷¹

The function of trademark law in protecting consumers' benefits and interests has been continuously commented upon in modern trademark law under the search costs theory which has attracted a substantial following among both commentators and courts.⁷² Under this theory trademarks find their rationale in reducing consumer's search costs which (indirectly) oblige trademark owners to keep (and even raise) the quality of the goods and services they put onto the market.⁷³ Certainly, trademark laws can make it easier and cheaper for consumers to locate products with desired qualities, thus making the markets more competitive.⁷⁴ Thus, in economic terms, trademarks contribute to economic efficiency by reducing consumer's search costs. Rather than inquiring into the provenance and qualities of every potential purchase, consumers can look to trademarks as short-hand indicators which are always less expensive than detailed inquiries. Therefore, consumers can more easily obtain and access the information and will arguably become better informed.⁷⁵ By protecting trademarks against confusing imitation, trademark law ensures a bridge of information between the producers and consumers which can balance the benefits of both in the market place. Accordingly, on one hand the sellers benefit because they can invest in goodwill with the knowledge that others will not

⁷¹ See *Leather Cloth Co. v. American Leather Cloth Co.* July 1863. 11 HLC 523. See also http://books.google.com.vn/books?id=-YTMt0PO-nIC&pg=PA22&lpg=PA22&dq=Leather+Cloth+Co.+v.+American+Leather+Cloth&source=bl&ots=TF6N8XRjA4&sig=vltueoUEAg0phwYzh29Q8LjdzkM&hl=vi&ei=ZezdTNK9B4mdOouwqIoP&sa=X&oi=book_result&ct=result&resnum=5&ved=0CDwQ6AEwBA#v=onepage&q=Leather%20Cloth%20Co.%20v.%20American%20Leather%20Cloth&f=false.

⁷² Stacey L. Dogan and Mark A. Lemley, A search-costs theory of limiting doctrines in Trade mark law, *The Trade mark Reporter*, Vol. 97, 2007, page 1223.

⁷³ Cfr. W. M. LANDES & R. A. POSNER, *Trade mark Law: An Economic Perspective*, in *Journal of Law & Economics*, vol. XXX 1987.

⁷⁴ Stacey L. Dogan and Mark A. Lemley, A search-costs theory of limiting doctrines in Trade mark law, *The Trade mark Reporter*, Vol. 97, 2007, page 1223 – 1224.

⁷⁵ *Idem*, page 1225.

appropriate it.⁷⁶ Meanwhile, on the other hand consumers benefit because they do not have to perform exhaustive research or spend extra time looking at labels before making a decision on purchasing goods or using services. Also, within this point of view, trademark law can ensure and promote an equal and rigorous competition environment for producers in the market place.

Furthermore, because of the importance of trademark and its broad influence upon society, the protection of trademarks is now universally considered one of its most important legal tasks. According to Jeremy Phillips, this is the main reason why the trademark law system has become so necessary in all jurisdictions. In a moral perspective, trademark law is like an iceberg, the vast bulk of which generally remains submerged beneath the line of vision of legal practitioners and the courts. The highest principle of trademark law is the principle of morality. This means that the morality of trademark law is important not only in a practical context but also in a rule-setting framework. Indeed, all trademark law is man-made law; it is an arbitrary set of rules the majority of which, being procedural, possesses content that cannot be said to reflect any clearly recognizable principle of morality. In that sense much trademark law addresses conduct which we would view as conduct which is wrong because it is prohibited not inherently wrong. At the heart of the trademark system, lie rules with a high moral content, however:

- Not all copying is regarded as wrong;
- Not all copying of trademarks is made unlawful by trademark law;
- Trademark law makes unlawful apparently morally neutral acts which have nothing to do with copying or lying.⁷⁷

As stated above, the principal role of trademark law is to ensure that consumers be able to adequately identify the source of goods in order for them not to confused them with others. Protecting the source-identifying role of trademarks aims at two main goals. First, it quickly and easily assures a potential customer that this item – the item with the mark – is made by the same producer as other similarly marked products. At the same time, the law helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product⁷⁸.

⁷⁶ Robert G. Bone, Enforcement costs and Trade mark Puzzles, Va. L. Rev. Vol. 90 (2004) page 2108.

⁷⁷ Jeremy Phillips, "TRADE MARK LAW – A practical anatomy", (Oxford University Press, 2003), pages29-31.

⁷⁸ See *Automotive Gold, Inc. v. Volkswagen of America, Inc.* No. 04-16174 of the United States Court of Appeals (Ninth Circuit). See also *Avery Dennison Corp. v. Sumpton*, 189 F.3d 868, 873 (9th Cir.1999). Available at <http://caselaw.findlaw.com/us-9th-circuit/1256695.html>.

Nowadays, modern trademark law plays an important role in the system of intellectual property rights. It governs different relationships:

- The trademark owner vis-à-vis the competing business;
- The trademark owner vis-à-vis the non-competing business;
- The trademark owner vis-à-vis the consumer;
- The competing business vis-à-vis the consumer; and
- The consumer vis-à-vis the non-competing business.⁷⁹

Accordingly, trademark law does not merely exist for trademark owners, it is for everyone. In an age of globalization and harmonization, trademark law cannot be limited to national boundaries; it should extend its governing scope to a universal environment. This was made clear by the unification of trademark law worldwide based on regional legislation such as the Trademark Directive and Trademark Regulation in the EU and the establishment of international conventions and treaties of which the most important are the Paris Convention and the TRIPs Agreement.

2.2.3. Trademark law and other legal fields

First, trademark law is an important component of intellectual property law. Therefore, it has a reciprocal relationship with other fields of intellectual property law such as patent and copyright law. This relationship is based first on the common characteristics of the subjects, intangible assets, protected by laws which are difficult to define in particular physical formats. Even though each of them has specific qualities, they share similar features such as the fact that they are ideas created by human intelligence and are invisible.

Furthermore, trademark law and other intellectual property laws have the same basic principles including the principle of territorial limitation, the principle of priority in registration and protection, the principle of non-discrimination and the principle of balancing interests between intellectual property right holders and the general interests of society. Because of this close relationship between these laws countries have often codified them in the same code under names such as the Intellectual Property Code, or the Law on Intellectual Property.

However, upon closer examination, there are also differences between the laws. Accordingly, copyright law protects the original forms of expression with a

⁷⁹ Jeremy Phillips, "TRADE MARK LAW – A practical anatomy", (Oxford University Press, 2003), page 32, paragraph 2.56

longest term of protection⁸⁰; patent law protects inventions with a shorter term⁸¹ while trademark law protects signs, words or symbols identifying the origin of the goods or services with a short term of protection, which can be extended eternally.⁸²

In addition trademark law has a close relationship with competition law. The history of the development of trademark law has demonstrated the strong connection between the two legal fields.

Trademark law traditionally has been considered as a part of the law of unfair competition. At the most basic level, it is unfair competition for a competitor to “palm off” his goods as those of another.⁸³ Under an economic approach to the functions of trademark law, it should be stated that one of the goals of trademark law is to promote more competitive markets by improving the quality of information in those markets.⁸⁴ Turning back to the traditional common law of trademark in United Kingdom and United States, because the purpose of trademark protection traditionally was to prevent trade diversion by competitors, it has long been regarded as a species of the broader law of unfair competition,⁸⁵ and even more broadly, as part of the law governing other fraudulent (and unfair) business practices.⁸⁶ Many of the same doctrinal limitations have been applied to both trademark cases and unfair competition cases, and courts often make explicit reference to the close conceptual relationship between the two types.

Originally, when trademarks did little more than indicate origin (or qualities associated with that source), the law sought to protect traders and consumers from fraud and confusion. Since the function of trademarks has changed over

⁸⁰ According to Article 12 of the TRIPs Agreement, the term of protection for copyright is stated as follows: Whenever the term of protection of a work, other than a photographic work or a work of applied art, is calculated on a basis other than the life of a natural person, such a term shall be no less than fifty years from the end of the calendar year of authorized publication, or, failing such authorized publication within fifty years from the making of the work, fifty years from the end of the calendar year of making.

⁸¹ The term of protection of a patent is generally twenty years counted from the filing date (Article 33 – TRIPs). However, each country can otherwise stipulate the specific term accordance with the general provisions of the international conventions and treaties.

⁸² The term of protection of trade mark is often ten years with the renewals every ten years.

⁸³ Arthur R. Miller, Michael H. David, “Intellectual Property – Patents, Trade marks and Copyrights”, Fourth edition, (Thomson West 2000), page 161.

⁸⁴ Stacey L. Dogan & Mark A. Lemley, The Merchandising Right: Fragile theory or Fait accompli?, 54 Emory Law Journal 461, 467 (2005).

⁸⁵ Olivier R. Mitchell, Unfair Competition, 10 Harvard Law Review 275 (1896).

⁸⁶ See the case *G. & C. Merriam Co. v. Saalfield*, 198 F. 369, 375 (6th Cir. 1912); and *Moseley v. V Secret Catalogue, Inc.* 537 US 418, 428 (2003). See also: Mark P. McKenna, The Normative Foundations of Trade mark Law, Notre Dame Law Review Vol. 82:5, 2007, page 1860.

time, and since it entails such economic significance, it is unsurprising that wider protection has been demanded.⁸⁷ When a mark becomes well-known or earns a reputation (under the European legislation) within a region or worldwide, the protection given to such trademark should be given the widest scope allowed to protect the trademark. This is so, not only under the requirements of likelihood of confusion and the dilution doctrine but even when it has not yet been registered in the territory in question. In such a case, the protection for such trademark should be continued based upon trademark law principles and the principles of other relevant laws, especially the law of unfair competition. They are comprised of the principle of preventing confusing use of a trademark, the principle of preventing use of rights obtained by a breach of trust, the principle of preventing use of a trademark in bad faith, and the principle of preventing use of a trademark that interferes with the general principles of international trade.

2.3. *WELL-KNOWN TRADEMARKS*

After introducing trademark and trademark law generally as the basic background for the legal regime of well-known trademark protection, the chapter now goes through the specific issues concerning well-known trademarks, such as the concept of the well-known trademark, the characteristics of well-known trademarks, the relations between well-known trademarks and other terms as well as the challenges of well-known trademark protection in the age of globalization. In this part, the author notes especially that because of the intention to present a global view of the concept of well-known trademark, there are some legal systems beyond those of the European countries, such as the United States, Japan, Russia, and China may be briefly discussed.

⁸⁷ Catherine Seville, *EU Intellectual Property Law and Policy*, (Edward Elgar Publishing Limited 2009), page 211.

2.3.1. Theoretical foundations

It should be noted that the terms “well-known trademark” and “famous trademark” are understood differently from country to country. However, the author asserts that whether or not such a difference between the two concepts holds an important role in building the legal regime of well-known trademark protection is still a controversial issue in the global context. Within the scope of the thesis, the author would like to contribute some opinions to clarify the terms “well-known” and “famous” as well as to analyze the doctrine of well-known trademark protection.

The territoriality principle

Trademarks are territorial. Indeed, a trademark symbolizes the goodwill cultivated by the trademark holder within a territory that its consuming public recognizes and from which it expects consistency within that territory. Under the territoriality principle, a trademark is treated as having an independent existence in each nation in which the trademark is recognized and protected.⁸⁸ This means that a trademark will be protected separately in one country due to its registration under the applicable law of that country. The ownership of a mark granted by one country does not provide for the ownership of and rights to that mark in another country. This explains why infringements of trademark rights have occurred frequently in countries other than the country of origin because in those countries trademarks have not yet been registered or recognized. This is a problem in relation to trademarks which are widely known within a region or worldwide.

The doctrine of well-known trademarks

Countries have made an international effort to create an important exception to the territoriality principle which is set forth in the Paris Convention⁸⁹ and the

⁸⁸ Xuan-Thao Nguyen, The other Famous Marks Doctrine, the Article was solicited as part of the “International and Comparative Aspects of Trade mark Dilution” Symposium, Transnational Law & Contemporary Problems, Vol. 17, pp. 757-773, Fall 2008. Also see: Xuan-Thao Nguyen, The Digital Trade mark Right: A Troubling New Extraterritorial Reach of United States Law, 81 N.C. L. REV. 483, 489 (2003) (discussing the territoriality doctrine in trade mark protection).

⁸⁹ The Paris Convention for the Protection of Industrial Property was enacted on 20 March 1883, signed by more than 100 countries, come into effect on 7 March 1884, has been amended several times at Brussels on 14 December 1900, at Washington on 2 June 1911, at the Hague on 6 November 1925, at London on 2 June 1934, at Lisbon on 31 October 1958, and at Stockholm on 14 July 1967; and as amended on 28 September 1979. It is amended

TRIPs Agreement.⁹⁰ Accordingly, a trademark that is well-known in a country or countries can also be recognized and protected in other countries even though the trademark owner has not registered or used that trademark in those countries.⁹¹ Thus, the concept of protecting well-known marks is rooted in Article 6bis of the Paris Convention for the Protection of Intellectual Property, which states, in part, that member countries agree refusing or cancelling the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered to be well-known in a country as being already the mark of a person entitled to the benefits of the Convention.⁹²

Prior to being incorporated in the Paris Convention in 1925, the doctrine of well-known trademark was mentioned and discussed at the Washington Diplomatic Conference for the Revision of the Paris Convention in 1911.⁹³ At this Conference, the question of how to protect the owner of a mark registered in the country of origin against adoption of the same mark by other persons in other countries was raised for the first time.⁹⁴ The French delegation argued that there was a need for an additional paragraph to Article 6 of the original text of the Paris Convention (1883) under which a national of a member country of the Paris Union, who registered a mark in his country and first used that mark in another country, would have a right to continue such use even if a third party had registered that mark in the country in question.⁹⁵ To some extent, the basic idea of this proposal was the same as that for the protection of well-known marks in

continuously in Brussels in 1990 and in Washington in 1991. See Article 6bis of the Paris Convention.

⁹⁰ See Article 16(2) of TRIPs Agreement.

⁹¹ Xuan-Thao Nguyen, The other Famous Marks Doctrine, the Article was solicited as part of the “International and Comparative Aspects of Trade mark Dilution” Symposium, Transnational Law & Contemporary Problems, Vol. 17, pp. 757-773, Fall 2008. See also: *ITC Ltd. v. Punchgini, Inc.*, 482 F.3d 135, 156 (2d Cir. 2007). The court notes the purpose of the famous marks doctrine in international treaty law and quotes G.H.C. Bodenhausen, *Guide To The Application Of The Paris Convention For The Protection Of Industrial Property* 90 (1968) for an explanation of the doctrine: [I]s to avoid the registration and use of a trade mark, liable to create confusion with another mark already well known in the country of such registration or use, although the latter well-known mark is not, or not yet, protected in that country by a registration which would normally prevent the registration or use of the conflicting mark.

⁹² Article 6 bis of the Paris Convention. See also: Lile Deinard and Amy Stasik, The Famous Marks Doctrine under the Paris Convention – Is the remedy available to foreign entities in the Second Circuit?, *New York Law Journal*, October 16, 2006.

⁹³ The Diplomatic Conference for the Revision of the Paris Convention was held in Washington, United States on June 2, 1911.

⁹⁴ Frederick Mostert, “Famous and Well-known Marks – An international Analysis”, (Butterworths 1997), page 127.

⁹⁵ *Idem*, page 128.

granting protection for a trademark on the basis of use without registration. Although the French proposal was not adopted due to the refusal of two other countries, which granted protection for trademark based only on their registration, the idea of the proposal opened a new legal issue concerning trademark protection that needed to be resolved.

The issue of the protection of an unregistered mark of a foreign owner was again considered in 1925 at the Diplomatic Conference held in The Hague.⁹⁶ The key idea was stated in the report of that meeting as follows:

It is not infrequent that traders or even other persons file applications for the registration of well-known foreign marks in order to obtain property therein and prevent the true owner of the mark to use it in the country in question or to make it expensive for him to obtain the right to use it.⁹⁷

Based upon this simple idea, the Netherlands' delegation and the International Bureau of BIRPI presented their proposal for a new Article *6bis* worded as follows:

The contracting countries undertake to refuse or to invalidate the registration of a trademark which is well-known as being already the mark of a national of another country; a period at least three years shall be allowed to interested persons for seeking invalidation of the registration of such a mark.⁹⁸

After many comments and significant discussion in respect of the protection of well-known marks at the Conference⁹⁹, Article *6bis* was finally, and unanimously, adopted with the following wording:

⁹⁶ The Diplomatic Conference for the Revision of the Paris Convention was held in The Hague, Netherlands, on November 6, 1925.

⁹⁷ Actes de La Haye, at 242.

⁹⁸ Idem, at 246. See also Frederick Mostert, "Famous and Well-known Marks – An international Analysis", (Butterworths 1997), page 129.

⁹⁹ Frederick Mostert, "Famous and Well-known Marks – An international Analysis", (Butterworths 1997), page 130. "Germany and Austria suggested that the new Article should clearly state that the mark must be well-known in the country where its registration for another enterprise is to be refused or invalidated and that the condition of identity or similarity of the goods for which the conflicting sign is registered should be expressly mentioned. France, Great Britain, and Italy suggested that the three-year period for cancellation of the registration should be extended to five years because the trade mark owner would have to watch the situation in a large number of countries. Sweden suggested that, as a condition for the protection of the well-known mark, it must be used to some extent in the country in question... The United States presented a different approach which proposed dealing with the question of well-known marks within the framework of what later became Article 6 quinquies of the Paris Convention (the so-called *telle quelle* clause) and listed permitted grounds for the refusal in the country concerned of the registration of the mark which had been registered in the country of origin. This would have meant that there was only a possibility (but not an obligation) to rely on well-known mark as grounds to refuse protection of a conflicting sign".

The contracting countries undertake, either administratively if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration of a trademark which is a reproduction or an imitation, liable to cause confusion, of a mark considered by the competent authority of the country of registration to be well-known in that country as being already the mark of a national of another contracting country and used for goods of the same or a similar kind.

A period of at least three years shall be allowed for seeking the cancellation of such a mark. The period shall start running from the date of the registration of the mark.

No time limit shall be fixed for seeking the cancellation of marks registered in bad faith¹⁰⁰

The question of protection for well-known trademarks remained a key issue on the agenda of following Conferences.¹⁰¹ The text of the Article *6bis* of the Paris Convention was changed many times during these conferences based upon the different points of view of participating countries. These arguments mainly focused on two matters: (i) the obligation of the Paris Union's member countries to protect well-known trademarks and (ii) the time limitations for seeking cancellation of marks registered or in conflicting use with a well-known trademark. Finally, the text of the Article *6bis* as currently in use was adopted at the Conference held in Lisbon in 1958¹⁰² as follows:

(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well-known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

(2) A period of at least five years from the date of registration shall be allowed for requesting the cancellation of such a mark. The countries of the Union may provide for a period within which the prohibition of use must be requested.

¹⁰⁰ Article 6bis of Paris Convention 1925 version.

¹⁰¹ The Diplomatic Conferences for the Revision of the Paris Convention were held at London, United Kingdom on June 2, 1934, at Lisbon, Portugal on October 31, 1958 and at Stockholm, Sweden on July 14, 1967.

¹⁰² At the Diplomatic Conference for the Revision of the Paris Convention in Stockholm in 1967, no amendments were proposed to Article 6bis, since a revision of Article 6bis was not on the program of that conference. Thus the text which is currently in force in the member States of the Paris Convention is the text adopted at the Lisbon Conference in 1958.

(3) No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith.

The doctrine of well-known trademarks, in common with its international recognition, was concurrently set forth and improved in national laws as well as in international regimes such as the World Trade Organization (WTO) and the World Intellectual Property Organization (WIPO). Accordingly, the TRIPs Agreement¹⁰³ developed and improved upon Article 6*bis* of the Paris Convention by inserting language in Article 16 extending the protection of well-known trademarks to service marks¹⁰⁴ and enlarging the scope of protection to the use of the mark with dissimilar goods.¹⁰⁵ In 1999, the well-known trademark doctrine was further developed and extended by the WIPO General Assembly and the Paris Union through a nonbinding recommendation, which stipulates that a well-known mark will be protected in a specific country on the ground that it is well known even if the mark is not registered or used in that country.¹⁰⁶ Member states are prohibited not only from requiring that a mark be used in that state as a condition for determining whether a mark is well-known, but also from requiring that the mark be registered in any other member state.¹⁰⁷

2.3.2. Well-known trademark – the concept

Many goods and services have become almost synonymous with their trademark, for example, the soft drink Coca-Cola, Nescafé for coffee, and Levi's jeans. These marks have become famous and widely known throughout the world. This is an important success for manufacturers and traders who use them for marketing and advertising their products. However, this also causes them difficulties in protecting their intellectual property rights due to infringement activities by third parties. Increasing numbers of goods and services appear on the market, which are similar to those marked with well-known trademarks. It creates consumer confusion and impairs their ability to choose goods and services by relying on the marks as indications of origin and quality. Therefore, an important issue is how to protect famous marks from such infringement in order to more effectively protect the legitimate rights and benefits of well-known or famous trademark owners.

¹⁰³ The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) signed on 15 April 1994 in Marrakech.

¹⁰⁴ Article 16(2) of the TRIPs Agreement.

¹⁰⁵ Article 16(3) of the TRIPs Agreement.

¹⁰⁶ Article 2 (3) (i) of the WIPO Joint Recommendations

¹⁰⁷ Article 2 (3) (ii) of the WIPO Joint Recommendations.

Definition

What is a well-known trademark? This question, which seems simple, is not easy to answer. It has been addressed by national laws as well as in international conventions.

The Paris Convention refers to well-known trademarks in Article 6*bis* by setting out the obligations of member States to refuse to register, cancel the registration or prohibit the use of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion with a well-known mark¹⁰⁸; and providing the term within which the owners of well-known trademarks may request that the authorities cancel a registration of an infringing mark.¹⁰⁹ It does, however, not clearly define “well-known trademark”. The only ground mentioned is the acceptance or recognition of such marks by the authorities of countries in the Union or countries in where the mark is used.

Although there is no specific definition of “well-known trademark” as such in the wording of the Convention, the various ways the term is used by different languages express, in some sense, the complicated construction of the concept. For instances, the term “well-known mark” in Article 6 *bis* of the Paris Convention can be translated into different languages as “marque notoirement connue”, “notorisch bekannte marke”, “marchio notoriamente conosciuto”, or “marca notoriamente conocida”.¹¹⁰ Further, the ordinary dictionary meaning of “well-known” according to Webster’s Third New International Dictionary is “widely known”¹¹¹, but in the Oxford English Dictionary as “known to many”.¹¹²

According to the provisions of the TRIPs Agreement, the question of protection of well-known trademarks in general is based upon the Paris Convention with some modifications whereby the term “well-known trademark” is also applied to service marks, and the Agreement states the general grounds to

¹⁰⁸ Paris Convention – Paragraph 1 – Article 6*bis* states: “(1) The countries of the Union undertake... to refuse or to cancel the registration, and to prohibit the use, of a trade mark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith”.

¹⁰⁹ Paris Convention – Paragraph 2 and paragraph 3 – Article 6*bis*.

¹¹⁰ Frederick Mostert, “Famous and Well-known Marks – An international Analysis”, (Butterworths 1997), page 18.

¹¹¹ Webster’s Third New International Dictionary, (Merriam-Webster Inc., 1981), page 2595.

¹¹² The Oxford English Dictionary (1989), Volume XX, page 133.

determine whether a trademark is well-known or not.¹¹³ In addition, the TRIPs Agreement has also expanded the scope of the protected trademark to include trademarks which are very well-known.

Provisions for the protection of well-known trademarks have also been featured under national laws: for example The Trademarks Act 1938 (replaced by the Trademarks Act 1994), of the United Kingdom¹¹⁴, the Lanham Act of 1946 of the United States of America (amended by the Federal Trademark Dilution Act in 1995 and the 2006 Revisions)¹¹⁵, and the Trademark Act of 31 December 1964 and the Intellectual Property Code of France.¹¹⁶

National laws may differ depending on the particular political, cultural, social and economic conditions applicable to each. These differences create a complicated picture of the global legal system for the protection for well-known trademarks as well as generally for intellectual property rights. The trademark laws do not contain a specific definition of well-known trademark. Consequently, the question of “What is the well-known trademark?” has, in general, been addressed by courts and other authorities in respect of specific cases when not addressed by the statute.

French courts have addressed well-known trademarks using different arguments. In 1962 the Paris Court of Appeal decided that PONTIAC was a well-known trademark for cars because “a large part of the public has already known this name as a trademark for high standing cars.” In 1970 it was determined that a trademark may be well-known even if it is not exceptionally famous and in 1989 reference was made to market research to determine whether the trademark JOKER was well-known.¹¹⁷ The French Intellectual Property Code distinguishes between a “well-known mark” and a “famous mark.” The French well-known trademark is a mark recognized by a large proportion of the circles concerned with the production, sale or use of the goods in question and is clearly perceived as indicating a particular origin of these products while the

¹¹³ See Article 16.2 – TRIPs Agreement.

¹¹⁴ See the Section 56(1) – Trade mark Act 1994.

¹¹⁵ In March 1995, the Federal Trade mark Dilution Act of 1995 (H.R 1295) was introduced by Representative Carlos J. Moorhead, the chairman of the House Judiciary Subcommittee on Courts and Intellectual Property. The bill created a new Section 43 (c) of the Lanham Act (1995, 15 U.S.C. section 1125 (c)) to provide the owner of a famous, federally registered mark with relief against another person’s “commercial use in commerce” of a mark if such use causes dilution of the distinctive quality of the registrant’s mark. This provision has been amended continuously under the Trade mark Dilution Revision Act (TDRA) which became effective on October 6, 2006.

¹¹⁶ Law dated January 4, 1991, codified into Chapter VII of the French Intellectual Property Code, last amended by the Act No. 2003-706 dated August 1, 2003.

¹¹⁷ “How France protects well-known marks (part 2)”, available at <http://proquest.umi.com>.

famous (“*renomme*”) trademark is a trademark known internationally and worldwide.¹¹⁸

Russia, which is not a member of WTO and not bound by the TRIPs Agreement, has a similar manner of defining and protecting well-known trademarks. According to the Russian Trademark law of 1992, well-known trademarks are determined by the Supreme Patent Chamber as well as through case law upon application.¹¹⁹

Under China’s current Trademark Law and the Trademark Law Implementing Regulations, China, for the first time formally recognized well-known marks. The Recognition Rules¹²⁰ define a “well-known trademark” as a trademark that is “widely known to the pertinent general public and enjoys a relatively high reputation.” The rule further defines “pertinent general public” to mean consumers, manufacturing operations, and persons involved in the sales of the goods or services bearing such trademarks. The Recognition Rules eliminated the requirement of China’s prior 1996 Rule that a well-known trademark be a registered trademark and changed “widely known to the market” to “widely known to pertinent general public” in defining the term “well-known trademark”. However, the “relevant public” is only within the territory of China not internationally. This means that, a trademark that might be well-known in other countries but not yet registered or recognized in China does not qualify as a well-known trademark in China.¹²¹ This provision seems to be a high hurdle, which well-known trademarks coming from foreign countries must overcome. The foreign well-known status may assist to some degree in showing that a trademark is well-known in China.¹²²

According to the Indian Trademark Act 1999:

[A] “well-known trademark means a mark which has become so to the substantial segment of the public which uses such goods or receives such services that the use of such mark in relation to other goods or services would

¹¹⁸WIPO national seminar on Intellectual Property, The protection of well-known trade marks, Cairo, February 17 to 19, 2003.

¹¹⁹ Magazine: MANAGING INTELLECTUAL PROPERTY, May 2, 2001; Section: RUSSIA; Article “Protecting well-known marks”; <http://elin.lub.lu.se>.

¹²⁰ Regulations on the Recognition and Protection of Well-known trade marks in China (“Well-known Trade marks Regulations” or “Recognition Rules”) came into force in 2003.

¹²¹ Yvonne Chua, Howard Tsang, “Legislative changes boost status of well-known marks”, Magazine: MANAGING INTELLECTUAL PROPERTY, London: Dec. 2002/Jan. 2003, page 75. Available at <http://www.managingip.com/Article/1321791/Supplements/Legislative-changes-boost-status-of-well-known-marks.html?ArticleId=1321791&supplementListId=58767&p=5>.

¹²² Loke-Khoo Tan, Pirates in the Middle Kingdom – The ensuing Trade mark Battle, second edition, (Sweet and Maxwell Asia 2007), para. 3.7, page 43.

be likely to be taken as indicating a connection in the course of trade or rendering of services between those goods or services and a person using the mark in relation to the first-mentioned goods or services.¹²³

Under United States law there is a difference between the concepts of “famous mark” and “well-known mark”. Famous mark seems to be the official notion. Actually, there has been no exact definition of well-known trademark or famous trademark in the United States. This is similar to the actual situation of many other countries. However, the United States has indirectly accepted the term of “famous trademark” but not “well-known trademark” through its statutory language. Indeed, according to the provisions of the section 3 of the Federal Trade marks Dilution Act in 1995¹²⁴, the owner of a *famous mark* shall be entitled, subject to the principles of equity and upon such terms as the court deems reasonable, to an injunction against another person’s commercial use of a mark or trade name, if such use begins after the mark has become *famous* and causes dilution of the distinctive quality of the mark, and to obtain such other relief as is provided in this subsection. Thus, under the US law the definition of well-known trademark has not been stated

In Japan famous trademark and well-known trademark should be classified more clearly. There, a well-known trademark is considered as less famous than a famous one. Indeed, in the Japanese legal system, trademarks are divided into four groups including (1) regular trademarks, (2) reputed trademarks, (3) well-known trademarks and (4) famous trademarks. This differs from many other countries which have assimilated the concept of “well-known” and “famous” trademarks. Japan bases this mainly on the ground that it is not necessary to make a distinction between the two because of their similarities not only in their natural characteristics but also in the scope of their legal protection. The main

¹²³ Trade marks Act of India in 1999 (in force 15 September 2003), Article 2(1)(zg); See also: Virendra Kumar Ahuja, Law relating to Intellectual property rights, Lexis Nexis 2007, p 228.

¹²⁴ In March 1995, the Federal Trade mark Dilution Act of 1995 (H.R 1295) was introduced by Representative Carlos J. Moorhead, the chair man of the House Judiciary Subcommittee on Courts and Intellectual Property. The bill created a new Section 43 (c) of the Lanham Act (1995, 15 U.S.C. section 1125 (c)) to provide the owner of a famous, federally registered mark with relief against another person’s “commercial use in commerce” of a mark if such use causes dilution of the distinctive quality of the registrant’s mark. As a result of concerns voiced by the Administration at the Committee Hearing, the requirement that the famous mark be registered to be entitled to protection against dilution was deleted so as not to undercut the United States’s position that famous marks should be protected regardless of whether they are registered in the country where protection is sought.

On December 16, 1995, the Federal Trade mark Dilution Act of 1995 (H.R. 1295) passed the House of Representatives under suspension of rules, and on December 29, 1995, it was passed by the Senate (without the benefit of any hearing).

The Trade mark Dilution Revision Act of 2006 was enacted in response to the Supreme Court’s ruling and the various circuit splits and became effective October 6, 2006.

issue is how to define and distinguish a normal trademark from a well-known or famous one, but not between a well-known trademark and a famous one.

Accordingly, in a comparative view there are many different ways to understand the concept of “well-known trademark” and other terms, including “notorious”, “reputation”, “famous”, “highly renowned”, “highly reputed”, and “exceptionally well-known”.¹²⁵ Because of the lack of a common definition for the well-known trademark in the relevant international conventions and treaties, each country has its own view point on the question of what constitutes a well-known trademark.

However, despite such differences among the laws and jurisdictions, we can also give a general definition of the well-known trademark by collecting and comparing the different points of views of various legal systems. In general, a well-known trademark should be understood as a trademark which is popularly known by many people within the relevant territory or is considered and recognized by the authorities of the countries regardless of where it is used or registered or not. It should be noted that this understanding is merely an initial not final definition. The term well-known trademark will be discussed in greater depth in the following chapters as regards the understandings of specific legal systems such as the European Union and Vietnam.

In short, the terms of “well-known trademark” and “famous trademark” are used differently from country to country with different levels of determination. However, such a difference seems to be more formalistic rather than making any actual sense concerning the legislation and enforcement of the protection of well-known trademark and famous trademark. There is almost no distinction between the legal regime of protection granting for a “well-known” trademark and for a “very well-known” or “famous” trademark. Therefore, for the purpose and within the scope of the thesis, the author basically uses the two terms anonymously. The distinction may be eventually and limitedly mentioned in specific contexts.

2.3.3. Well-known trademark – Specific characteristics

Well-known or famous trademarks are important not only for the trademark’s owners but also for the consumers and the community in general. Therefore, there is a need to define more precisely well-known or famous trademarks and to distinguish them from other subjects of the intellectual property rights such as ordinary trademarks, domain names, geographical indications, and trade names. The distinction is significant for legislation which creates legal regimes for

¹²⁵ Frederick Mostert, “Famous and Well-known Marks – An international Analysis”, (Butterworths 1997), page 18.

effective protection specifically directed to well-known trademarks and their implementation when authorities and persons working within the trademark system implement laws for the protection of well-known trademarks. Such distinctions should be made based on following factors:

The fame of the trademark

The fame of a trademark or the reputation of a trademark is understood as the ability of that trademark to be known widely by certain parts of the public. This should be evaluated through the use of the trademark in practice. From such use, consumers will have in their minds the features and information conveyed by the trademark as well as the products or services bearing the mark. The embedded information should gain in significance until it becomes a symbol of the faith which is associated with the specific line of goods or services by the consumers in distinguishing them from others. At that time, the fame or the reputation of the trademark will be established and become an assurance of the origin and the quality of the goods and services. Normally, the longer time the mark is in use, the more famous or well-known the trademark.

From the terms “well-known” or “famous” or related terms, it is clear that the most important element of the protection for a well-known trademark should be the degree of its fame. This is also the first factor that the courts or authorities consider when they evaluate a trademark to define whether it is well-known or not.¹²⁶ If the requirement of fame is not manifested, then all other factors will not be considered. In theory, when a trademark is recognized as a well-known or famous one, its fame should cover a wide geographical area. It means that a trademark may be considered as a well-known one in a country or territory where it has never been used. However, there are some exceptions. For instance, we all know that “Elle” a women’s magazine of fashion and beauty is widely known in many countries, however the proprietors of the “Elle” trademark were not able to prove that it was famous in Poland in 1984 and therefore failed to prevent registration of the same trademark for cosmetics.¹²⁷

Thus, the fame of a trademark is not only an important characteristic of the well-known trademark but also an important factor used to evaluate whether a trademark may be considered to be well-known or not in specific jurisdictions. The fame of a trademark is normally defined through the knowledge of the

¹²⁶ See also chapters 3, 4 and 5 which deal with the criteria for the evaluation of well-known trade marks in specific legal systems.

¹²⁷ See J B Cosmetics SP ZOO Kamienczyk N/Bugiem’s Trade mark [2000] ETMR 722. See also Jeremy Phillips, “TRADE MARK LAW – A Practical Anatomy”, (Oxford University Press, 2003), page 406, para. 12.40.

relevant segment of the public obtained by market studies. Depending on the different results of these surveys different levels of fame will be defined.

High commercial value

Most well-known or famous trademarks have a very high commercial value. This is demonstrated by reviewing the yearly rankings on Interbrand's official website.¹²⁸ This commercial value is not only attributed to the trademark as such, but is also considered an asset of a company. There is a close link between the fame and the value of trademarks. The value of a trademark is often high if that trademark reaches a high level of fame and vice versa. Therefore, in many cases, the value of a trademark should be considered carefully when its fame is being investigated in the process of defining a well-known or famous trademark. Thus the commercial value of the well-known trademark is also a factor under the law¹²⁹ and is considered by the authorities in determining whether or not a trademark is well-known or famous one.

Long and uninterrupted time of use

No one can create a trademark such that it will become instantly well-known. A normal trademark is usually weak and unknown at the time it is created. It needs time to create associations and become more popular in the community through its recognition and evaluation in the minds of consumers. At that juncture it can become a well-known or famous trademark. This process may take a lot of time, perhaps years or perhaps measured in tens or hundreds of years. Thus, most well-known trademarks have a long and uninterrupted term of use. At that point, the reputation of a trademark plays an important role in defining the well-known or famous trademark.

The popularity of use

“Well-known” or “famous” means to be widely and fully known by many people within a certain area. To some extent, the words “well-known,” “famous” and “popular” are synonymous. Therefore, a well-known or famous trademark should be popularly used by the community. It has to be easily recognized and identified by consumers.

Courts or other authorities usually use surveys for evaluating the popularity of well-known trademarks in the community as well as measuring the recognition

¹²⁸ See website: http://www.interbrand.com/best_global_brands.aspx?langid=1000.

¹²⁹ See, for example, Article 75 – Law on Intellectual Property in Vietnam 2005; Article 8(2) – The Trade mark Act 1994 in UK.

by the consumers of the well-known or famous trademark. For example, in Germany, if the results of a survey indicate that 80% or more of the people surveyed are familiar with a trademark, that trademark can be evaluated as a famous trademark,¹³⁰ and if nearly 40% or more of the people surveyed are familiar with a trademark, that trademark is evaluated as a well-known trademark.¹³¹ In France, other conditions are taken into consideration such that if results indicate that 20% or more of the persons surveyed are familiar with a trademark, that trademark is evaluated as a well-known trademark.¹³² In Italy, if the results of a survey indicate that 70% more of the public is familiar with a trademark that is sufficient for evaluating that trademark as a well-known trademark.¹³³

Easily infringed

As previously mentioned, a well-known trademark has a wide degree of fame, and a high commercial value. So, the use of a well-known trademark will bring many benefits to their users. In addition, because of its popularity a well-known trademark will often be out of the control of the trademark owner. It is difficult for them to prevent third parties from using their trademark. As a result the rights of well-known trademark owners are increasingly becoming infringed, especially in developing countries. This is a real challenge for all countries in the process of improving their legal systems for the protection of intellectual property rights.

2.4. WELL-KNOWN TRADEMARKS IN GLOBAL TRADE

2.4.1. The impact of globalization

Globalization is now central to world development. This is part of the general “natural law” of social development. However, the term “globalization” is not subject to any common understanding. “Globalization means different things to

¹³⁰ Catherine Colston and Kirsty Middleton, *Modern Intellectual Property Law*, (Cavendish Publishing, 2nd Edition, 2005), page 591. Compare BGH GRUR 1991, page 863-866 – Avon case.

¹³¹ GRUR 1986, page 550, 551 – Dimple case.

¹³² “How France protects well-known marks (part 2)”, available at <http://proquest.umi.com>.

¹³³ INTA “The Trade mark Reporter”, Vol. 86 TMR, page 120. Also see: Nobuyuki MATSUBARA, “Protection of Well-Known and Famous Trade marks”, pages 21, 22.

different people".¹³⁴ In economic terms, globalization can be understood as the trend towards greater economic integration among nations. It creates a common playing field for all companies and enterprises coming from different countries without any distinction as to their political, cultural and religious elements. One commentator has described globalization as referring to "the process whereby capitalism is increasingly constituted on a transnational basis, not only in the trade of goods and services but, even more important, in the flow of capital and the trade in currencies and financial instruments."¹³⁵

However, the meaning of globalization is not limited to the scope of economics. It involves many other fields of society. The most important effect of globalization on intellectual property laws is the opening up of the world of information. The analysis of the implications of globalization of information on international and domestic intellectual property rights and legal regimes is a complex endeavor. An appropriate starting point seems to be to define the components of the issue: globalization, information, and intellectual property.¹³⁶

Regarding the relationship between the trend of globalization and the development of intellectual property laws Keith Aoki, of UC Davis School of law, writes:

One of the biggest mistakes one can make when considering the globalization of intellectual property law is to assume away the increasingly contentious politics of the phenomenon. This is not to say that the emerging politics of international intellectual property law are simple, easy to understand, or unchanging - quite the contrary is true. However, we should resist the understandable tendency to reach for a quick, technocratic set of Procrustean tools that assume away the "messiness of the world" and make it seem that concepts such as "sovereignty" and "property" should be, are, or always have been, particularly stable constructs.¹³⁷

Political barriers are always the biggest challenge for international law-makers in finding an effective common legal regime for intellectual property protection. Differences of cultural, religious and social condition are also key issues that countries have to face in the process of improving and developing their legal systems for intellectual property protection. The impact of the tendency to globalization on legal systems and intellectual property laws are quite diverse and include positive effects and negative consequences. However,

¹³⁴ Kim Nayer, "Globalization of information: Intellectual property law implications", Peer-review Journal on the Internet, http://www.firstmonday.org/issues/issue7_1/nayer/

¹³⁵ Idem..

¹³⁶ Idem.

¹³⁷ Keith Aoki, "Neocolonialism, Anticommons Property and Biopiracy in the (Not-So-Brave) New World Order of International Intellectual Property Protection" (1998) 6 *Indiana Journal of Global Legal Studies* 11. See also: http://www.firstmonday.org/issues/issue7_1/nayer/.

to a certain extent, we can define some significant influences of globalization as follows:

The most important impact of globalization on intellectual property laws is the dilution of national borders in commercial activities as well as in economic policy. This, it seems, is a challenge to basic principles regarding protection of intellectual property, especially the principle of territorial limitation.

Globalization also influences the process of harmonizing the legal standards of national laws for intellectual property protection. Indeed, there have been many multilateral instruments created to facilitate that purpose, such as the Paris Convention of 1883, Berne Convention of 1886, the Madrid Agreement of 1891, the TRIPs Agreement of 1994 and the 2010 ACTA Agreement¹³⁸. However, such attempts are still not sufficient to satisfy the needs of the present and future knowledge and information economy.

Another impact of globalization on intellectual property law is the unification of registration systems. Most countries have their own registration systems for intellectual property established under their separate sovereignty. The appearance of the Madrid Agreement of 1891 and its Protocol concerning the international registration of trademarks, and regional legal documents such as the Trademark Directive and Trademark Regulation within the European legislation provide strong evidence of this trend.

Globalization has also placed pressure on many countries, especially developing countries and less developed countries to establish minimum standards for the IP protection required under international conventions and treaties which have been pressed forward by developed countries.

Finally, in the internet and digital environment it is simple for anyone to obtain access to information. Intellectual property may, shortly after its introduction and protection in one country, be seen, explored and pirated immediately in another country. This creates a challenge to the protection of the legitimate rights and benefits of owners of intellectual property.

¹³⁸ In 2006, Japan and the United States launched the idea of a new plurilateral treaty dealing with the counterfeiting and piracy, so-called the Anti-Counterfeiting Trade Agreement (ACTA). In 2007, the EU and a number of other WTO members began work on the ACTA agreement. After 11 rounds, the negotiations were finalised in November 2010, and the negotiating parties are now fulfilling their internal ratification procedures.

2.4.2. Challenges to protect well-known trademarks

In an age of globalization, along with the flow of investment capital from developed countries to developing and less developed countries, well-known and famous trademarks are also exported to least developed domestic markets. The establishment of multinational companies in developing nations and their penetration into the multinational market create opportunities for consumers in different countries and regions to access and use these reputational products and services. Through the channel of trade well-known or famous trademarks can easily enhance and strengthen their recognition in a global market. As observed by Frederick W. Mostert in the introduction to his book:

Our global village provides increasing opportunities for us, as world citizens, to purchase internationally famous branded goods and services. In fact, brands are usually preceded by their reputations. Branded goods or services are often pre-advertised and pre-sold even though they are not yet physically present in the market of any particular country. Media dissemination and modern advertising are becoming less and less limited by national boundaries in view of sophisticated communication, technology and the frequency of travel.¹³⁹

Indeed globalization opened the doors to nations which had long been closed by national boundaries and has created a single, global community, the so-called “global village”. This process provides many opportunities for the development of the world economy, especially in international trade, and for new types of transactions, including in the field of intellectual property rights. As mentioned in the Mostert quotation well-known or famous trademarks exist and develop in a new environment. However, there is a logical consequence to this development where in developing and less developed countries, the legal systems for the protection of intellectual property rights and well-known trademarks are often weak and inadequate. Meanwhile, infringement of intellectual property rights in those countries occurs at a high level. This means that owners of well-known or famous trademarks must fight trademark pirates originating in many developing countries such as China, India, and of course Vietnam. The disputes that owners of internationally known famous trademarks such as HONDA, SONY or McDonald’s have become involved in developing countries provide strong evidence of the problem. Therefore, an important legal issue is how to effectively protect well-known trademarks in such situations.

In tandem with globalization, specialization is another important consequence of international economic development. This stems from the fact that that a product may be produced piecemeal in many different countries. For example, in order to build an Airbus many small companies around the world may be

¹³⁹ Frederick Mostert, “Famous and Well-known Marks – An international Analysis”, Butterworths 1997, page 1.

contracted to manufacture different components of the plane with all these parts being assembled in one place. Thus, even though the completed plane is marked Airbus it contains many other trademarks connected to its component parts. This raises the question of whether the presence of so many trademarks will dilute the Airbus trademark.

Furthermore, the increasing development of information technology has had a strong influence on legal systems addressing the protection of well-known trademarks protection in individual countries as well as globally. The invention of internet connections, the exploitation of satellite systems, and the development of other means of communications, have advantages in the delivery of the goods and services and their associated trademarks for consumers. This provides good opportunities for trademark owners to broadcast and develop their trademarks in the market place. This also accelerates the creation of new trademarks which become well-known or famous more rapidly.¹⁴⁰ Nevertheless, on the negative side, trademark owners as well as national legislation concerning well-known trademark protection have to deal with more complicated legal questions concerning trademark infringement through the internet or to disputes relating to domain names. To some extent, the traditional legal framework of well-known trademark protection appears to be less productive. Therefore, there is a need to build a more effective legal regime to protect the rights and benefits of well-known trademark owners in the global economy. This is one of the main reasons why many recent international legal protection initiatives have been established or proposed.

2.5. *SUB-CONCLUDING REMARKS*

Trademark law is one of the most important fields in modern intellectual property law and has increasingly played a significant role on the international trade system. Trademarks have had a long history and have developed in parallel with the development of international trade. Within such context, trademark law has always been associated with other laws on the protection of trademarks as well as those addressing them specifically. Thus, one can say that trademark law has always had a close relationship with other legal fields in the area of trade.

The doctrine of well-known trademarks opens a new approach to the protection of trademarks worldwide. Because of their specific characteristics, well-known trademarks have been treated as a separate legal regime in which the traditional principles of trademark law apply only to a limited extent. The codification of well-known trademark protection in international conventions

¹⁴⁰ For example, the trade marks iPod or iPhone have become widely known throughout the world within a very short time, even where the product is not yet sold.

and treaties as well as in national legislation has created a universal context which promotes both the scope and the efficiency of its protection. Along with the free movement of goods and consumers and the explosion of information via the internet the increased globalization of trade has made the protection of well-known trademarks even more important. A major problem is that the concept remains vague and lacks a common international understanding.

Globalization has been incrementally abolishing national boundaries to establish a universal world market that ignores differences in political, cultural and traditions and shortens geographical distances between people, markets, and producers to consumers. Such a process brings many advantages and interests to countries, people, and companies. Nevertheless, it also creates new and more complicated challenges for countries and companies. In that context, the protection of trademarks and well-known trademarks in particular need to be re-considered and harmonized. In this chapter, the author aimed at describing and analyzing the basic theoretical foundations of well-known trademark in the entire system of trademark law. Complex issues concerning well-known trademark protection are further analyzed in the following chapters which address both the universal perspective and make comparisons between the European Union and Vietnamese legal systems.

3. THE LEGAL FRAMEWORK OF WELL-KNOWN TRADEMARK PROTECTION

Two significant effects of globalization and development of the international trade system in the field of trademark law are the dramatic increase in the number of trademarks created and used in the world marketplace, and globalization's challenges to the traditional legal norms of the trademark law system. The basic principles underlying the protection of trademark rights, especially rights concerning well-known or famous trademark owners are threatened by the diminishing importance of physical borders between countries and today's explosion of information technology. Therefore there is great need for countries to make an effort to restructure and harmonize the global legal system dealing with matters of trademark protection, and especially those concerning well-known or famous trademarks.

This chapter concentrates on presenting and analyzing the legal framework for the protection of well-known trademarks from an international perspective and a regional and national level, with a special focus on the European Union and Vietnamese legal systems which the dissertation uses as the basic foundation of the legal comparisons it makes later.

3.1. *INTERNATIONAL CONVENTIONS AND TREATIES*

3.1.1. Paris Convention

Intellectual property problems which were initially examined in isolation at a domestic level have now been largely incorporated in government initiatives leading to the adoption of international treaties on the subject.¹ The Paris

¹ Horacio Rangel-Ortiz, "Well-known trade marks under International Treaties", *Trade mark World*, Feb 1997, page 14.

Convention for the protection of industrial property was the result of the first international effort to standardize and simplify the protection of intellectual property rights in Member States. It was acceded to on 20 March 1883 by the first eleven countries and has been revised several times over the intervening century.² The main aims of the Convention are to establish a Union for the protection of industrial property,³ and create and secure the advantages of patents, industrial designs and the registration of trademarks to the citizens of a contracting country in the territories of other members based upon the principles of national treatment contained in members' national laws on industrial property.

The Paris Convention addresses basic issues such as the scope of industrial property protection, the principles of protection, priority of applications, and the enforcement and implementation of the Convention in member states. The Convention makes the first international mention of protection for well-known trademarks.⁴ The Convention's provisions have become an important source of law in the field. They continue to be referred to in other international agreements as well as in domestic legislation.

Article 6bis of the Paris Convention deals with three legal issues:

- The obligations of members to protect a well-known trademark by refusing or cancelling the registration of any mark which infringes the well-known mark,
- That determinations of well-known trademarks will be based upon (a) a decision of the competent authority of the registered country, or (b) a decision of the competent authority of the country where the mark is used; and
- Defining infringements of well-known trademarks to include the reproduction of the whole or the essential part of the mark, or an imitation, or a translation of such mark which can create confusion with the well-known mark.

Thus, the Paris Convention has provided general provisions, which have become important fundamental sources of law on well-known trademarks and

² The International Convention for the protection of Industrial Property signed as of March 20, 1883, as revised at Brussels on December 14, 1900, at Washington on June 2, 1911, at The Hague on November 6, 1925, at London on June 2, 1934, at Lisbon on October 31, 1958, and at Stockholm on July 14, 1967, and as amended on September 28, 1979.

³ See Article 1 – Paris Convention amended in 1967.

See more at http://www.wipo.int/treaties/en/ip/paris/trtdocs_wo020.html#P151_21198.

⁴ See Article 6bis – Paris Convention amended in 1967.

See more at http://www.wipo.int/treaties/en/ip/paris/trtdocs_wo020.html#P151_21198.

their protection. However, in addition to its achievements the Convention also contains some shortcomings:

- The Convention only refers to the protection of well-known trademarks for goods but not in connection with services;
- The Convention does not provide a definition for “well-known trademark” leaving it to member state law with the result that the factors used to define a trademark as being well-known have little in common and it is difficult to apply them in practice; and
- The protections of the Convention are only applied to identical or similar goods but not to goods which are not identical or similar.

Provisions on well-known trademarks

The first important provision of the Paris Convention is that the conditions for the filing and registration of trademarks are to be determined by the member states’ laws.⁵ The Convention is thus concerned with the harmonization of substantive but not procedural trademark law.⁶ In these registration procedures, one of the most important grounds for refusal is lack of sufficient proof of the fame of a trademark in order to be considered well-known under the Convention.

Historically, well-known trademarks appear for the first time as a result of the Revision Conference of The Hague in 1925, which incorporated a new article, Article *6bis*, in the text of the Convention.⁷ Further amendments were incorporated in the text of Article *6bis* at the Revision Conference of London in 1934 and again in 1958 in Lisbon. The current text of Article *6bis* was last amended at the Revision Conference of Stockholm in 1967.⁸ This article is of considerable importance, as many countries have specifically provided in their trademark legislation for the protection marks, which are “well-known” within the meaning of the Article *6bis*. Therefore, owners of well-known trademarks are entitled to prevent registration of a registered trademark or the use of a trademark that, under Article *6bis* :–

constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of the registration or use to be well-known in that country as being already the

⁵ Article 6(1) – Paris Convention

⁶ Guy Tritton (editor), *Intellectual Property In Europe*, (Thomson – Sweet & Maxwell Publisher, 2002), p. 192.

⁷ See more at Subchapter 2.2.1 *supra*.

⁸ Horacio Rangel-Ortiz, “Well-known trade marks under International Treaties”, *Trade mark World*, Feb 1997, page 15.

mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion there with.⁹

The Paris Convention also provides a statute of limitations for requesting cancellation of the registration of a mark, alleged to have created likelihood of confusion as well as of a mark registered and used in bad faith.¹⁰ Accordingly, under Article 6*bis*, the owners of well-known trademarks have five years to make a request for cancellation or revocation of such a registration of a trademark made by any third party. In case of a registration of a mark made in bad faith, there is no time limit to apply for the cancellation.¹¹ That means that well-known trademark owners may request cancellation or revocation of third party's registration of any similar trademark at any time as long as they have positive evidence proving that such a registration or use was made in bad faith in order to take advantage of the fame of the well-known one.

The Paris Convention is also silent regarding any requirement that a trademark which is being considered as well-known one actually be in use in the country in question. This implicitly permits a trademark to be considered protected by its well-known status in a Convention State even though it has never been in use there. This is because that in general the Paris Convention has no requirement of use of a trademark in member countries in considering the registration and protection of such trademark. Indeed, according to the Convention, the requirement of use of trademark should be specifically stated by the national laws¹².

However, the Paris Convention does not define when a mark has become well-known or how to define a well-known trademark. Therefore, the definition of well-known trademark would be referred to the statements of related sources¹³ as well as the arguments of commentators. Generally, it is universally considered that the following factors are important for establishing whether a mark is well-known or not:

- The degree of recognition of the mark;

⁹ Article 6*bis* – Paris Convention amended in 1967.

See more at http://www.wipo.int/treaties/en/ip/paris/trtdocs_wo020.html#P151_21198.

¹⁰ Article 6*bis* (2) and (3) – Paris Convention. According to the provisions of paragraph 3 of Article 6*bis* of the Paris Convention 1883, any registration of a mark which is made in bad faith may be cancelled without any limitation of time.

¹¹ Article 6*bis*(3) – Paris Convention amended in 1967.

¹² Article 6(1) of the Paris Convention amended in 1967.

¹³ For instances, the WIPO's recommendations on well-known trademark that is presented in subchapter 3.1.3 *supra*.

- The extent to which the mark is used, and the duration of use;
- The extent and the duration of advertising and publicity accorded to the mark;
- The geographical extent of the above factors;
- The degree of inherent or acquired distinctiveness of the mark;
- The degree of exclusivity of the mark and the nature and extent of use of the same or similar marks by third parties;
- The nature of the goods or services, and the channels of trade for goods or services which bear the mark;
- The degree to which the reputation of the mark symbolizes quality goods; and
- The extent of the commercial value attributed to the mark.¹⁴

As noted, the Paris Convention contains no specific provisions concerning factors used to evaluate whether or not a trademark will be considered well-known. The above criteria mentioned are derived from national laws mainly through case-law intended to be consistent with the spirit of the Paris Convention.

In addition, Article 10*bis* of the Paris Convention addresses aspects of unfair competition protection for well-known trademarks that may not fall under Article 6*bis*. Accordingly, members of the Convention “are bound to assure to nationals of such countries effective protection against unfair competition.”¹⁵ The Article also prohibits unfair acts of competition as follows:

(i) all acts of such a nature as to create confusion by any mean whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor;

(ii) false allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor;

¹⁴ Frederick Mostert, “Famous and Well-known Marks – An international Analysis”, (Butterworths 1997), pp. 11-17;

Also see: Guy Tritton (editor), *Intellectual Property In Europe*, (Thomson – Sweet & Maxwell Publisher, 2002), p. 193-194.

¹⁵ Article 10(1) – Paris Convention amended in 1967.

See generally http://www.wipo.int/treaties/en/ip/paris/trtdocs_wo020.html#P151_21198.

(iii) indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods.¹⁶

Thus, the Paris Convention provides protection for a trademark which is well-known in a country even when that trademark has not been used or registered there if there is evidence showing that a third party

Registers or uses the same or similar trademark for similar goods; and/or

Uses the same or similar trademark in a manner that constitutes unfair competition (e.g., misleads the public).¹⁷

The Paris Convention is an international agreement. In most countries, an international convention is not self-executing and has no force of law until enacted into domestic legislation. Thus, despite the fact that many countries including all the Member States of the European Union and Vietnam, have acceded to the Paris Convention, this does not automatically mean that all of its requirements have been made part of each country's domestic law.¹⁸ Consequently, it can be considered that the Paris Convention laid the cornerstone for harmonization of trademark law. It has played an invaluable part over the last 100 years in enabling the standardization of trademark law throughout the world and preventing discrimination between nationals of different nations.¹⁹

Further, Article 6*bis* only creates basic minimum protection for well-known trademarks against use or registration in connection with identical or similar goods, and against trademarks which are reproductions, imitations or translations. In other words, the Paris Convention provides only basic principles for the protection of well-known trademarks; the specifics of legal implementation are left to national legislation. It should be also noted that the Paris Convention provides an important principle of protection of trademark that allows member countries of the Convention (the Union) may grant the protection to registered trademarks independently, regardless whether or not such trademarks have been registered and/or protected in other members²⁰. This

¹⁶ Article 10bis (3) – Paris Convention amended in 1967.

See more at http://www.wipo.int/treaties/en/ip/paris/trtdocs_wo020.html#P151_211981.

¹⁷ Clark W Lackert and Maren C Perry, “Global protecting well-known and famous marks: a global perspective”, Building and Enforcing Intellectual Property Value, 2008.

¹⁸ As of December 2007, the Treaty was in force in 173 countries. See http://www.wipo.int/treaties/en/ShowResults.jsp?country_id=ALL&start_year=ANY&end_year=ANY&search_what=C&treaty_id=2.

¹⁹ Guy Tritton (editor), Intellectual Property In Europe, (Thomson – Sweet & Maxwell Publisher, 2002), p. 196.

²⁰ Article 6(3) – Paris Convention amended in 1967.

means that if a trademark has been considered as well-known in one member country of the Union, it may still be refused to protection as a well-known trademark in others.

3.1.2. TRIPs Agreement 1994

The 1986-1994 Uruguay Round negotiations²¹ resulted in an important achievement. For the first time the trade – related aspects of intellectual property rights were officially referred to in an international instrument as enforceable. The enactment of the Agreement on Trade-Related aspects of Intellectual Property Rights (TRIPs Agreement) in 1994 was not only a success in terms of the Uruguay Round negotiations in improving and harmonizing the system of international trade within the framework of the World Trade Organization (WTO) but was also a significant contribution to the international legal system for the protection of intellectual property rights.

The TRIPs Agreement is often described as one of the three “pillars” of the WTO, in addition to provisions dealing with trade in goods (the traditional domain of the GATT), and trade in services (GATS).²²

The TRIPs Agreement contains seven sections providing for the protection of trademarks as important subjects of industrial property.²³ TRIPs Articles 15 and 16 are important. Article 15 deals with the definition of “trademark” (paragraph 1), grounds for refusal in registration procedures (paragraph 2), requirements relating to the use of trademarks prior to registration (paragraph 3), the nature of goods and services a trademark can be registered for (paragraph 4), and procedural requirements (paragraph 5). Issues concerning the protection of well-known trademarks are stipulated in TRIPs Article 16. These provisions are based upon provisions of the Paris Convention specifically referencing Article *6bis*. However, TRIPs has effectively developed on Article *6bis* of the Paris Convention by providing amplification and expansion of its provisions.

First, protection of well-known trademarks may be applied to both goods and services.²⁴ This extension is one of the most important provisions of TRIPs applicable to the Paris Convention because service marks have become increasingly more important to international trade and contribute to the development of the global trade system.

²¹ This is the negotiation round which established the World Trade Organization – WTO.

²² The three “pillars” of the WTO include the Agreement on Trade – Related aspects of Intellectual Property Rights (TRIPs), the General Agreement on Tariffs and Trade (GATT) and the General Agreement on Trade in Services (GATS).

²³ TRIPs Agreement – Part II – Section 2 – Articles 15 through 21.

²⁴ TRIPs Agreement – Part II – Section 2 – Article 16 – Paragraph 1.

Second, in order to determine whether a trademark is well-known, member states are required to take into account knowledge of the trademark in the relevant sector of the public, including the knowledge in the member concerned which has been obtained as a result of the promotion of the trademark.²⁵

Third, protection for well-known trademarks may also be applied for marks even when the applied trademarks are for goods or services which are not identical or similar to the goods or services in respect of the trademark is registered.²⁶ Accordingly, the authorities of Member States are required to refuse or cancel applications or registrations of trademarks for goods or services if they are likely to damage the interests of the owner of well-known trademarks even where there is no any identity or similarity between such goods or services. For example, registration of the “SONY” trademark in connection with clothes, the “FORD” trademark in connection with bicycles, or the “COCA-COLA” trademark for goods and services that differ from the soft drink would be refused or cancelled.

In addition, as regards enforcement of trademark rights, Articles 41 to 61 of the TRIPs Agreement regarding enforcement of intellectual property rights include protection for well-known trademarks under Article 16 (3) of the TRIPs Agreement.²⁷

Thus, the TRIPs Agreement may be seen as an important step in the protection of well-known trademarks on a global scale. It is also significant for extending the protections of the Paris Convention to all WTO countries.²⁸ Therefore, even though the TRIPs Agreement itself is not self-executing, Membership in the WTO mandates adherence to it and accordingly it has greatly expanded compliance to the Convention to all WTO members. It should be noted that TRIPs sets down only minimum standards for well-known trademark protection. The TRIPs agreement may be considered as a basic minimum for well-known trademark protection and WTO members are free to extend protection²⁹ depending on their particular circumstances.

²⁵ TRIPs Agreement – Part II – Section 2 – Article 16 – Paragraph 2.

²⁶ TRIPs Agreement – Part II – Section 2 – Article 16 – Paragraph 3.

²⁷ Frederick Mostert, “Famous and Well-known Marks – An international Analysis”, (Butterworths 1997), page 409

²⁸ Article 2 – TRIPs Agreement.

²⁹ Clark W Lackert and Maren C Perry, “Global protecting well-known and famous marks: a global perspective”, Building and Enforcing Intellectual Property Value, 2008.

3.1.3. Other regulations

Madrid Agreement 1981 and Madrid Protocol

The Madrid Agreement concerning the international registration of marks was signed on April 14, 1891³⁰ by the first four countries of the Paris Union. This Agreement aims at establishing a special union for the international registration of trademarks. It governs only proceedings regarding the application and registration of trademarks by providing facilities in order to ensure that the registration of trademarks will be carried out quickly and effectively in Member States. It does not contain substantive provisions directly concerning the protection for well-known trademarks.

It should be noted that the Madrid Agreement only deals with procedural matters. However, this Agreement has also contains an article³¹ relating to well-known trademark protection. Under this provision, member countries are permitted to refuse an application for registration of marks or certification of protection for marks based on the grounds set forth in the Paris Convention for the protection of industrial property, including the registration of marks, which are protected as well-known trademarks. Such international registration may be invalidated (in whole or in part) at any time by a competent national authority of Member States insofar as its territory is concerned. However, owners of marks, which are so registered, must be given a timely opportunity to establish and defend their rights.³²

Although the Madrid Agreement is an important legal instrument in the system of international registration of trademarks, its provisions do not please all nations. That is the reason why many countries, especially European countries³³ sought a new, more effective legal framework. As a result, the Madrid Protocol was enacted in 1989 with the strong support of the World Intellectual Property Organization (WIPO). In general, the central common characteristics of the

³⁰ The Madrid Agreement concerning the international registration of marks was signed on April 14, 1891 under the auspice of the Paris Union on the industrial property, revised at Brussels on 14 December 1900, at Washington on 2 June 1911, at The Hague on 6 November 1923, at London on 2 June 1934, at Nice on 15 June 1957, and at Stockholm on 14 July 1967, and amended on 28 September 1979. It consists of 27 articles.

Vietnam has been the official member of this Agreement since 1981. Actually Vietnam has been listed as a signatory since 1956 but acceded to it and the Stockholm amendments on April 7, 1981 as united into the Socialist Republic of Vietnam. The United States, the EU and most of the Western European countries are not contracting parties.

³¹ Article 5 of the Madrid Agreement 1891.

³² Article 5 (6) of Madrid Agreement 1891.

³³ See more at the subchapter 3.2.3.

Madrid Agreement and the Madrid Protocol are that both of them aim at creating and facilitating system of international trademark registration in addition to the purely national systems which previously existed. The two instruments provide no substantive regulations directly governing well-known trademark protection. There are also differences between the two concerning the details of provisions for specific procedures, such as periods of protection, extensions of time limits for refusal, registration fees, and official languages.

WIPO's Recommendations

The World Intellectual Property Organization (WIPO) was established by the WIPO Convention in 1967³⁴ to deal with the international protection of intellectual property rights. WIPO's objectives are to promote intellectual property protection throughout the world through cooperation among states and, where appropriate, in collaboration with other international organizations. WIPO also aims to ensure administrative cooperation among the intellectual property unions created by the Paris and Berne Conventions and sub-treaties concluded by the members of the Paris Union.³⁵

Currently the international legal regime regarding well-known trademark protection³⁶ is affected through the Paris Convention and the TRIPs Agreement. However, as noted, both the Paris Convention and the TRIPs Agreement only provide general principles and minimum standards. The particulars and details of provisions for protection for well-known trademarks and definitions applicable to whether or not a trademark is well-known are left to members' domestic legislation. However these laws vary greatly. Therefore, in 1995, WIPO established a Committee of Experts on Well-known Trademarks³⁷ to consider standards for defining well-known trademarks and measures for more effective implementation of and protection for well-known trademarks. Subsequently the Standing Committee on the law of Trademarks, Industrial designs and Geographical indications was established in order to achieve this purpose.

On September 1999, the General Assemblies of the Paris Union and of the WIPO jointly enacted their General Recommendations which consist of 6 articles intended to clarify and modify relevant provisions regarding well-known

³⁴ See at http://www.wipo.int/about-wipo/en/what_is_wipo.html.

³⁵ See at http://www.wto.org/english/tratop_e/trips_e/tripfq_e.htm.

³⁶ Based primarily on Article 6bis of the Paris Convention and Articles 16.2 and 16.3 of the TRIPs Agreement.

³⁷ "The tendency and the development of the trade mark in the global level", WIPO's Asian regional workshop on international protection of trade mark, held at Ho Chi Minh City, Vietnam, from 23 to 25 October 2001.

trademark protection under the Paris Convention and the TRIPs Agreement. This document makes the following recommendations:

- Listing non-fulfillment of criteria which must be considered by the competent authorities of countries in order to define whether a trademark is well-known or not³⁸,
- Making it clear that reference to relevant sectors of the public be utilized as an important factor for determinations of well-known trademark status³⁹,
- Listing a number of factors which will not be necessary conditions for determining whether a trademark is a well-known mark⁴⁰,
- Providing criteria under which a trademark shall be deemed to be in conflict with a well-known trademark⁴¹, and
- Providing sanctions or punishments, which can be, used when there is any conflict between a well-known trademark and business identifiers as well as between a well-known trademark and a domain name.⁴²

The main importance of the Joint Recommendations lies in the fact that although there is no precise definition of well-known trademark they establish for first time, within an international document issued through WIPO, criteria to be applied by Members to the determination of well-known trademarks. The Joint Recommendations' criteria for dealing with cases concerning well-known trademarks are:

- The degree of knowledge or recognition of the mark in the relevant sector of the public;
- The duration, extent and geographical area of any use of the mark;
- The duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies;

³⁸ According to article 2 (1) (b) of The Recommendation, these factors include the degree of knowledge or recognition of the mark in the relevant sector of the public; the duration, extent and geographical area of any use of the mark; the duration, extent and geographical area of any promotion of the mark; the duration and geographical area of any registrations and /or any applications for registration of the mark; the record of successful enforcement of the rights in the mark; the value associated with the mark.

³⁹ See article 2 (2) of the Joint Recommendations.

⁴⁰ See article 2 (3) of the Joint Recommendations.

⁴¹ See article 4 of the Joint Recommendations.

⁴² See articles 5 and 6 of the Joint Recommendations.

- The duration and geographical area of any registrations, and/or any applications for registration, of the mark, to the extent that they reflect use or recognition of the mark;
- The record of successful enforcement of rights in the mark, in particular, the extent to which the mark was recognized as well known by competent authorities;
- The value associated with the mark.⁴³

Together with the guidelines on the factors to determine of well-known trademarks, the Joint Recommendations also recommend the exclusion of the following conditions and/or requirements from Members' evaluations of whether a trademark is well-known or not:

- That the mark has been used in, or that the mark has been registered or that an application for registration of the mark has been filed in or in respect of, the Member State;
- That the mark is well known in, or that the mark has been registered or that an application for registration of the mark has been filed in or in respect of, any jurisdiction other than the Member State; or
- That the mark is well known by the public at large in the Member State.⁴⁴

However, it should be noted that provisions of the Joint Recommendations are merely guidelines and not binding obligations. Therefore the Recommendations are only significant to the extent that member states import them into their own legislation.

Trademark law Treaty

The Trademark Law Treaty ("TLT 1994") was concluded in 1994. It is open to all States, members of WIPO and certain intergovernmental organizations. Instruments of ratification or accession must be deposited with the Director General of WIPO. The main purpose of the Trademark Law Treaty⁴⁵ is to

⁴³ Article 2 (1) (b) of the Joint Recommendations.

See at http://www.wipo.int/about-ip/en/development_iplaw/pub833-02.htm#P94_4696.

⁴⁴ Article 2 (3) (a) of the Joint Recommendations. See at http://www.wipo.int/about-ip/en/development_iplaw/pub833-02.htm#P94_4696.

⁴⁵ Trademark law Treaty adopted at Geneva October 27, 1994. The Trademark Law Treaty presents an important international legal framework on trademark law adopted at Geneva on October 27, 1994. There are 45 contracting parties as of September 2009. Vietnam has not yet become a party to this Treaty. See

approximate and streamline national and regional trademark registration procedures. This is to be achieved through simplification and harmonization of certain features of registration procedures, making trademark applications and the administration of trademark registrations in multiple jurisdictions less complex and more predictable. The Treaty concerns procedures before national trademark offices which may be divided into three main phases: applications for registration, changes after registration, and renewal.

Even though TLT 1994 has no specific provisions on well-known or famous trademarks, it is an important international legal source for the registration of well-known or famous trademarks because:

- Most contracting parties of the Treaty are also Member States of the Paris Convention 1883, and
- The Treaty states that any contracting party shall comply with provisions of the Paris Convention which concern trademarks or service marks.⁴⁶

Singapore Treaty on the Law of Trademarks

The Singapore Treaty on the Law of Trademarks was adopted by the Diplomatic Conference for the Adoption of a Revised Trademark Law Treaty that took place in Singapore, between March 13 and March 28, 2006.⁴⁷

The objective of the Singapore Treaty is to create a modern and dynamic international framework for harmonizing administrative trademark registration procedures. Compared with TLT 1994, the new Treaty has a wider scope of application and addresses new developments in the field of communication technology. The Singapore Treaty closely follows TLT 1994, however, the two treaties are separate, and may be ratified or adhered to independently.⁴⁸

The Singapore Treaty includes provisions for the recording of trademark licenses, and establishes maximum requirements for requests for records, amendments or cancellations of the records, of a license. The creation of an Assembly of the Contracting Parties introduces a degree of flexibility to the definition of details concerning administrative procedures to be implemented by

http://www.wipo.int/treaties/en/ShowResults.jsp?country_id=ALL&start_year=ANY&end_year=ANY&search_what=C&treaty_id=5.

⁴⁶ See Article 15 and 16 – Trade mark Law Treaty 1994

⁴⁷ The Treaty was opened for signatures of WIPO member States until March 27, 2007. On September 21, 2010 it entered into force in Italy and October 6, 2010 in Macedonia.

⁴⁸ Catherine Seville, EU Intellectual Property Law and Policy, Edward Elgar Publishing Limited 2009, page 219.

national trademark offices which anticipate the need for future developments in trademark registration procedures and practice through amendments. The Assembly is endowed with the power to modify the Regulations and the Model International Forms, where necessary. It can also deal – at a preliminary level – with questions relating to the future development of the Treaty.⁴⁹

Unfortunately, the Singapore Treaty contains no specific provisions concerning well-known trademarks and therefore, makes no further contribution to the development of an international legal framework for well-known trademark protection as such.

The ACTA Agreement

The ACTA Agreement had been proposed by the EU and some member States of the WTO in 2007 aimed at establishing a global effective legal regime to combat the counterfeiting and piracy of intellectual property rights which are one of the biggest obstacles to the development of international trade system.

It should be noted that the ACTA Agreement deals with intellectual property rights in general but does not focus particularly on trademark rights. Furthermore, it provides measures for enforcement of intellectual property rights rather than their protection as such. Therefore, it is understandable that the ACTA Agreement has no specific provisions concerning trademark rights in general and well-known trademark protection in particular.

In addition to the above mentioned international conventions and agreements protections for intellectual property rights and especially trademarks are also provided in bilateral and multilateral agreements. For example, France and Italy have signed the Benelux Treaty creating one trademark registration area for Belgium. The Netherlands and Luxembourg signed the OAPI Treaty which created a registration area for 13 African countries.⁵⁰ Although these contain no specific provisions regarding well-known trademarks most of countries respect and recognize the provisions of conventions under which the protection of well-known trademarks can be effectuated.

⁴⁹ WIPO, Summaries of Conventions, Treaties and Agreements administered by WIPO, 2011, page 32 – 34.

See more at http://www.wipo.int/freepublications/en/intproperty/442/wipo_pub_442.pdf.

For full text see: http://www.wipo.int/treaties/en/ip/singapore/singapore_treaty.html.

⁵⁰ Peter Groves, Anthony Martino, Claire Miskin, John Richards – “Intellectual property and the Internal market of the European Community”, published in 1993 by Graham & Trotman Ltd, page 47.

3.2. *THE EUROPEAN UNION LEGAL SYSTEM*

As noted, one of the most important purposes of this dissertation is to approach and investigate, on a comparative level, various legal systems concerning well-known trademark protection in order to compare them with, and make suitable suggestions for improving Vietnam's legal system. Because Europe is where trademark law and protections for well-known trademarks originated the writer addresses this section to the law applicable in the European Union concerning well-known trademark protection at a regional level, especially focusing on Trademark Directive 2008/95/EC⁵¹ (Trademark Directive) and Trademark Regulation (EC) No. 207/2009⁵² (Trademark Regulation). Certain national legislation will be touched upon due to their close relationship with international treaties and European Union law.

3.2.1. Introduction to European Trademark law

National protection for trademarks has a long history in Europe.⁵³ Every European country has established its own legal system for protecting trademarks within the ambit of the Paris Convention.⁵⁴ These legal systems differ due to the specific social, economic and political conditions in each of these countries. Within the European Union 27 separate regimes⁵⁵ exist for registering trademarks with specific criteria applicable in each jurisdiction. The rights conferred by registration vary from one Member State to another, causing uncertainty and unnecessary expense as well as acting as a potential restriction

⁵¹ Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of member States relating to trademarks repealed and replaced Directive 89/104/EC.

⁵² Council Regulation (EC) No. 207/2009 of 26 February 2009 on the Community trademark amended and replaced Council Regulation (EC) No. 40/94.

⁵³ Davis I Bainbridge, *Intellectual Property*, published in London 1999, page 521.

⁵⁴ See e.g. The Trademarks Act 1938 in the U.K., replaced by the Trademarks Act 1994 the Trademark Act of 31 December 1964 and The Intellectual Property Code of France, The Swedish Trademark act in 1960, and The Trademark act 1987 of Denmark..

⁵⁵ The European Union was formally established when the Maastricht Treaty came into force on 1 November 1993. In 1995 Austria, Sweden and Finland joined the EU. In 2004, the EU saw its biggest enlargement to date when Malta, Cyprus, Slovenia, Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia, and Hungary joined the Union. On 1 January 2007, Romania and Bulgaria became the EU's newest members and increased the members of EU to 27 nations.

on the free movement of goods and services.⁵⁶ Therefore, the harmonization and consolidation of trademark laws was an important goal.⁵⁷ The EU has promoted harmonization in many different fields. This is evidenced by the adoption of community legislation especially the Trademark Directive⁵⁸ and the Trademark Regulation.⁵⁹

Through legislative collaboration but also due to case law development in the Court of Justice, European trademark law has gradually been harmonized resulting in standardized trademark protection and making the acquisition of trademarks cheaper and simpler.⁶⁰ The efforts in the trademark field have largely removed the barriers of territoriality historically caused by variations in the trademark laws, and have standardized the acquisition and enforcement of trademarks to create a level playing field in the Union.⁶¹

The enactment of regulations concerning trademarks may be seen as a breakthrough in the process of promoting and developing the trademark system throughout the EU. These efforts have brought significant achievements not only in legislation but also in the execution of trademark law.⁶²

⁵⁶ Peter Groves, Anthony Martino, Claire Miskin, John Richards – “Intellectual property and the Internal market of the European Community”, published in 1993 by Graham & Trotman Ltd, page 46.

⁵⁷ Christopher Health, Trade mark rights in Europe, *European review of Private law* 4, 1996, page 303.

⁵⁸ The recital of the First Trade mark Directive No. 89/104 of 21 December 1988 states: Whereas attainment of the objectives at which this approximation of laws is aiming requires that the conditions for obtaining and continuing to hold a registered trade mark are, in general, identical in all Member States; whereas, to this end, it is necessary to list examples of signs which may constitute a trade mark, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings; whereas the grounds for refusal or invalidity concerning the trade mark itself, for example, the absence of any distinctive character, or concerning conflicts between the trade mark and earlier rights, are to be listed in an exhaustive manner, even if some of these grounds are listed as an option for the Member States which will therefore be able to maintain or introduce those grounds in their legislation; whereas Member States will be able to maintain or introduce into their legislation grounds of refusal or invalidity linked to conditions for obtaining and continuing to hold a trade mark for which there is no provision of approximation, concerning, for example, the eligibility for the grant of a trade mark, the renewal of the trade mark or rules on fees, or related to the non-compliance with procedural rules.

⁵⁹ Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trade mark. (Repealed and replaced by Regulation 207/2009).

⁶⁰ Guy Tritton, *Intellectual property in Europe*, (Sweet and Maxwell, 2002), page 191, paragraph 3-001.

⁶¹ *Idem*, page 191, paragraph 3-002.

⁶² As Guy Tritton mentions: “Fillings in the first year were three times that predicted. It has attracted a very substantial number of filings for CTMs, in particular, from the United States, Spain, the United Kingdom and Germany.”

3.2.2. Well-known trademark in Europe

An examination of historical conditions in Europe leads to the conclusion that trademark law development in Europe may be divided into two main stages:

The trademark laws before the appearance of the Trademark Directive⁶³

Prior to the Trademark Directive trademarks were only protected under national law, which often emphasized the likelihood of confusion between conflicting trademarks. Such likelihood of confusion related to the similarities between trademarks. However, there were no common European standards for determining the likelihood of confusion at this time because of the lack of legislation that could be uniformly applied throughout Europe. This led to questions such as: Did likelihood of confusion cover identical trademarks only, or should it be expanded to similar marks? How should identity and similarity be defined? What was the position relative to famous or well-known trademarks or trademarks with a reputation? At that stage, even though international agreements, such as the Paris Convention played an important role in Europe, the international framework only provided general principles and basic standards. Legal regimes for trademark protection in European countries depended mainly on national legislation. Well-known or famous trademark protection was regulated on the national level without any overall coordination.

Trademark enforcement depended principally on national courts (normally the courts in which infringement proceedings were brought)⁶⁴ or on judgments of the European Court of Justice in cases based on general provisions of the then existing Treaty.⁶⁵ The legal standards applied in most of these cases were provided by national laws. National trademark legislation created obstacles to the free movement of goods within the Union which did not always comport well to the EU's goal of creating an internal market.

⁶³ The First Council Directive 89/104 EC of 21 December 1988, OJ L 40/1, 11 February 1989, be discussed further later in this paper.

⁶⁴ David T. Keeling, *Intellectual Property Rights in EU Law – Volume I – Free Movement and Competition Law*, (Oxford University Press, 2003), page 174.

⁶⁵ The EEC Treaty, signed in Rome in 1957, brought together France, Germany, Italy and the Benelux countries in a community whose aim was to achieve integration via trade with a view to economic expansion. After the Treaty of Maastricht the EEC became the European Community, reflecting the determination of the Member States to expand the Community's powers to non-economic domains. The European Union was created by the 2009 Lisbon Treaty. See more at http://europa.eu/legislation_summaries/institutional_affairs/treaties/treaties_eec_en.htm.

The harmonization of Trademark laws within the European Union

The establishment of the European Union and the appearance of the World Trade Organization (WTO)⁶⁶ affected the European legal system significantly regarding general trade issues including trademark law. With the adoption of the European Trademark Directive in 1989⁶⁷, and the Trademark Regulation in 1993⁶⁸, European trademark law was significantly transformed.⁶⁹ Both the Trademark Directive and the Trademark Regulation addressed important questions concerning well-known trademark protection (this will be analyzed in more detail in the following parts of this paper). The provisions of the Directive state that they are “entirely consistent” with the Paris Convention,⁷⁰ which ensures that all provisions of the Paris Convention be applied within the European Union.

European Union law, after being harmonized by the Trademark Directive and complemented by the Trademark Regulation is now standardized and applied uniformly in all EU member states.

Although there are some unified laws which have been applied to all EU Member States, the field of trademark protection, including well-known trademarks is also governed by national laws in each member state. This is primarily the result of the developing history of trademark law. Before the adoption of EU law trademark protection depended upon national legislation. While the Trademark Directive provides a general legal framework for trademark law, it does not replace national laws in this field. The Trademark Regulation applies directly as a separate legal source for the registration of trademarks within the Union.

⁶⁶ The World Trade Organization (WTO) is an international organization designed by its founders to supervise and liberalize international trade. The organization officially commenced on January 1, 1995 under the Marrakesh Agreement, replacing the General Agreements on Tariffs and Trade (GATT), which commenced in 1947. Available at website: http://www.moft.gov.ae/wto/index.php?option=com_content&view=article&id=1&Itemid=11&lang=en.

⁶⁷ Directive 89/104 EC of 21 December 1988, OJ L 40/1, 11 February 1989.

⁶⁸ The Council Regulation (EC) 40/94 of 10 December 1993 on the Community Trade mark, OJ L 011, 14.1.1994.

⁶⁹ Christopher Heath, Kung-Chung Liu, The protection of well-known marks in Asia, Max Planck Series on Asian Intellectual Property Law, 2000, page 10.

⁷⁰ The final recital to the Preamble of Directive 89/104 states:

“Whereas all Member States of the Community are bound by the Paris Convention for the Protection of Industrial Property; whereas it is necessary that the provisions of this Directive are entirely consistent with those of the Paris Convention; whereas the obligations of the Member States resulting from this Convention are not affected by this Directive; whereas, where appropriate, the second subparagraph of Article 234 of the Treaty is applicable”.

Presently due to the trend towards international harmonization of trademark laws among countries as well as harmonization within the European Union, national legal regimes regarding well-known trademark protection have been developing and converging towards unified legal standards. The most important characteristic of the EU legal system is the close interaction among national, EU, and international law. A more detailed analysis is presented in the following part of this chapter.

3.2.3. Well-known trademark protection in the EU

Conformity of international legal documents

As mentioned, the EU legal system on trademark protection has always been closely connected with international treaties including the Paris Convention, the TRIPs Agreement, and the Madrid Agreement. The principles and provisions of these international conventions and agreements are an indispensable part of both European laws and the laws of Member States.⁷¹

The first basic source of reference is the Paris Convention of 1883 on the protection of industrial property. Because all EU member states are members of this Convention⁷², the general principles of the Paris Convention are normally applied throughout the EU. The Treaty's fundamental principle is that Member States are not permitted to discriminate between their nationals and nationals of other Member States. Thus, nationals of Member States enjoy the same rights, advantages and protection as nationals of any other Member State of the Convention.⁷³ This is demonstrated in the recitals in the First Council Directive. As quoted in AG Jacobs' Opinion in *Sabel v. Puma AG*, the final recital concludes that "all member States of the Community are bound by the Paris Convention for the Protection of Industrial Property" and that "it is necessary that the provisions of this Directive are entirely consistent with those of the Paris Convention". The AG notes that the Convention recites that "the obligations of member States resulting from (that) Convention are not affected by this Directive" and that "where appropriate, the second subparagraph of article 234 of the Treaty is applicable".⁷⁴

⁷¹ See more at subchapter 3.2.3.

⁷² Guy Tritton (editor), *Intellectual Property In Europe*, (Thomson – Sweet & Maxwell Publisher, 2002), p. 192.

⁷³ Article 2 of the Paris Convention; Also see: Guy Tritton (editor), *Intellectual Property In Europe*, (Thomson – Sweet & Maxwell Publisher, 2002), p. 192

⁷⁴ The opinion of Mr. Advocate General Jacobs delivered on 29 April 1997 on the case of "*Sabel v. Puma AG*", case C-251/95.

The second important source of trademark law is found in the Madrid Agreement Concerning the International Registration of Marks of 1891. This is a special arrangement under the Paris Convention which only parties to the Convention may join.⁷⁵ As noted, the Agreement provides only principles for trademark registration and does not define the manner in which trademarks are to be protected. Accordingly, the importance of the Agreement is that it has given rise to the general principle that: “The mark is protected in the country of origin under national law”.⁷⁶ In any event, it remains one of the main international legal agreements for establishing a common legal regime for well-known trademark protection.

However, some EU member states, such as the United Kingdom and the Nordic countries were not really interested joining the Madrid Agreement because of their views that its provisions were inadequate. Therefore, WIPO proposed a new treaty to run in parallel with the Madrid Agreement – the Madrid Protocol.⁷⁷ The Protocol does not replace the Madrid Agreement, but rather, co-exists with it. Together with the Madrid Agreement, the Madrid Protocol deals with the international registration system of trademarks and contributes to the international legal regime for trademark protection and the protection of well-known or famous trademarks. Under the Agreement and Protocol trademark protection may be implemented at different stages of a trademark’s existence including the registration stage. Registration procedures for trademarks cover the legal grounds upon which authorities make decisions in respect of granting protection to a trademark. The legal grounds for refusing trademark registration are different. The Madrid Agreement acknowledges this in stating:

In countries where the legislation so authorizes, Offices notified by the International Bureau of the registration of a mark or of a request for extension of protection made in accordance with Article 3ter shall have the right to declare that protection cannot be granted to such mark in their territory. **Any such refusal can be based only on the grounds which would apply, under the Paris Convention for the Protection of Industrial Property,** in the case of a mark filed for national registration.⁷⁸

⁷⁵ Peter Groves, Anthony Martino, Claire Miskin, John Richards – “Intellectual property and the Internal market of the European Community”, published in 1993 by the Graham & Trotman Ltd, page 47.

⁷⁶ Idem, page 48.

⁷⁷ The Protocol relating to the Madrid Agreement concerning the international registration of marks, adopted by the Diplomatic Conference on 27 June 1989, came into force on April 1, 1996.

⁷⁸ See Article 5(1) – Madrid Agreement 1891, as last amended on September 28, 1979. (Bolding added).

The Madrid Agreement provides that grounds for refusal under the Paris Convention are to be normally applied in international registration procedures covered by the Agreement. This also means that the grounds concerning well-known trademarks of Article 6*bis* of the Paris Convention are referable to trademark application procedures.

The 1994 TRIPs Agreement requires compulsory application in the EU. As mentioned in Chapter 2, the TRIPs Agreement 1994 is not only a major source of intellectual property law but also provides a significant legal regime for international trade law. While the Paris Convention for the most part, concerns the protection of industrial property, TRIPs also aims at the enforcement of IP rights. As suggested, the TRIPs Agreement expands the protection of well-known trademarks in two ways: (i) the protection of “well-known” marks not only apply to goods but also to services,⁷⁹ and (ii) such protection may be extended to dissimilar goods and services.⁸⁰ The term used in the TRIPs Agreement is “well-known marks”, not the term “marks with a reputation”⁸¹ as most EU countries use as referenced in EU and national laws. Unlike Article 6*bis* of the Paris Convention, Article 16(2) of the TRIPs Agreement contains a provision to determine whether or not a trademark is well-known. Accordingly, members, in evaluating a well-known trademark, must take into account:

- (i) The knowledge of the trademark in the relevant sector of the public;
and
- (ii) The knowledge in the country where the protection is sought obtained as a result of the promotion of the trademark.

Even though such factors by themselves are not sufficient for authorities to fully evaluate well-known trademarks, they are an important foundation for the member countries to expand their own domestic legislation.

EU law

As noted, the first attempt of the European Union to provide a process for improving and developing an EU wide legal system for trademark protection was enactment of the First Council Directive 89/104 in 1989 on approximation of national trademark laws (The Trademark Directive). However, it was not established for the purposes of complete harmonization of national trademark laws. It was intended to reduce differences between national trademark systems that resulted in barriers to trade and affected the free movement of goods and

⁷⁹ Article 16(2) – TRIPs Agreement.

⁸⁰ Article 16(3) – TRIPs Agreement.

⁸¹ For more details, see subchapter 3.3.1.

services, thus hindering development of the single market. The Trademark Directive concentrates on key areas of substantive law rather than procedural issues.⁸² It leaves all matters concerning procedures to national legislation, especially registration and invalidation procedures.⁸³ However, the Trademark Directive defines the rights conferred by registration in relation to earlier rights. Article 4(3) deals with the protection of a Trademark against dilution⁸⁴; Article 4(4) (a) protects a national trademark against dilution⁸⁵; and Article 5 defines the rights conferred by registration.⁸⁶

⁸² Peter Groves, Anthony Martino, Claire Miskin, John Richards – “Intellectual property and the Internal market of the European Community”, (Graham & Trotman Ltd – 1993), page 56.

⁸³ Christopher Heath, “Trademark rights in Europe”, *European Review of Private law* 4 (1996), page 306.

⁸⁴ Article 4 (3) – Trademark Directive states: A trademark shall furthermore not be registered or, if registered, shall be liable to be declared invalid if it is identical with, or similar to, an earlier Community trademark within the meaning of paragraph 2 and is to be, or has been, registered for goods or services which are not similar to those for which the earlier Community trademark is registered, where the earlier Community trademark has a reputation in the Community and where the use of the later trademark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier Community trademark.

The meaning of “earlier trademark” should be understood as provided in Article 4(2): ... (d) trade marks which, on the date of application for registration of the trade mark, or, where appropriate, of the priority claimed in respect of the application for registration of the trade mark, are well known in a Member State, in the sense in which the words 'well known' are used in Article 6 bis of the Paris Convention.

⁸⁵ Article 4(4)(a) states: The trade mark is identical with, or similar to, an earlier national trade mark within the meaning of paragraph 2 and is to be, or has been, registered for goods or services which are not similar to those for which the earlier trade mark is registered, where the earlier trade mark has a reputation in the Member State concerned and where the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

⁸⁶ Article 5(2) – of the Trade mark Directive provides: Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services which are not similar to those for which the trade mark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

Some years later, the Trademark Regulation⁸⁷ was enacted with the aim of creating a unified trademark registration system throughout the EU, whereby one registration would provide protection in all EU member states.⁸⁸ The latest version of the Regulation was adopted in 2009. However, this version makes no changes to previous versions except with respect to provisions concerning language and the numbering formats for registration. Therefore, in this dissertation, the writer mentions and refers to the first Trademark Regulation as adopted in 1993.

Under the administration of the Office for Harmonization in the Internal Market (OHIM)⁸⁹, the Trademark Regulation has played an increasingly important role in the EU's trademark system. This is evidenced not only by the increasing number of trademark registrations but also through decisions issued by both the OHIM and the EU Courts concerning protection for the legitimate rights and benefits of trademark owners.

⁸⁷ Council Regulation (EC) 40/94 of 10 December 1993 on the Community Trade mark, OJ L 011, 14.1.1994. It was subsequently been amended by:

Council Regulation (EC) No 422/2004 of 19 February 2004 amending Regulation (EC) No 40/94 on the Community trade mark

Council Regulation (EC) No 1992/2003 of 27 October 2003 amending Regulation (EC) No 40/94 on the Community trade mark to give effect to the accession of the European Community to the Protocol relating to the Madrid Agreement concerning the international registration of marks adopted at Madrid on 27 June 1989

Council Regulation (EC) No 1653/2003 of 18 June 2003 amending Regulation (EC) No 40/94 on the Community trade mark (Article 118a) (Article 136), in force since 1.10.2003

Incorporation of Article 142a to Regulation (EC) No 40/94 on the Community trade mark according to Annex II (4. Company law - C. Industrial property rights) of the Act of Accession, in force since 1.5.2004

Council Regulation (EC) No 807/2003 of 14 April 2003 adapting to Decision 1999/468/EC the provisions relating to committees which assist the Commission in the exercise of its implementing powers laid down in Council instruments adopted in accordance with the consultation procedure (unanimity) – amendment of Article 141 of Council Regulation (EC) No 49/94 on the Community trade mark, in force since 5.6.2003

Council Regulation (EC) No 3288/94 of 22 December 1994 amending Regulation (EC) No 40/94 on the Community trade mark for the implementation of the agreements concluded in the framework of the Uruguay Round, in force since 1.1.1995.

It was repealed and replaced by Council Regulation (EC) No 207/2009 which entered into force 13 April 2009.

⁸⁸ See website: <http://oami.europa.eu/ows/rw/pages/CTM/legalReferences/regulations.en.do>.

⁸⁹ OHIM was been established by Regulation (EC) No. 40/94 of December 20, 1993 on the Community trade mark and its opening date was finally set on April 1, 1996. It is the European Union agency responsible for registering trademarks and designs that are valid in all 27 member states of the EU.

As regards the protection of well-known trademarks, the Trademark Regulation sets forth grounds for refusing registration of new trademarks and cancellation of registered trademarks falling under the scope of Articles 8 and 52 of the Regulation.⁹⁰

Neither the Trademark Directive nor the Trademark Regulation uses the terms “well-known” or “famous” trademark in their English versions. The alternative concept formally used is the “mark having a reputation” which is explained and understood as different from the concept of well-known trademark provided in the Paris Convention. Nonetheless, a question that has not yet been addressed in the EU context is the exact definition of “marks having a reputation”. It is safe to say that the “reputation” of a trademark means its independent attractiveness which can also be described as its “advertising value”.⁹¹ A final decision on this matter will lie with the Court of Justice of the European Union when the issue comes before it.⁹² Previously in the *General Motors* case, the European Court of Justice ruled that a trademark may enjoy the protection extending to non-similar goods or services as a mark with a reputation if it is “known by a significant part of public concerned by the products or services which it covers”.⁹³ Similarly, the Court stated in the *Intel* case that: “The reputation of a trademark must be assessed in relation to the relevant section of the public as regards the goods or services for which that mark was registered. That may be either the public at large or a more specialized public.”⁹⁴ A decision by the Court of Justice on the meaning of “marks having a reputation” would add to the definitional jurisprudence applicable to well-known and famous trademarks.

In general, European trademark law has few specific provisions regarding the protection of famous or well-known trademarks as separate categories of legal

⁹⁰ Article 8 of the Community Trade mark Regulation provides the relative grounds of refusal of Community Trade mark registrations, while the Article 52 states the grounds applied for invalidating or cancelling the registered community trade marks. More details of the issue will be made clear in the next chapter.

⁹¹ Christopher Heath, Kung-Chung Liu, *The protection of well-known marks in Asia*, Max Planck Series on Asian Intellectual Property Law, 2000, page 12.

⁹² See more at subchapter 4.2.1 *infra*.

⁹³ See Case C-375/97, *General Motors Corporation v. Yplon SA*, on the interpretation of Article 5(2) of the First Council Directive (89/104/EEC) of 21 December 1988 to approximate the laws of the Member States relating to trademarks (OJ 1989 L 40, p. 1), paragraph 31 of the Judgment dated on September 14, 1999.

⁹⁴ See Case C-252/07, *Intel Corporation Inc. V. CPM United Kingdom Ltd.*, Judgement of the ECJ (first chamber) dated on November 27, 2008, paragraph 47.

See also: See Case C-375/97, *General Motors Corporation v. Yplon SA*, paragraph 24 of the Judgment dated on September 14, 1999.

subject matter.⁹⁵ Therefore, provisions for the protection of well-known or famous trademarks should be applied at the international (international legal documents and regional regulations) and national levels.

National laws

Due to the unique position of the internal mechanisms of the European Union as emanating from the Treaty, the best way to approach and understand what really occurs inside the Community legal system also requires reference to the national legal systems of its Member States. This requires a general introduction to the legal systems in a number of commercially important countries within the Union with respect to well-known trademark protection.

United Kingdom – as representative of common law countries

As the cradle of the common law tradition, the UK legal system has been a model, especially in the fields of commercial and maritime laws. Moreover, the United Kingdom has been a party to many international conventions. These conventions affect UK's national legislation at different levels. International treaties and conventions such as the Paris Convention or the TRIPs Agreement are only applicable in the United Kingdom so long as they are transferred into the national law by Parliamentary act. EU directives, such as the Trademark Directive, are enforceable in the United Kingdom through corresponding enactments of national legislation (in case of the Trademark Directive).⁹⁶ There is no need for national legislation in case of the Trademark Regulation, which is directly applicable.⁹⁷ Thus, the United Kingdom's legal system and especially as regards trademark law is a complicated combination of national legislation, international agreements and EU law.

The UK's trademark law is based not only on case-law but also on a long history of legislation⁹⁸, such as the Trademarks Registration Act 1875, the

⁹⁵ Pier Luigi Ronaglia, "Should we use guns and missiles to protect famous trade marks in Europe?" (1998) TMR 551, page 88. Also see: Jeremy Phillips, *Trade mark Law – A Practical Anatomy*, (Oxford University Press 2003), page 403, paragraph 12.31.

⁹⁶ See the Article 16 – The First Council Directive.

⁹⁷ See the Article 189 – The Treaty of Rome. See more: Frederick Mostert, "Famous and Well-known Marks – An international Analysis", (Butterworths 1997), page 410.

⁹⁸ The legal system of trade mark law in UK started with the first statute which was known as the Merchandise Marks Act enacted in 1862. In 1875 the Trade marks Registration Act was passed which allowed formal registration of trade marks at the UK Patent Office for the first time. Registration was considered to comprise prima facie evidence of ownership of a trade mark and registration of marks began on 1 January 1876. In 1883 the Patents and Trade marks Act substantially revised trade mark law. Further major trade mark acts were passed in 1888 and 1905 (which both further refined definitions of a trade mark), 1919 (which separated the trade

Merchandise Marks Act 1862, the Trademark Act 1938⁹⁹ and the Trademark Act 1994.¹⁰⁰ However, before the adoption of UK statutory law, trademark law was solely the province of the courts.¹⁰¹ The terms “famous trademark” and “well-known trademark” are not referred to in United Kingdom legislation.¹⁰² Except for the language in section 27 of the Trademarks Act of 1938 concerning the “defensive registration of well-known trademarks”, there were no other references to the term of “well-known trademark” in United Kingdom law. Further, because there were only a very few reported decisions regarding defensive registration, there was no body of case law to which reference might be made for defining the term, although some of the decisions in passing-off cases gave guidance to concerning circumstances under which a mark might be regarded as “well-known”.¹⁰³

UK legislation prior to the Trademark Act 1994 also distinguished a well-known trademark from a trademark having a reputation. Accordingly, there was no identity of meaning between the two terms. Of itself, mere reputation is not considered sufficient to give a mark status as a well-known mark.¹⁰⁴

The legal system on well-known trademark protection in the United Kingdom was significantly altered by the entry into force of the Trademark Act of 1994. This Act made two major changes, which improved protection for well-known

mark register into Parts A and B, each of which had different registration criteria) and 1938, the last of which remained in force until it was superseded in 1994.

⁹⁹ Trade mark Act 1938 governed trade mark protection in the United Kingdom until replaced by the new Act in 1994.

¹⁰⁰ The Trade mark Act 1994 is the amendment of the Trade mark Act 1938. the Act has been amended several times by: The Trade marks (EC Measures Relating to Counterfeit Goods) Regulations 1995 (SI 1995/1444) (1st July 1995); Section 13 of the Olympic Symbol (Protection) Act 1995 (21st September 1995); Part IV of the Patents and Trade marks (World Trade Organisation) Regulations 1999 (SI 1999/1899) (29th July 1999); Section 6 of the Copyright, and Trade marks (Offences and Enforcement) Act 2002 (20th November 2002); The Trade marks (Proof of Use.) Regulations 2004 (SI 2004/946) (5th May 2004); The Trade marks (International Registrations Designating the European Community,) Regulations 2004 (SI 2004/2332) (1st October 2004); The Serious Organised Crime and Police Act 2005 (19th April 2005); and The Intellectual Property (Enforcement,) Regulations 2006 (SI 2006/1028) (29th April 2006). The Trade marks (Earlier Trade marks) Regulations 2008 (SI 2008/1067) (10th May 2008)

¹⁰¹ See more at Chapter 2.

¹⁰² Frederick Mostert, “Famous and Well-known Marks – An international Analysis”, (Butterworths 1997), page 407.

¹⁰³ *Idem*.

¹⁰⁴ *Idem*, page 408.

trademarks.¹⁰⁵ First, in principle, the protection of registered trademarks is extended to the use of identical or similar marks in relation to goods or services, which are only similar to those referred to in the registration. This benefits all registered trademarks, as did the 1938 Act, without giving well-known trademarks any special treatment. However, section 10(3) of the 1994 Act potentially enhanced protection for well-known trademarks.¹⁰⁶ Second, where the goods or services of the other party are identical or similar to the goods or services for which a trademark is “well-known”, section 56 of the 1994 Act, in conformity with the provision of Article *6bis* of the Paris Convention, provides the possibility of such protection, regardless of whether the owner carries on business in the United Kingdom.¹⁰⁷

Since, in the United Kingdom, international conventions and treaties do not have the force of law unless their provisions are enacted by national legislation the provisions of section 56 – of the Trademark Act of 1994 - implemented Article *6bis* of the Paris Convention. This is also an important bridge connecting national legislation to the Paris Convention and the TRIPs Agreement. It is a guarantee that the principles and provisions of the Paris Convention and the TRIPs Agreement are fully applicable in the United Kingdom.

In sum, prior to 1994, there was no specific legislation in the United Kingdom providing general protection for well-known trademarks as such¹⁰⁸ except for the special provisions of the Section 27 of the Trademark Act of 1938. Any other protection for well-known trademarks was based on the common law doctrine of passing-off. However, since, under United Kingdom law passing-off requires the existence of a goodwill it was generally not possible to obtain protection where the proprietor was a foreign company which did not carry on business in the

¹⁰⁵ *Idem.*, page 409.

¹⁰⁶ Section 10(3) of the Trade mark Act 1994 states that: A person infringes a registered trade mark if he uses in the course of trade in relation to goods or services a sign which - (a) is identical with or similar to the trade mark, where the trade mark has a reputation in the United Kingdom and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.

¹⁰⁷ Section 56(1) – Trade mark Act 1994 states: References in this Act to a trade mark which is entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark are to a mark which is well-known in the United Kingdom as being the mark of a person who - (a) is a national of a Convention country, or (b) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country, whether or not that person carries on business, or has any goodwill, in the United Kingdom. See also: Frederick Mostert, “Famous and Well-known Marks – An international Analysis”, (Butterworths 1997), page 409.

¹⁰⁸ Frederick Mostert, “Famous and Well-known Marks – An international Analysis”, (Butterworths 1997), page 408.

United Kingdom, except where bad faith could be proved.¹⁰⁹ The legal system regarding well-known trademark protection in the United Kingdom has greatly improved since the Trademark Act of 1994 came into force.¹¹⁰ At present the United Kingdom has a developed system for trademark law into which it has integrated international and EU provisions and its case-law tradition. The UK's protection for well-known trademarks is thus ensured by a multi-level system of provisions, grounded mainly on the requirement of likelihood of confusion and the status of passing off.¹¹¹

Germany

A historical standpoint shows that the German trademark law has had a quite long history. The first codification of German trademark law was the Trademark Protection Law (Gesetz der Markenschutz) of November 30, 1874. The legislation was continued under the Trademark Protection Law (Gesetz zum Schutz der Warenbezeichnungen) of May 12, 1894. Germany's 1936 amendments took the form of its modern trademark law (Warenzeichengesetz). Further amendments were made in 1957, 1967 and 1979.¹¹² The German unification of October 3, 1990 triggered enactment of the Industrial Property Right Expansion Law of May 1, 1992. In 1994, the current German Trademark Act¹¹³ was enacted. The 1994 Trademark Law made numerous legislative changes to existing trademark law, increasing the number of articles to 164. The primary function of the Act was to implement the European Trademark Directive.

The new Trademark Act, provides for three types of trademark protection: (i) through trademark registration, (2) without registration, if the mark is used in commerce and has acquired recognition in the marketplace as a trademark in the relevant market sector, and (3) if it is a well-known trademark within the terms of Article 6*bis* of the Paris Convention.¹¹⁴ The framework for protection of

¹⁰⁹ *Idem*, page 409. See Case Alain Bernardin v. Pavilion Properties Ltd, (1967), Reports of Patent cases 581; Case Anheuser-Busch Inc. v. Budejovicky Budvar Narodni Podnik (1984), Fleet Street Reports of Patent Cases 413.

¹¹⁰ The Trademark Act 1994 came into force on October 31, 1994.

¹¹¹ Section 2(2) – Trade mark Act of 1994 states: No proceedings lie to prevent or recover damages for the infringement of an unregistered trade mark as such; but nothing in this Act affects the law relating to **passing off**.

¹¹² In 1957, the registration system adopted the requirement of publication upon application. In 1967, the law underwent a major amendment introducing a use-based examination system. Registered trademarks that had not been in use for more than five years were cancelled. Service marks were included in these provisions by a 1979 amendment.

¹¹³ The Trade mark Law Reform Act was enacted on October 25, 1994 and came into force on January 1, 1995.

¹¹⁴ Frederick Mostert, "Famous and Well-known Marks – An international Analysis", (Butterworths 1997), page 283.

famous and well-known trademarks in relation to dissimilar goods or services had previously been based upon the law of unfair competition¹¹⁵ and the law of torts under the general civil law.¹¹⁶ Under that system protection could be granted without considering whether the mark had been used as a trademark, or whether there was a likelihood of confusion. The provisions of the New Trademark Act are applied to prevent unauthorized registration of well-known trademarks pursuant to Article 4(4) (a) and upon the provision of rights surrounding well-known trademarks under to Article 5(2) of the Trademark Directive.¹¹⁷

The provisions of the German Trademark Act on well-known trademarks conform to Article 6*bis* of the Paris Convention and Articles 16(2) and 16(3) of the TRIPs Agreement. Therefore, although Article 10 of the Trademark Act does not define “well-known” or “famous” mark, nor lists criteria for determining whether a trademark is well-known or not, the corresponding provisions of the Paris Convention and the TRIPs Agreement are referred to and applied on a case-by-case basis.

In practice, well-known status is of significance in four situations and the requirements placed on the mark’s recognition level are different in each case. These situations are divided into the following cases:

- Marks with market recognition: high distinctiveness; lower percentage levels of recognition (from around 20% to over 70%).¹¹⁸
- Well-known marks: higher distinctiveness; higher percentage levels of recognition (around 60%).¹¹⁹
- Marks known in Germany: high distinctiveness; known in Germany minimum percentage of recognition 30%.¹²⁰
- Famous marks: the highest level of distinctiveness and recognition; more factors considered; minimum percentage of recognition excess of 80%.¹²¹

¹¹⁵ See Article 1 – The Law on Unfair Competition in Germany (UWG)

¹¹⁶ See Articles 823 and 1004 – German Civil Code (BGB)

¹¹⁷ Frederick Mostert, “Famous and Well-known Marks – An international Analysis”, (Butterworths 1997), page 284.

¹¹⁸ *Idem*, page 288. See more: BGH GRUR 1960, page 130 – Sunpearl case; GRUR 1963, page 622 – Sunkist case; BGH GRUR 1974, page 337 – Stonsdorfer case.

¹¹⁹ Frederick Mostert, “Famous and Well-known Marks – An international Analysis”, (Butterworths 1997), page 289. See also: Sack, GRUR 1995, pages 81, 91 with further references.

¹²⁰ *Idem*, page 290. See also: BGH GRUR 1991, page 465, 466 – Salomon case; BGH GRUR 1985, page 550, 551 – Dimple case.

Thus, the German legal system on well-known trademark protection is grounded upon a regional and international legal framework. The protection of well-known or famous trademark is ensured by the provisions of the new Trademark Act in combination with applicable articles of international conventions. In cases where a well-known trademark fails to meet the requirements of such provisions, a form of supplementary protection may be still applied in order to provide protection for both famous and well-known trademarks under the law of unfair competition or tort.

France

As the originator of the civil legal family, French law and specifically French trademark law have played an important role in the world's legal systems. Their application became widespread through France's colonial policies leaving their mark on its former colonies which are still be prominent in many Asian, African and Latin American countries.

According to Mostert, France early on made it a crime to pass off another's seal as one's own and the Criminal Acts of 1810 and 1824 made it punishable to abuse the name of others. In the 1850s France introduced a system embodying both use-based and examination-based trademark registrations. In 1964 a registration-based system was introduced in which trademark rights were conditioned on filing and a loss of rights through failure to use the mark. Early on, well-known status was proven by means of objective evidence based on proof of three categories of evidence:

- The seniority of the trademark;
- The material fact of widespread use of the trademark;
- The trademark must be supported by proof of considerable and continuous publicity and promotion.¹²²

The French Court of Appeals adjudicated a number of cases based upon these categories of proof. In “ANNE DE SOLENE” trademark, the court found that the mark acquired well-known status because the products that it designated were widely distributed by means of widespread advertising, which enabled the establishment of a luxury goods market, where the mark's prestige had continued to grow in the minds of clientele.¹²³ In another case relating to the “FILEX” trademark for underwear and headwear, the court held that the trademark could not be considered as well-known because the trademark had not acquired an

¹²¹ Idem, page 291. See also: BGH GRUR 1991, page 863-866 – Avon case.

¹²² Idem, page 269.

¹²³ Idem, page 271. See also . Nancy Court of Appeal, 16 June 1974 – Annales de la Propriete Industrielle 1975 at 161.

unquestionable reputation with the public through its seniority, the owner's advertising expenditure, or the products' scale of distribution under the trademark, in France and abroad.¹²⁴

The current French law concerning trademark and well-known trademark protection was enacted in January, 1991¹²⁵ and includes the protection of well-known trademarks, three-dimensional marks, sound marks, and now utilizes an application publication system as required by the EU Trademark Directive.¹²⁶ French trademark law does not specifically define well-known or famous trademarks. Neither the international agreements nor the French laws which enact them make specific distinctions between well-known trademarks and famous trademarks. Indeed Article L713-5 of the Intellectual Property Code states:

Any person who uses a mark enjoying repute for goods or services that are not similar to those designated in the registration shall be liable under civil law if such use is likely to cause a prejudice to the owner of the mark or if such use constitutes unjustified exploitation of the mark.¹²⁷

While this wording does not actually define "famous trademark" one may still infer a definition for it from the Article. Article L713-5 continues with the phrase:

The foregoing paragraph shall apply to the use of a mark that is well-known within the meaning of Article 6bis of the Paris Convention for the Protection of Industrial Property referred to above.¹²⁸

This wording is still not clear and begs the question if there is a difference between a "well-known trademark" and a "famous trademark" in France. According to Mostert, in practice the terms trademarks enjoying repute and well-known trademarks are frequently used in practice for various levels of recognition. Normally, a trademarks enjoying repute will have a higher level of reputation than a well-known trademark. Surveys and market analysis techniques are used to aid determinations of whether a trademark is well-known or reputable."¹²⁹ The question will be decided depending on the specific circumstance of the case.

¹²⁴ Idem, page 272. See also Paris Court of Appeal, 7 December 1959 – *Annales de la Propriete Industrielle* 1960.

¹²⁵ Law dated on January 4, 1991, codified into Chapter VII of the Intellectual Property Code, last amended by the Act No. 2003-706 dated August 1, 2003.

¹²⁶ Available at: <http://www.iip.or.jp/publishment/translation/ono/ch2.pdf>.

¹²⁷ Article L713-5 – French Intellectual Property Code 1991.

¹²⁸ Idem.

¹²⁹ Idem, page 270.

EU case law

Together with EU legislation, the situation of protection of well-known trademark in EU may be investigated more clearly and fully through the practical cases dealt with by the competent authorities. There are a lot of cases related to well-known trademark protection resolved by both the EU courts and national courts. However, within the scope of the thesis, the author discusses only EU cases. Some significant EU cases and their significance are:

Case C-251/95, *SABEL BV v. Puma AG, Rudolf Dassler Sport*, on the interpretation of Article 4(1)(b) of Trademark Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p.1).

Case C-375/97, *General Motors Corporation v. Yplon SA*, on the interpretation of Article 5(2) of Trademark Directive (89/104/EEC) of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1).

Case C-292/00, *Davidoff & Cie SA, Zino Davidoff SA v. Gofkid Ltd*, on the interpretation of Articles 4(4)(a) and 5(2) of Trademark Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1).

Case C-408/01, *Adidas-Salomon AG, formerly Adidas AG, Adidas Benelux BV v. Fitnessworld Trading Ltd*, on the interpretation of Article 5(2) of Trademark Directive 89/104/EEC of 21 December 1988 approximating the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1)

Case C-321/03, *Dyson Ltd v. Registrar of Trade Marks*, on the Article 2 of Trademark Directive 89/104/EEC – Concept of a sign of which a trade mark may consist – Transparent bin or collection chamber forming part of the external surface of a vacuum cleaner.

Case T-150/04, *Mühlens GmbH & Co. KG, established in Cologne (Germany) v. Office for Harmonisation in the Internal Market (Trade marks and Designs) (OHIM)*, on the well-known trademark within the meaning of Article 6 bis of the Paris Convention – Article 8(1)(b) of Regulation (EC) No 40/94 – Article 8(5) of Regulation (EC) No 40/94).

Case T-47/06, *Antartica Srl, established in Rome (Italy) v. Office for Harmonisation in the Internal Market (Trade marks and Designs) (OHIM)*, on the reputation of Community trademark under the Article 8(5) of Trademark Regulation (EC) No. 40/94.

Case C-328/06, *Alfredo Nieto Nuño v. Leonci Monlleó Franquet*, relating to Trademarks Directive 89/104/EEC – Article 4(2)(d) – “Well-known” marks in a Member State within the meaning of Article 6 bis of the Paris Convention – Knowledge of the trade mark – Geographical area.

Case C-102/07, *Adidas AG and Adidas Benelux BV v. Marca Mode CV, C&A Nederland, H&M Hennes & Mauritz Netherlands BV and Vendex KBB Nederland BV*, on the Trade mark – Distinctive character of a mark or signs used to decorate products – Requirement of availability.

Case C-252/07, *Intel Corporation Inc. v. CPM United Kingdom Ltd*, relating to the Directive 89/104/EEC – Trade marks – Article 4(4)(a) – Well-known trade marks – Protection against the use of a later identical or similar mark – Use which takes or would take unfair advantage of, or is or would be detrimental to, the distinctive character or the repute of the earlier trade mark.

Case T-191/07, between Anheuser-Busch, Inc., established in Saint Louis, Missouri (United States) v. the Office for Harmonisation in the Internal Market (Trademarks and Designs) (OHIM), held by the Court of First Instance (First Chamber) on March 25, 2009 on the action brought against the decision of the Second Board of Appeal of OHIM of 20 March 2007 (Case R 299/2006-2) relating to opposition proceedings between Budejovický Budvar, národní podnik and Anheuser-Busch, Inc.,..).

Case C-542/07, *Imagination Technologies Ltd v. Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, relating to Community trade mark – Refusal to register – Regulation (EC) No 40/94 – Article 7(3) – Distinctive character acquired through use – Use after the date on which the application for registration was filed.

Case C-529/07, *Chocoladefabriken Lindt & Sprüngli AG, v. Franz Hauswirth GmbH*, relating to Three-dimensional Community trade mark – Regulation (EC) No 40/94 – Article 51(1)(b) – Criteria relevant to determining whether an applicant is ‘acting in bad faith’ when filing an application for a Community trade mark.

Case C-301/07, *PAGO International GmbH v. Tirol Milch registrierte Genossenschaft mbH*, relating to Community trade marks – A “reputation in the Community”.

3.3. *THE VIETNAMESE LEGAL SYSTEM*

3.3.1. Overview of Trademark Law in Vietnam

In 1986, the Resolution of the Sixth National Deputy Congress of the Communist Party of Vietnam¹³⁰ identified the necessity of changing the national economy in order to obtain the global economies' benefits for Vietnam. Vietnam proposed, and is carrying through, its "DOI MOI" (renovation)¹³¹ policy in all fields, especially in the national economy.

The "DOI MOI" policy opened a new course of development for the national economy by integrating it into the regional and global economy in order to as help the Vietnamese economy take its place in the world. This process of change has created opportunities for Vietnamese companies in the world market and also creates a convenient path for foreign goods to enter the domestic market. This two way exchange is designed to encourage the free and effective circulation of goods so that "MADE IN VIETNAM" products can enter into the global stream of commerce. This also creates opportunities for the Vietnamese people to choose, buy and use products from other countries. Such products include famous or well-known goods and services.

In recent years, the Vietnamese economic and legal system has opened a new page reflecting the Government's efforts towards more effective economic relationships between Vietnam and the Global community. According to a 2005 report by the Ministry of Foreign Affairs, Vietnam had established trade ties with more than 150 partners, and signed trade agreements with over 80 countries and regions. In addition to fostering ties with neighboring countries such as China, Korea, Japan and the ASEAN countries, Vietnam has broadened and deepened its relations with developed nations and political and economic hubs such as the United States and the European Union, which has been important for the national economic and commercial development in Vietnam.

However, the process of opening up commercial transactions and the trend to liberalization and globalization also affects protection for industrial property and trademarks. The protections that were limited within Vietnam's national territory under principles of "territorial limitation" now no longer correspond to the commercial needs of the industry. The principle of "territorial limitation", the focal point of national laws for trademark protection has been placed under

¹³⁰ See Document of the Sixth National Deputy Congress of the Communist Party of Vietnam in 1986, National Political Publisher House, Ha Noi, 1986.

¹³¹ In many academic works, the term "DOI MOI" has not been translated because it seems that there are no specific English words that mean exactly what the term "DOI MOI" expresses. However, the writer feels that "DOI MOI" may best be understood as "renovation".

pressure by these globalization trends¹³². Therefore, international co-operation on trademarks has become a necessary component of trade. Even though the international legal order relating to trademarks retains its vitality it is seriously threatened by recent political and economic conditions, such as trade globalization, the information revolution and the appearance and development of electronic commerce.

Globalization has also increased the need for protection of well-known trademarks because certain goods or services may not have appeared in a market while information relating to them may have become popularly known there. The reputation of such goods or services becomes attractive for other companies to infringe upon. Such infringement cases occur everywhere and with increasing frequency and complexity. Therefore, the legitimate rights and benefits of owners of well-known trademarks have come under increasing threat. In the Vietnamese market infringements of intellectual property rights and trademarks have become extensive, especially in regard to internationally well-known and popular trademarks. Any solution to this problem must not only aim at defending owners, but must also address other strategic policies to increase competitiveness in the domestic market and create incentives for investment and economic development.

Protection and enforcement of intellectual property rights is still in its infancy in Vietnam. Even though the Government has made numerous attempts to promulgate laws and regulations to control this problem, infringement and violations of intellectual property rights present challenges to national authorities and intellectual property right holders.

Historical review of trademark law in Vietnam

The background to the Vietnamese situation must be explained before approaching the present situation. Vietnam has a more than 4,000 year long history stemming back to the dynasties of the Hung Kings. However during the many years of its feudal age¹³³ Vietnam's legal system was primarily based upon ancient Chinese customs and feudal laws.¹³⁴ The modern legal system of Vietnam was established in the last decades of the 20th Century with the

¹³² "The tendency and development of trade mark in international level", The Workshop of "International Protection of Trade marks" held in HCMC from 23 to 25 October 2001.

¹³³ For example, the Hong Duc's Code enacted by Le Dynasty (XV – XVIII), the Gia Long's Code enacted by Nguyen Dynasty (end of XVIII – early XX).

¹³⁴ Although Vietnam was then independent from Chinese feudal dynasties, the legal system of Vietnam was strongly influenced by Chinese law. For instance, the Gia Long Code was nearly identical to the Qing's Dynasties' Code in China. However, at the end of the Nguyen Dynasty (towards the end of 19th and early 20th Centuries, also known as the French Colonial Age), Vietnam's legal system was radically changed due to the adoption of French laws.

appearance of the first republic in 1945.¹³⁵ Unfortunately, the country suffered a prolonged period of war and political conflict.¹³⁶ Although earlier Governments¹³⁷ attempted to improve and develop the situation, the development of a legal system stagnated. The weaknesses and shortcomings of the Vietnamese legal system continued for more than a decade after the liberation of South Vietnam and the Unification of the country in 1975 due to a variety of reasons.

Over the last 20 years, Vietnam has undergone significant changes. The political system has been stabilized, and the economy has been extensively improved. Vietnam's legal system and especially its civil and commercial legislation were improved by enactment of a number of important instruments such as its Constitution in 1992 (revised in 2001)¹³⁸, The Law on Investment in 2005, The Law on Enterprises in 2005, The Commercial Act in 2005, the Civil Procedure Code in 2004, the Law of Civil Sentence Enforcement in 2008, and

¹³⁵ By delivering in public the Vietnamese Declaration of Independence on September 2, 1945, Ho Chi Minh and his colleagues proclaimed the Democratic Republic of Vietnam, a momentous turning-point in Vietnam's history.

¹³⁶ After Japan's defeat in 1945, France, the old colonial power, tried to reclaim its colonies in Indochina - i.e. Vietnam, Cambodia, and Laos. France however, faced opposition, which it had been able to suppress before the war, from a nationalist political party. This party, the Vietnamese Communist Party, was founded in Paris in 1930 by Ho Chi Minh (b.1890-d.1969), a man from a poor family who had nevertheless been able to acquire an education in Paris. Ho Chi Minh expanded his political base in 1941 when he founded a broader nationalist coalition, the Viet Minh (Vietnamese League for Independence). The Viet Minh fought a guerrilla war against both the Japanese and the Vichy French forces - making the Viet Minh an ally of the United States at that time.

Looking for recognition from the United States and other Western countries, Ho Chi Minh and his colleagues proclaimed the Democratic Republic of Vietnam on September 2, 1945. Instead of supporting the Republic, the West recognized French claims. The first Indo-China War was fought with the French from 1946 to 1954 and resulted in the division of Vietnam in South and North Vietnam. By the mid-1960s, France, weakened also by its colonial war in Algeria, was no longer a force in the region and the United States, already a supporter of South Vietnam, became the chief backer of the southern Republic of Vietnam. The situation was not stable, and eventually resulted in the Second Indo-China War, known in the US as the "Vietnam War".

¹³⁷ Both the Government of the Democratic Republic of Vietnam in the North and the Government of the Republic of Vietnam in the South, separated by the seventeenth parallel stated in the Genève Accords of 1954 (after the result of the Dien Bien Phu battle, the scene of a major defeat of French forces by the Vietnamese people).

¹³⁸ The Constitution of the Socialist Republic of Vietnam is the current constitution of Vietnam, adopted on April 15, 1992 by the Eighth National Assembly, and amended by the National Assembly in December 2001.

the Ordinance of Commercial Arbitration in 2003 (replaced by the Law on Commercial Arbitration in 2010).¹³⁹

In the field of intellectual property rights, Vietnam has worked to establish an effective legal regime in order to improve competitive possibilities for Vietnamese trademarks in the global market and provide assurances to foreign investors to encourage entry into the domestic market. Vietnam has acceded to international conventions relating to intellectual property rights such as the Paris Convention, and the Madrid Agreement. In general, the basic principles and specific provisions of these conventions have been strictly observed and implemented in Vietnam.

Prior to 2005, Vietnam also established a system of domestic regulations governing intellectual property incorporated into a number of important sources of law.¹⁴⁰ The Law on Intellectual Property was enacted in 2005 as a means of

¹³⁹ Law No. 54/2010 on Commercial Arbitration enacted by the Legislature XII of the National Assembly of Socialist Republic of Vietnam in the 7th session on June 19, 2010. It will come into force in January 1, 2011.

¹⁴⁰ See e.g.

The Civil Code of Vietnam enacted on 28 October 1995, especially Part 6 providing general guidelines for various categories of the intellectual property rights, such as: Copyright (in Chapter I), Industrial property (in Chapter II) and Technology transfer (in Chapter III),

Decree No. 63/CP dated 24 October 1996 of the Government providing specifically on industrial property,

Circular No. 3055/TT – SHCN dated 31 December 1996 of the Ministry of Science, Technique and Environment of Vietnam on guidance for implementing provisions of proceeding for registration of industrial property and other procedures set forth in Decree No. 63/CP,

Missive No. 97/KHXX dated 21 August 1997 of the Supreme People's Court on the determining the jurisdiction of solving disputes relating to copyrights and industrial property rights,

Circular No. 1254/1999/TT dated 12 July 1999 of the Ministry of Science, Technique and Environment of Vietnam guidance for implementing Decree No. 63/CP of the Government,

Decree No. 12/1999/ND – CP dated 6 March 1999 of the Government on the condemnation of administrative offences in the field of the industrial property,

Decree No. 06/2001/ND – CP dated 1 February 2001 of the Government to revise and modify some provisions of Decree No. 63/CP on industrial property rights protection,

Circular No. 825/TT – BKHCNMT dated 3 May 2000 of the Ministry of Science, Technique and Environment of Vietnam guidance for implementing Decree No. 12/1999/CP of the Government,

Decree No. 54/2000/ND – CP dated 3 October 2000 providing guidance on the protection of industrial property relating to trade secrets, geographical indications, trade names and the protection of the right to support unfair competition [proceedings?] relating to industrial property,

Circular No. 49/2001/TT – BKHCNMT revising and modifying some provisions of Circular No. 825/2000/TT – BKHCNMT,

improving and completing the national legal system.¹⁴¹ This was a significant development for Intellectual Property law in Vietnam creating a new national regime for intellectual property rights protection. The Law consist of 222 articles governing almost all matters concerning intellectual property rights issues such as copyrights and related rights, patents, trademarks, industrial designs, geographical indications, trade secrets, and plant varieties It also provides procedures for the registration and protection of intellectual property rights, the administrative managing activities, technology transfer and the trade related issues of the intellectual property rights. In 2009 the law was modified and amended¹⁴² with some significant new provisions. However, the 2009 amendments did not make many changes to provisions concerning trademark and well-known trademark protection, except for amending Article 87¹⁴³ on the right to register marks and Article 90¹⁴⁴ on the “first to file” principle applied to the registration of industrial property. Further legislation was enacted to interpret the 2005 Law on Intellectual Property and create guidelines for its application.¹⁴⁵ Among these, Circular 01/2007 is significant because of its detailed guidelines

Circular No. 29/2003/TT – BKHCN guidance on procedures for registration of industrial property relating to industrial designs,

Circular No. 30/2003/TT – BKHCN guidance for procedures for registration of industrial property relating to patents and utility solutions.

¹⁴¹ Law No. 50/2005 adopted by the National Assembly of Vietnam, Legislature XI, 8th session, dated November 29, 2005.

¹⁴² Law No. 36/2009 (The Law on Amendments to the Law on Intellectual Property) adopted by the National Assembly of Vietnam, Legislature XII, 5th session, dated June 19, 2009.

¹⁴³ Section 13 of Law No. 36/2009

¹⁴⁴ Section 14 of Law No. 36/2009

¹⁴⁵ The Law on Intellectual Property 2005 was instructed and interpreted by number of legal documents such as:

- Decree No. 103/2006-NĐ-CP dated 22 September 2006 providing guidelines for implementation of a number of articles of law on intellectual property with respect to industrial property.
- Decree No. 105/2006-NĐ-CP dated 22 September 2006 providing guidelines for implementation of a number of articles of law on intellectual property with respect to protection of intellectual property rights and state administration of intellectual property rights;
- Decree No. 106/2006-NĐ-CP dated 22 September 2006 providing fines for administrative offences with respect to protection of industrial property rights (replaced by Decree 97/2010/ND-CP);
- Circular No. 01/2007-TT-BKHCN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights;

especially with respect to legal issues concerning well-known trademark protection.¹⁴⁶

Thus, Vietnam has created a multifaceted and diversified legal system for the protection of intellectual property rights. Vietnamese law has for the most part been consistent with those international conventions and treaties Vietnam has acceded to. The Vietnamese legal system of intellectual property protection has been the subject of rapid advances implemented over a remarkably short period of time. Many gaps in the earlier system have been addressed. However there are very few provisions specifically relating to well-known trademark registration or recognition procedures in respect of the protection regime.

Trademark registration

The Vietnamese trademark registration system is based mainly on the principle of “first to file”. At present, trademark registration is primarily provided under the 2005 Law on Intellectual Property (as amended in 2009) and its guidance documents. Under this statute, a trademark is defined as any distinctive sign used to distinguish goods or services¹⁴⁷ of different organizations or individuals.¹⁴⁸ This excludes certain signs listed in Article 73¹⁴⁹ and Article 74.2 of the 2005 Law on Intellectual Property (as amended in 2009).

Registration procedures begin with trademark owners filing an application for registration with the competent authority.¹⁵⁰ The statute makes no distinction between domestic and foreign applicants. Foreigners may apply for, and obtain,

¹⁴⁶ Circular No. 01/2007-TT-BKHCN dated 14 February 2007, Section 42 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights.

¹⁴⁷ According to Article 105.3 of the 2005 Law on Intellectual Property (revised 2009), the goods or services listed in an application for registration of a trademark must be classified into appropriate groups in accordance with the Classification List under the Nice Agreement on International Classification of Goods and Services for the purpose of mark registration, and published by the State administrative body for industrial property rights.

¹⁴⁸ Article 4.16 of the 2005 Law on Intellectual Property (as amended in 2009)

¹⁴⁹ As specified in the Section 39.2 of Circular 01/2007, the following signs shall not be protected as trademarks: (i) The sign is only a colour not assimilated with letters or images; (ii) The sign is ineligible to be protected as a mark as stipulated in Article 73 of the Law on Intellectual Property; (iii) The sign is incompatible with national defence and security.

¹⁵⁰ As stated in Article 87 of the 2005 Law on Intellectual Property and amended by Clause 13 of the Law's 2009 Amendment, applicants who have the right to register trademarks under Vietnamese applicable law consist of organizations and individuals doing business in Vietnam. For the first time the Law introduces provisions concerning the co-ownership of a trademark by permitting more than two organizations and/or individuals to jointly file an application to become co-owners thereof (Article 87.5).

trademark registrations in Vietnam on the basis of the international conventions or treaties of which Vietnam is a member or, on the basis of the principle of reciprocity.¹⁵¹ The application must be sufficiently complete to satisfy the requirements set forth under Circular 01/2007.¹⁵² The application must be examined by the authority in a reasonable time frame and must not fall into the list of exceptions of Article 74.2 or conflict with existing trademarks. Normally, the examination period is fixed at one month from the filing date for a formal examination¹⁵³ and nine months from the date of publication of the application in connection with the substantive examination.¹⁵⁴ In the case of re-examination, the time limit is equal to two-thirds of the time limit for the initial examination, and may, in complicated cases, be extended but not exceeding the initial time-limit.¹⁵⁵ If the application for registration is not refused and the applicant has paid the fee, the competent authority must issue a certificate of registration and record it in the National Register of Industrial Property.

A certificate of registration of a trademark is prima facie evidence of the registration's validity, the registrant's ownership of the mark and the exclusive rights to use the mark with respect to the goods or services for which the trademark is registered. The registration is valid from the date of the certificate for a term of 10 years and may be renewed for consecutive 10 year terms.¹⁵⁶ The registration of a trademark may be terminated if it has not been used by its owner or the licensee of the owner, without justifiable reason, for five consecutive years prior to a party's a request for termination of validity, (except where use is commenced or resumed at least three months before the request for termination).¹⁵⁷ Thus like many other countries Vietnamese trademark law conditions registration on a requirement of use in order to assure the maintenance of registration rights of the trademark owners. If there is no use or intention to use the trademark, the mark will not be protected.

The law does not set forth any requirements as regards well-known trademarks. This is consistent with international statutory norms as well as international legal custom. Instead of applying for registration, owners of well-known trademarks may seek recognition of well-known status from the authorities through case-law, normally through a court's judgments or an NOIP's dispute resolution decision. However, the law also contains no prohibitions

¹⁵¹ This is further discussed and analysed in subchapter 3.3.2 supra).

¹⁵² Section 5 – Item 37 of Circular 01/2007

¹⁵³ Article 119.1 – The 2005 Law on Intellectual Property (as amended in 2009)

¹⁵⁴ Article 119.2.b – The 2005 Law on Intellectual Property (as amended in 2009)

¹⁵⁵ Article 119.3 – The 2005 Law on Intellectual Property (as amended in 2009)

¹⁵⁶ Article 93.6 – The 2005 Law on Intellectual Property (as amended in 2009)

¹⁵⁷ Article 95.1(d) – The 2005 Law on Intellectual Property (as amended in 2009)

against registration of well-known marks under procedures applicable to ordinary marks. Therefore many owners of well-known trademarks seek protection through formal registration procedures. This is a special case which will be analyzed in subsequent chapters.¹⁵⁸

Article 120 of the 2005 Law on Intellectual Property (as amended in 2009) also permits applicants to apply for international trademark registration in accordance with the provisions of international conventions and treaties to which Vietnam has acceded.¹⁵⁹ As previously noted, Vietnam is a member of the Madrid Agreement 1891 and the Madrid Protocol.¹⁶⁰ Consequently, applicants are entitled to register their trademarks under the procedures provided by the Madrid Agreement. The details of such registration are set forth in Circular 01/2007.¹⁶¹

Authorities

In the Vietnamese trademark system many competent authorities operate at different levels with differing competences with respect to different subject matters. These authorities' competences are generally divided into registration and enforcement activities. In addition, other authorities play a supplementary role. Among them, the National Office of Intellectual Property (NOIP)¹⁶² may be considered the most important, playing a central role not only regarding the trademark system but also with respect to the balance of Vietnam's system of intellectual property rights enforcement. Its functions and tasks are set forth in Decree No. 54/2003/ND-CP dated 19 May 2003 of the Government, providing for the functions, duties, competence and organizational structure of the Ministry of Science and Technology, as modified and amended by Article 1(3) of Decree No. 28/2004/ND-CP dated 16 January 2004 of the Government.

The main tasks of the NOIP are (i) to assist and consult with other national bodies regarding legal and technical matters concerning intellectual property rights, (ii) to implement the laws on intellectual property, especially with respect

¹⁵⁸ See generally subchapter 3.3.2 supra and chapter 4 infra.

¹⁵⁹ Article 120 – The 2005 Law on Intellectual Property (as amended in 2009)

¹⁶⁰ Vietnam has been a member of the Madrid Protocol since July 11, 2006.

¹⁶¹ Section 41 – Circular 01/2007.

¹⁶² The National Office of Intellectual Property (NOIP) of Vietnam was established on July 29, 1982 under the name of the National Office of Inventions (NOI) in accordance with Decree No. 125/HĐBT as regards the reorganization of the State Committee of Science and Technology (later renamed the Ministry of Science, Technology and Environment, and as presently constituted it is now the Ministry of Science and Technology). From May 22, 1993 to May 19, 2003, it was renamed the National Office of Industrial Property (NOIP). It is now become the National Office of Intellectual Property (NOIP).

to registration of industrial property rights, and (iii) to operate Vietnam's system for the enforcement of intellectual property rights. The developing history of the intellectual property system in Vietnam demonstrates that the NOIP has been the important agency in connection with the development and improvement of the legal framework on intellectual property and the protection of intellectual property rights holders and related persons. The NOIP is the only authority which grants protection titles, manages the trademark system and addresses on-going legal issues with respect to trademark protection.

Together with the NOIP, the court system also plays a role in the system for implementing and enforcing intellectual property rights. However, it should be noted that, as a result of customary and historical limitations, the courts have been rather ineffective in dealing with legal matters concerning the protection of intellectual property and trademark rights. In practice, parties involved in trademark disputes bring them to administrative authorities (such as NOIP) rather than the courts.

Other competent authorities may participate in the process to a certain extent depending on the specific case and legal issue. For example, the market management agencies, custom offices, police agencies and People's Committees of all levels may become involved in trademark cases under the provisions of the 2005 Law on Intellectual Property (as amended in 2009), and related legal documents.¹⁶³

3.3.2. Vietnamese laws on well-known trademark protection

The problem of protecting well-known trademarks only became an issue recently as famous multinational companies of the world entered the Vietnamese market. Many internationally recognized well-known trademarks have appeared in Vietnam such as COCA-COLA, MCDONALD'S, FORD, IBM, INTEL, and NOKIA. Many of these marks have suffered differing degrees of infringement. However the legal protection provided under the law has proved to be ineffective due to a lack of necessary regulations. Many issues have arisen in the course of disputes without any satisfactory resolution. As observed by Heath and Liu regarding well-known trademark protection in Vietnam:

¹⁶³ Article 200 – The 2005 Law on Intellectual Property (as amended in 2009)

Decree No. 106/2006-NĐ-CP dated 22 September 2006 providing fines for administrative offences with respect to protection of industrial property rights.

One of the biggest obstacles, in the author's opinion, is the lack of a comprehensive legal system with explicit regulations that are strong enough to guarantee industrial property rights enforcement.¹⁶⁴

This statement, made in 2000, is not only true as to the past situation but also, to some extent, with respect to the present despite enactment of the Law on Intellectual Property in 2005. However, it should be noted this view is not completely accurate if one undertakes a deeper analysis of the current situation in Vietnam for protection of well-known and famous trademarks.

Principles of protection

Protection under international conventions

Before 2005, the 1995 Civil Code of Vietnam was considered as the most important source of Vietnamese law for the protection of intellectual property rights. The Code provided basic principles relating to the field, which other provisions in lower order legal documents are required to observe. According to the provisions of Article 837 of the Civil Code, the industrial property rights of foreign persons and foreign companies must be ensured and protected under Vietnamese law as well as those international conventions that Vietnam has signed or participated in.¹⁶⁵ The 2005 Civil Code and the 2005 Law on Intellectual Property and other legal documents continue in affirming this principle. The principle of most favored nation treatment (MFN)¹⁶⁶ and the principle of national treatment (NT) have been incorporated into the domestic system.¹⁶⁷

In addition to provisions found in multilateral conventions, issues concerning the protection of industrial property and trademarks are also governed by bilateral agreements entered into between Vietnam and other countries for collaborations in the field of commercial relations. These bilateral agreements

¹⁶⁴ Christopher Heath, Kung-Chung Liu, The protection of well-known marks in Asia, Max Planck Series on Asian Intellectual Property Law, 2000, pages 146, 147.

¹⁶⁵ See Article 837 – Vietnam Civil Code of 1995.

¹⁶⁶ Most favoured nation (MFN), also called Normal Trade Relations in the United States is the status accorded by one nation to another in international trade. It means that nationals of the parties will be granted all trade advantages — such as low tariffs — that parties from any other nation also receive. In effect, a nation with MFN status will not be treated worse than any other nation with MFN status. This principle is stated in the Article 3 of Paris Convention, Article 4 of TRIPs Agreement as well as in many other conventions.

¹⁶⁷ National treatment is a principle in customary international law vital to many treaty regimes. It essentially means treating foreigners and locals equally. See Article 2 of Paris Convention and Article 3 of TRIPs Agreement.

also refer to basic principles for the protection of intellectual property rights,¹⁶⁸ which may contain variations and modifications by reason of their particular conditions and purposes.

Protection under the principle of reciprocity

In parallel with principles provided by international conventions, protection at the international level for trademarks in Vietnam is influenced strongly by the “reciprocity principle.”¹⁶⁹ This is an important and integral principle frequently applied to private law disputes arising in international trade.

The reciprocity principle as applied to protecting trademarks is understood as the acceptance or recognition by a country of applications for trademark protection by foreign entities when, and only when, the foreign entities’ country provides similar rights to foreign entities in that country. In Vietnamese law this principle is one of the basic principles governing all international civil relations as set forth in the Vietnam Civil Code of 2005 and related laws. In addition this principle is also set forth in the provisions of many international conventions and bilateral agreements that Vietnam is a party to.¹⁷⁰

In the field of intellectual property rights protection reciprocal treatment may be applied with respect to countries that are not members of international conventions, or countries that have not signed any specific agreements with Vietnam or where the specific issue is not mentioned in the international agreement.

“Protection without registration” principle

One of the most important characteristics of the well-known trademark is that a well-known trademark may be automatically protected by national laws without registration.

In Vietnam, a well-known trademark will be fully protected as long as the owners succeed in proving the fame of their trademark before the applicable authorities. This means that protection for well-known trademarks will be applied even if that trademark has not been registered in Vietnam. The principle

¹⁶⁸ See the Chapter II – Bilateral Trade Agreement between Vietnam and United States signed on July 13, 2001.

¹⁶⁹ The principle of reciprocal in treatment can be understood as the way that one country will give the same treatment to other countries as the treatment they receive from such the other countries in the same or similar field. This principle can be affirmatively stated in a conventions or international agreement. However, it may also be applied as a default principle.

¹⁷⁰ In the Agreements for Judicial Assistance between Vietnam and other countries such as Poland, Russia, Mongolia the principle of reciprocity is always set forth as a fundamental principle, which all other provisions are to be based upon.

of protection without registration is set forth in Article 6(3) (a) of the 2005 Law on Intellectual Property which states:

In the case of a well-known trademark, industrial property rights shall be established on the basis of use and shall not be dependent on registration procedures.¹⁷¹

The principle is confirmed in the corresponding provision of Circular No. 01/2007 as follows:

Rights towards the well-known trademark shall be protected and belongs to the owner of that trademark without registration by the owner.¹⁷²

Thus, under Vietnamese law, the protection of well-known trademarks extends to unregistered trademarks. This principle is applied in the same way as in other countries.

Definition on well-known trademark

In Vietnam, many people both in rural and in urban areas realize that COCA-COLA, TOYOTA, NOKIA, and BMW are universally well-known or famous trademarks. This belief is based upon their own knowledge and experience. However when the question becomes more specific, such as “Why do you know that a trademark is well-known?” or “On which grounds do you conclude a trademark is well-known or famous?” reaching an answer becomes more difficult.

The term “well-known trademark” is a new concept in the Vietnamese legal system. It was officially mentioned for the first time in Article 6 of Decree No. 63/CP¹⁷³ which states that a trademark may not be registered if it is identical with, or confusingly similar to another trademark which has been recognized as well-known in accordance with Article 6*bis* of the Paris Convention. Unfortunately, the Decree provided no precise guidance for defining a well-known trademark. That meant that the authority (NOIP)¹⁷⁴ had to refer to the concept of well-known trademark used by the Paris Convention (although there

¹⁷¹ See article 6 (1) (a) of the Law on Intellectual Property of 2005.

¹⁷² Section 5 – Paragraph 42.2 – Circular No. 01/2007-TT-BKHCN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights.

¹⁷³ Decree No. 63/CP dated 24 October 1996 of the Government providing specifically on industrial property.

¹⁷⁴ NOIP – National office of Industrial Property of Vietnam existed from May 22, 1993 to May 19, 2003. It used to be known as the National Office of Inventions (NOI) being established on July 29, 1982.

is no specific definition given in the Convention) and to consult precedents from other countries.

In 2001, Decree No. 06/2001/ND – CP of the Government to revise and modify some provisions of Decree No. 63/CP on industrial property rights protection added a new clause to Article 2 of Decree No. 06/CP, which defines the concept of well-known trademark as follows:

Well-known trademark means a trademark which has been continuously used for prestigious goods and services whereby such trademark has become widely known.¹⁷⁵

This was the first time a definition of well-known trademark had been codified directly in Vietnamese law. This provision demonstrates the advances in legal protection for well-known trademarks in Vietnam through the internalization of international conventions. However, the definition appeared for several reasons not to be productive enough for the authorities to deal with for resolving disputes:

First, the term “prestigious goods and services” used in the provision is not precise phraseology. If a trademark is well-known or famous nationwide or worldwide, the goods or services bearing the trademark will be considered to be prestigious. However, the opposite is not always true. The prestige of goods or services will not always establish the fame of the trademark.

Second, the requirement concerning continuous use of the trademark is understood as an important element for defining the trademark’s fame. However for practical purposes it is quite difficult to prove continuous use in a case where the trademark has been used in other countries but not Vietnam. The Decree has no further provisions specifying the duration of such use required to establish that fact.

Finally, the geographical scope of the term is not defined. The Decree does not state whether evidence of the fame of the trademark only from activities within the territory of Vietnam or elsewhere is to be considered.

Thus, despite the good intentions of the legislature, the provisions of Article 2 of the Decree No. 06/2001 are feasible in theory but not in practice.

The adoption in 2005 of the Law on Intellectual Property may be seen as a further progress. This Law refers to the concept of well-known trademark in several articles such as Article 4(20) on the interpretation of terms, Article 6(1) (a) on the principle of protection without registration, Article 74(2) (i) on the distinctiveness of trademarks, Article 75 on the criteria used for evaluation of

¹⁷⁵ Clause 8b – Article 2 – Decree No. 06/2001/ND – CP dated 1 February 2001 of the Government to revise and modify some provisions of Decree No. 63/CP on the industrial property rights protection.

whether or not a trademark is well-known, and Article 129 (1) on the acts of infringements of trademark rights.

According to Article 4(20), a well-known trademark is to be understood as “a mark widely known by consumers throughout the territory of Vietnam.”¹⁷⁶ The definition can be interpreted to mean that a trademark that is well-known in Vietnam need not be widely known on an international scale, but the converse may not be true. In other words, an internationally well-known trademark may not be considered well-known if it has not acquired a sufficient reputation in Vietnam.¹⁷⁷

The definition at first sight appears simple and comprehensive. It may, however, raise difficulties for the authorities in practice because there has been no further specific guidance regarding the definition of well-known trademark in any other legal document. The definition of well-known trademark may be inferred from an interpretation of Article 75. Nevertheless, such an interpretation is subjective and depends a great deal on the points of view held by the authorities themselves. It appears difficult to attain a common understanding applicable in all cases.

In summary, from the legislative side, no workable definition of well-known trademark has been enacted in Vietnam. Further, the term “famous trademark” is also rarely used. There has been no definition of “famous trademark” or “famous mark” in national legal documents. It appears that presently there is no distinction between the concept of “well-known” trademark and “famous” trademark. However a distinction between the two has been made. Under that distinction a famous trademark is considered to of a higher order than the well-known one. It means that the term “famous” can be understood as “very well-known”. However, this term has been rarely mentioned in the case-law. In addition, in Vietnam, the concept of “widely used and recognized trademarks” has also been used in cases which indicate that trademarks that are reputed or widely known are not well-known enough to be considered well-known or famous ones.¹⁷⁸

The criteria for the determination of well-known trademarks

As in many other countries, it is quite difficult to make a determination regarding the fame of a trademark in order to protect it as such in Vietnam. Normally, determinations regarding well-known trademarks are based on the

¹⁷⁶ Article 4(20) – 2005 Law on Intellectual Property (as amended in 2009).

¹⁷⁷ See more: <http://www.annamlaw.com/news-detail.asp?news=14&annamlaw>, last visited on March 22, 2010.

¹⁷⁸ As regards the concept of widely used and recognized trademark, see more at subchapter 4.2.1 *infra*.

provisions of international conventions even though these provisions are not specific or clear enough to apply in practice. Therefore, reference is made to various national laws. This is all well and good but the law of one country is often very different from the law of another. According to Vietnamese law, in order to make a decision recognizing a well-known trademark the competent authorities must use evidence and documents submitted by the trademark's owner as well as other information collected by authority itself concerning the fame of the trademark.

Although there are criteria set out in the law it is difficult for competent authorities to determine the fame of a trademark because these standards or criteria are not always sufficiently clear for application. There are many standards provided under which the same trademark would be considered as a well-known or denied protection. In order to prove that a trademark is well-known and should be protected by the special legal regime, competent authorities must, under Article 75.2 consider legal the following criteria:¹⁷⁹

- The number of relevant consumers who were aware of the mark by purchase or use of goods or services bearing the mark, or through advertising;
- The territorial area in which goods or services bearing the mark are circulated;
- Turnover of the sale of goods or provision of services bearing the mark or the quantity of goods sold or services provided;
- Duration of continuous use of the mark;
- Wide reputation of goods or services bearing the mark;
- Number of countries protecting the mark;
- Number of countries recognizing the mark as a well known mark;
- Assignment price, licensing price, or investment capital contribution value of the mark.

Although the law does not state it explicitly, these legal criteria should be non-exhaustive. It may be seen that all criteria provided are so informative, general and qualitative that they can not be applied effectively in practice. They obviously need more specific supplements in order to at least quantify each of them. Therefore, such criteria should be used flexibly by courts and competent authorities according to the facts of each case. In some special cases authorities may apply other criteria based on evidence and arguments submitted by the applicants.

¹⁷⁹ Article 75.2 – The 2005 Law on Intellectual Property (as amended in 2009)

In order to implement Article 75 of the 2005 Law on Intellectual Property, Circular No. 01/2007¹⁸⁰ contains further detailed provisions regarding the manner in which proprietors of well-known trademarks who attempt to prove the fame of their trademarks, must provide evidence of these criteria under the Article 75, including:

- The scope, scale, level and continuity of the use of the mark, including an explanation of origin, history and time of continuous use of the mark;
- Number of nations in which the mark has been registered or recognized as a well-known mark; list of goods and services bearing the mark;
- The territorial area in which the mark is circulated, turnover from products sold or services provided;
- Quantity of goods and services bearing the mark manufactured or sold;
- Property value of the mark, price of assignment or licensing of the mark and value of investment capital contributed in the form of the mark;
- Investment in and expenses for advertising and marketing of the mark, including those for participation in national and international exhibitions;
- Infringements, disputes and decisions or rulings of a court or competent agencies;
- Surveyed number of consumers knowing the mark through sale, purchase, use, advertisement and marketing; rating and evaluation of reputation of the mark by national or international organizations or the mass media;
- Prizes and medals awarded to the mark;
- Results of examinations held by intellectual property examination organizations.¹⁸¹

¹⁸⁰ Circular No. 01/2007-TT-BKHHCN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights.

¹⁸¹ Section 5 – Paragraph 42.3 – Circular No. 01/2007-TT-BKHHCN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights.

Even if Vietnam goes further than any other country studied, the questions remains if these criteria are sufficiently suitable and practical to be used for determinations concerning well-known trademarks.

The answer is not self-evident because these provisions may be seen as legal transplants made in connection with attempts to conform to the trend towards global harmonization without consideration of any negative consequences. The criteria have had little practical significance. Indeed, during the period after enactment of the 2005 Law on Intellectual Property, few cases was resolved by the authorities concerning well-known trademarks nor did these cases result in any better definition of the well-known trademark concept.

Furthermore, each criterion contains notions that require further precision. Consider, for example, the first standard concerning consumer's awareness of the mark. By the very term it appears that a well-known or famous trademark must be one known widely in the community or at least by a certain group of people. Many people should know and be able to distinguish such a mark from among many different ones in the market. However, there are some practical issues that need clarification when we apply this criterion, such as (i) how should we define a consumer's awareness?, and (ii) how do we quantify the percentage of people with knowledge of the mark sufficient to deem it well-known?

Many questions remain regarding the other criteria. For example: (i) what is meant by the "territorial scope of circulation of goods or services"?; and should the territory be the original country of the mark's origin or the country where the mark is being considered?; (ii) how does one calculate the "widespread goodwill" of goods or services bearing the mark?; (iii) how does one define the level of "turn-over" received from the mark as well as the "volume" of goods sold or services supplied in order to consider a mark to be well-known?

Thus, although we have statutory law on the subject, it cannot be used effectively because many questions are yet to be addressed. These are at present the greatest challenges to the legal system in Vietnam regarding well-known trademark protection. There is a need to have a proper explanation of the statutory criteria in order to guide the authorities on the exact manner to perform their assigned tasks.

In principle, a trademark will be normally considered well-known when it is used widely in Vietnam. This is provided for under the law. However, in some cases, a trademark may also be considered well-known even if it has not been registered or used in Vietnam.¹⁸² The result depends upon subjective consideration by the authorities. The vagueness of the law gives more flexibility to an authority to make decisions concerning well-known trademark protection, but it also creates ambiguity that sometimes damages the interests of interested

¹⁸² See more at subchapter 5.2.2 *infra*.

parties. It would be better if the law was more precise in order that it could be implemented in a consistent and predictable manner.

The basic grounds for the protection of well-known trademarks

Vietnam, as member of the Paris Convention must apply its provisions concerning the protection of well-known trademarks. In compliance with that obligation, Article 6 (1) (e) of Decree No. 63/CP of the Government of Vietnam dated 24 October 1996 for implementation of provisions of Chapter 2, Part VI of the Vietnam Civil Code on the protection of industrial property rights implements the principle of protection of trademarks. The Decree states that registration applications for trademark protection in Vietnam must satisfy the following criteria: (i) That the sign is not identical with, or similar to the extent that it would lead to, or might create a likelihood of confusion with others well-known trademarks (pursuant to Article 6*bis* of the Paris Convention, amendment of 1967), or (ii) create confusion with trademarks which are used and recognized popularly and widely.¹⁸³

Article 8(3) of the Decree also provides that industrial property rights vis-à-vis a well-known trademark must be based upon the decision of a competent authority recognizing such well-known trademark.¹⁸⁴ This means that there is a difference between the protection of a well-known trademark and an ordinary trademark. A well-known trademark will be protected as long as it is recognized by the competent authority, without registration procedure as required for other trademarks. This provision is designed to create an effective trademark protection.

The 2005 Law on Intellectual Property (as amended in 2009), also refers to well-known trademark protection. Accordingly, a new trademark will not be registered if it is identical with or confusingly similar to a well-known trademark in respect of the goods or services identical with, or similar to, those bearing the well-known trademark. The same applies in respect of dissimilar goods or services, if the use of such mark prejudices the distinctiveness of the well-known trademark, or the registration of such sign is aimed at taking advantage of the goodwill of the well-known trademark.¹⁸⁵

¹⁸³ See article 6(1) (e) of Decree No. 63/CP.

¹⁸⁴ See article 8(3) of Decree No. 63/CP.

¹⁸⁵ Article 74.2 (i) – The Law on Intellectual Property in Vietnam 2005, Law No. 50/2005, adopted by the National Assembly of Vietnam, Legislature XI, session 8, dated November 29th, 2005 states that:

Signs identical with or confusingly similar to another person's trade mark recognized as a well-known trade mark which has been registered for goods or services which are identical with or similar to those bearing such well-known trade mark, or for dissimilar goods or services if the use of such trade mark may affect the distinctiveness of the well-known trade mark or the trade

Assuming that the sign registered as trademarks are identical with or similar to an earlier well-known trademark, such similarity will create confusion among the public with respect to the well-known trademark. According to Vietnamese law a likelihood of confusion will be established if the structure, contents, pronunciation, meaning and form of expression of the sign in the mark under consideration and the sign in the confronting mark are so close that consumers would believe they are two different versions or have the same origin or the sign in the mark under consideration is only a translation of the well-known mark.¹⁸⁶ Nor must a new trademark dilute the well-known trademark. The doctrine of dilution is referred to in Article 74(2)(i) of the 2005 Law on Intellectual Property (as amended in 2009): “the use of such trademark may affect the distinctiveness of the well-known trademark”.¹⁸⁷ This provision was clarified in Circular No. 01/2007:

The sign which is identical or similar to the confronting mark is well-known and goods and services bearing such sign are not identical or similar to those with the well-known trademark but the use of such the sign could cause consumers to believe there is a relationship between them, or likely dilute the distinctiveness of the well-known trademark or detriment to its prestige.¹⁸⁸

Thus, if the distinctiveness of the earlier well-known trademark is diluted, or there is a risk that it will be diluted or is detrimental to the identity, or similarity between the trademarks, the applied for trademark will not be registered.

In sum, the competent authority is required to refuse applications for the registration of trademarks which are identical with, or similar with a well-known trademark to the extent that it will lead to confusion with that well-known mark. The authorities must likewise invalidate, cancel or revoke registered trademarks that are identical with, or similar to, well-known trademarks at the request of the owner of the well-known trademark.

mark registration was aimed at taking advantage of the reputation of the well-known trade mark

¹⁸⁶ Section 5 – Paragraph 39.8 (c) – Circular No. 01/2007-TT-BKHCN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights.

¹⁸⁷ Article 75.2 (i) – The Law on Intellectual Property in Vietnam 2005, Law No. 50/2005, adopted by the National Assembly of Vietnam, Legislature XI, session 8, dated November 29th, 2005

¹⁸⁸ Section 5 – Paragraph 39.11 (iv) – Circular No. 01/2007-TT-BKHCN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights.

The term of protection for well-known trademarks

The term of protection for trademarks can be understood as the term of validity of the certificate of registration. Therefore, in principle, as stated by the applicable laws, the term of protection of a trademark is ten years from the filling date, which is renewable for an unlimited number of consecutive ten year terms.¹⁸⁹ Industrial property rights protection for trademarks arising under an international registration are protected in Vietnam from the day when such an international registration is published in the International Report of Trademarks of the WIPO to the end of its term as provided under the Madrid Agreement.¹⁹⁰

Article 10 (1) of Decree No. 63/CP provides for an “unlimited time” protection for well-known trademarks.¹⁹¹ Well-known trademarks are protected in Vietnam under this principle from the day the well-known trademark is recognized by the competent authorities. In general, the provisions of Vietnamese law in this field are in conformity with international conventions and are similar to statutory provisions in other countries.

The new law on intellectual property does not make reference to the duration of protection accorded well-known trademarks. There are also no guidelines or instructions about this issue to be found in other regulations. The principle of “unlimited time” protection thus has not been confirmed, which may create uncertainties. The duration of protection for well-known trademarks should be permanent (as stated in Decree No. 63/CP) or it will be defined in the same manner as ordinary trademarks (ten years with a possible renewal every ten years). Therefore, in such cases, the answer will depend on the applicability of Decree No. 63/CP to the trademark at issue and independent decision by the authorities in disputed cases.

3.3.3. The enforcement of well-known trademarks

The enforcement regime for well-known trademark protection is the principle function of the protection system. In order to ensure the quality and effectiveness of enforcement, we must consider many different elements, such as (i) what is

¹⁸⁹ See Article 93(6) – The 2005 Law on Intellectual Property (as amended in 2009).

¹⁹⁰ See Article 10 (1), paragraph 2, of Decree No. 63/CP of the Government dated 24 October 1996 for implementation of the provisions of Chapter 2, Part VI of the Civil Code of Vietnam of 1995 on the protection of industrial property rights.

¹⁹¹ Section 10.1 – Decree No. 63/CP of 24 October 1996 of the government On Detailed Regulations Concerning Industrial Property:

Industrial property rights on a well-known mark are protected throughout the time period when the mark is recognized as a well-known one as stated in the Decision on the recognition of a well-known mark.

the law; (ii) who has the power to enforce the law; and (iii) what are the specifics of their enforcement?

Legal provisions

In Vietnam, the enforcement system for Intellectual Property law and trademark law is, as yet, not sufficiently effective or predictable. Previous provisions on enforcement of intellectual property rights were generally found scattered throughout many different statutory provisions. The 2005 Law on Intellectual Property for the first time gathered and amended these scattered provisions and harmonised them into a single part (Part V). Although the protection is similar to previous laws, including administrative, civil, criminal and border control measures, it now focuses on general enforcement measures applicable to intellectual property rights only.¹⁹² Enforcement powers regarding intellectual property have been granted to different bodies including Courts, State inspectorates, market management agencies, custom offices, police agencies and People's Committees at all levels.¹⁹³

Self defense

For trademark holders as well as other intellectual property rights holders, the first measure of protection is always self-defence. Before taking legal measures the trademark holder must consider the best methods for protecting their rights themselves. The law ensures that intellectual property holders may protect their interests by using technological measures to prevent infringement of intellectual property rights; by requesting that the infringer terminates the infringing acts, apologizes, publicly rectifies and pays damages; and by initiating a lawsuit in a competent court or commence arbitration with an arbitrator to protect their legitimate rights and interests;¹⁹⁴ Alternatively, trademark holders may bring the case to the authorities through (i) administrative action¹⁹⁵, (ii) civil action¹⁹⁶ or (iii) through criminal proceedings¹⁹⁷.

¹⁹² According to the provisions of Article 199 (1) – Law on Intellectual Property in 2005
"Organizations and individuals that have committed acts of infringement of other's intellectual property rights are liable to civil, administrative or criminal remedies, depending on nature and extent of such infringement"

¹⁹³ Article 200 (1) – 2005 Law on Intellectual Property (as amended in 2009)..

¹⁹⁴ Article 198 (1) – 2005 Law on Intellectual Property (as amended in 2009).

¹⁹⁵ Articles 199, 211, 214 and 215 – 2005 Law on Intellectual Property (as amended in 2009).

¹⁹⁶ Article 202 to Article 210 – 2005 Law on Intellectual Property (as amended in 2009)

¹⁹⁷ Article 212 – 2005 Law on Intellectual Property (as amended in 2009).

Administrative action

Administrative action is considered to be the primary means for enforcing intellectual property rights in Vietnam. Most cases concerning the protection of intellectual property rights are settled by administrative authorities while only one per cent of all cases are dealt with in the courts.¹⁹⁸ Administrative proceedings appear to be more productive than other means of enforcement. However, this is not always true as administrative authorities are often not specialized in intellectual property cases; especially in respect of cases relating to well-known trademarks because of the factual and legal complexities concerning whether or not a trademark is well-known or famous. This lack of knowledge or experience has a significant effect on decisional outcomes concerning the rights and benefits of the parties. In addition, administrative procedures are more complicated than other procedures with a number of alternative routes.¹⁹⁹ A further negative aspect is that sanctions or penalties, which may be applied in administrative actions, do not correspond to the losses or damage caused by infringement.²⁰⁰ Especially, in the case of well-known trademarks the value of losses may be great.

Civil action

Civil actions for trademark rights holders, in theory, should be more widely available in Vietnam, especially after adoption of the Code of Civil Procedures of 2004.²⁰¹ However, despite the above mentioned restrictions, resorting to administrative procedures and remedies to redress infringements of intellectual property rights and trademark infringement is still regarded as more effective than filing suit in a court. While a few cases are brought in the courts, the greater number of cases is handled by administrative enforcement authorities.²⁰² This results from a number of reasons, but the most likely stems from parties concerns concerning the judicial ability. Indeed, apart from the inadequacies of civil

¹⁹⁸ Christopher Heath, Kung-Chung Liu, *The protection of well-known marks in Asia*, Max Planck Series on Asian Intellectual Property Law, 2000, page 147.

¹⁹⁹ According to Article 200(3) – 2005 Law on Intellectual Property (as amended in 2009) and Article 17 – Decree No. 106/2006, the following agencies are competent to deal with cases concerning intellectual property: Inspectorates, Police offices, Market management offices, Customs offices, and People's committees at all levels.

²⁰⁰ According to Articles 14 and 15 of Decree No. 106/2006, the maximum sum of money that an infringer may be fined shall not exceed three hundred million Vietnamese dong (300.000.000 VND).

²⁰¹ Code No. 24/2004/QH11 of Civil Procedures of Vietnam, enacted by the National Assembly Legislature XI on June 24, 2004, coming into force as of January 1, 2005.

²⁰² Available at: http://www.ecap-project.org/how_to_enforce_your_ipr/vietnam.html.

procedures and remedies, the limited qualifications and experience of judges to deal with intellectual property rights and trademark matters reduces incentives for enforcement using civil procedures.²⁰³ Another reason may arise from the long-time custom of intellectual property rights holders taking their infringement cases to administrative authorities rather than the courts.

There have been very few cases concerning well known trademarks brought in the courts at any level. Most decisions regarding such cases have been made administratively by the National Office of Intellectual Property (NOIP)²⁰⁴, generally through procedures for revocation, opposition, cancellation or invalidation of certificates.

Criminal action

In addition, in some circumstances infringement of trademarks and well-known trademarks may also be punished by criminal sanctions under the provisions of the Vietnamese Criminal Code. This is similar to the situations of other countries in the region, such as Japan²⁰⁵ and China.²⁰⁶

Precedents

*The “McDonald’s” case*²⁰⁷

In 1992, the National Office of Industrial Property (NOIP) refused an application for registration of the trademark "McDonald's" filed by OPHIX GROUP (Australia) for fast food, food services and other classes of goods.

The main legal ground for refusing registration was that the National Office of Industrial Property had sufficient proof that McDONALD’S was a worldwide well-known trademark for the fast food products and services of the McDonald’s Corporation (United States). It was demonstrated that the trademark was popularly recognized in the United States as well as in many other countries. Therefore, the trademark was recognized as well-known in Vietnam and protected despite the fact that the trademark had not been registered and used in the country. The NOIP’s decision in this case seemed acceptable. However, it must be recognized that the arguments presented by the NOIP were not

²⁰³ Available at: http://www.ecap-project.org/how_to_enforce_your_ipr/vietnam.html.

²⁰⁴ See more at subchapter 3.3.1 supra.

²⁰⁵ See Section 78 of the Trade mark Act and Section 13 of the Unfair Competition Act of Japan.

²⁰⁶ See Chapter 7 of the Criminal Code of the People’s Republic of China.

²⁰⁷ McDonald’s Corporation v. OPHIX GROUP (Australia) relating to the registration of the trademark “McDonald’s filed by Australian Company, in 1992.

convincing to the refused applicant because, it argued, the criteria were not stated clearly and precisely enough.

*The “Pizza Hut” case*²⁰⁸

In 1993, NOIP invalidated certificate No 4854 for trademark "Pizza Hut" of the OPHIX GROUP (Australia) pursuant to the opposition of Pizza Hut International, LLC (United States). The US Company successfully demonstrated proof of the fame of its trademark despite the fact that the trademark had not been registered or used in Vietnam.

The “SHANGRI-LA” case

In 1995 a long-running case was initiated²⁰⁹ relating to well-known trademark protection at NOIP. Here, the National Office of Industrial Property decided to revoke Certificate No 304 for registration of trademark "SHANGRI-LA" in connection with the hotel and restaurant services of the Phu Tho Joint Venture Company (in Ho Chi Minh City) upon the opposition of Shangri-La International Hotel Management Ltd and its subsidiaries (“SLIH”).

The case was initiated when SLIH applied to register its famous trademark “SHANGRI-LA” for hotel services in class 42. The application was refused by the authority based upon the prior registration of the same trademark, for the same services in class 42 by Phu Tho Joint Venture Company. SLIH then filed a cancellation action against Phu Tho Joint Venture Co.’s registration on the ground that the trademark “SHANGRI-LA” was well-known throughout the world pursuant to the meaning of Article *6bis* of the Paris Convention. SLIH produced documentary evidence to prove the fame of the trademark as well as its worldwide reputation which included: (1) a statutory declaration showing the duration, extent and nature of use and advertising of the mark; (2) registrations for the mark in many countries; and (3) an affidavit reporting annual sales. In addition, SLIH also relied on the bad faith principle, which expressly prohibits the registration of a mark if an application for registration has been made in bad faith.

Based upon the evidence provided by SLIH, National Office of Industrial Property’s director decided to cancel Phu Tho’s registration and grant registration of the mark SHANGRI-LA to SLIH. He recognized that the trademark was a well-known one belonging to the SLIH and widely used in by the hotel chain in the Asia-Pacific Region. In the decision, the Director – General emphasized that:

²⁰⁸ OPHIX GROUP (Australia) v. the Pizza Hut International, LLC (United States) concerning the registration of the trademark "Pizza Hut", in 1993.

²⁰⁹ Shangri-La International Hotel Management Ltd, v. Phu Tho Joint Venture Co. concerning the registration of the trademark “Shangri-La”, in 1995.

With a view to protecting consumers' interests, to support the investment policy of the Vietnamese Government, to attract foreign investments in Vietnam, we need to show that IP rights in Vietnam are actually granted to the real owner of trademarks, and not to an imitator who not only damages the investment environment, but also harms the Government policies.²¹⁰

*The "TEMPO" case*²¹¹

Another long-running case relates to the trademark "TEMPO" owned by a German Company, Vereinigte Papierwerke Co. (and their successor Proctor & Gamble) ("VPC") and their action to secure the rights for the marks "TEMPO", "TINPO" and "TENPO" in classes 16 and 25 against infringement by Tam Huu Company – a Vietnamese Company that owned identical marks for these classes. First, VPC filed an application for registration of the trademark "TEMPO" however the application was rejected because of the registration of the identical mark held by Tam Huu Company. VPC filed an appeal based on Article 6bis of the Paris Convention and Article 792 of Vietnamese Civil Code of 1995 arguing that (1) "TEMPO" was a well-known trademark of VPC and Proctor & Gamble, and (2) Tam Huu Co. acted in bad faith in filing an application for a mark confusingly similar to the "TEMPO" mark for similar goods and services.²¹² After considering the facts of the case as well as VPC's arguments, NOIP decided to allow the appeals for the marks "TEMPO" for classes 16 and 25, "TENPO" and "TINPO" in the class 16, and ordered cancellation of Tam Huu's registrations.²¹³

*The "CAMEL" case*²¹⁴

The "CAMEL" case was another important case where the owner of a well-known mark was successful in requesting protection against conflicting marks. The trademark "CAMEL" and the Camel device are known worldwide as a well-known trademark in connection with cigarettes owned by Reynolds Tobacco, an American Company (a member of Japan Tobacco Inc.).

However, NOIP granted certificate of registration No. 6075 for the trademark "CAMEL & logo" to Viet Cuong Company for tires in class 12. The American Company then filed an appeal with NOIP seeking revocation of the registration by reason of conflict between the signs and, the likelihood of confusion between

²¹⁰ Decision No. 15/KN 95-QĐ (1996) 27 IIC 579. See also: Christopher Heath, Kung-Chung Liu, The protection of well-known marks in Asia, Max Planck Series on Asian Intellectual Property Law, 2000, page 144.

²¹¹ Vereinigte Papierwerke Co. (Germany) v. Tam Huu Co. (Vietnam) in 1999.

²¹² Application No. 22614 of 21 April 1995.

²¹³ Decision No. 57/QĐ-KN on 29 March 1999, NOIP Appeal Board.

²¹⁴ Reynolds Tobacco Co. (US) v. Viet Cuong Co. (Vietnam) concerning the use of the trademark "CAMEL" for tyres by Viet Cuong Co., in 1997.

the registered mark and the well-known one despite the dissimilarity of goods (cigarettes versus tires). The NOIP decided²¹⁵ to cancel the registration of Viet Cuong Company for the following reasons: (1) the word and device mark “CAMEL” were considered to be famous marks of Reynolds Tobacco as evidenced by their worldwide registrations and use; (2) the use of these marks by the Vietnamese company might cause confusion among the public about the origin of the goods because consumers would assume a relationship between the two companies. This case was also an important Vietnamese precedent the first to grant protection for well-known or famous marks even without product similarity.

*The “DUXIL” case*²¹⁶

Biofarma Co., the owner of the trademark “DUXIL”, filed an opposition to NOIP requesting cancellation of certificate of registration No. 21780 for the trademark DEXYL granted to the Safoni VN Co. on August 8, 1996 because DUXIL was a well-known trademark worldwide as demonstrated by the fact that:

- The trademark had been registered, used and advertised constantly over a long time in hundreds of countries;
- Trademark turnover had increased annually totaling hundreds of million FF;
- The trademark had been used widely and consistently in Vietnam from 1973;
- The trademarks’ owner (Biofarma Co.) had succeeded in many infringement disputes in many countries against similar trademarks.
- The trademark DEXYL was confusingly similar to the trademark DUXIL in both pronunciation and form.
- Products bearing the trademarks were similar to and belonged to the same group (group 5) used for medicines and pharmaceutical products.

However, the appeal of Biofarma was refused by NOIP because DUXIL and DEXYL were different both in their pronunciation and in the form because they

²¹⁵ Reynolds Tobacco Co. (US) v. Viet Cuong Co. (Vietnam) concerning the use of the trademark “CAMEL” for tyres by Viet Cuong Co., Decision No. 66/QĐ-KN dated 21 August 1997, NOIP Appeal Board.

²¹⁶ BIOFARMA Co. v. SANOFI VN Co. as regards the request of the plaintiff to cancel the certification of registration No. 21780 granted for the trademark “DEXYL” (confusingly similar to the wide used and recognized trademark “DUXIL” of BIOFARMA CO.) of the SANOFI VN Co., Decision No. 405/QĐ-BKHCMNT dated April 5, 2001.

were spelled using different vowels “U” and “I” versus “E” and “Y” (according to the opinion of NOIP), and the suffix “-XYL” and “XIL” did not represent distinctiveness between the trademarks because they were generic terms popularly used in connection with pharmaceutical products. Therefore there, NOIP held that there was no likelihood of confusion between the trademarks.²¹⁷ It should be noted that NOIP did not mention or consider the question of the fame of plaintiff’s trademark DUXIL. Biofarma disagreed with the decision and appealed to the Ministry of Science, Technology and Environment,²¹⁸ which agreed with the reasoning of NOIP. Despite the fame of the trademark DUXIL being successfully proven by Biofarma, there was no likelihood of confusion between the trademarks. Therefore the appeal of Biofarma was dismissed.²¹⁹

*The “SUPER MAXILITE” case*²²⁰

Imperial Chemical Industries Plc, the plaintiff in this case owned trademark SUPER MAXILITE used for products belonging to group 2 (paints, colored solutions and other products) which were registered and protected in Vietnam. The plaintiff also considered that SUPER MAXILITE had long been considered as a well-known trademark world-wide because it had been registered and widely recognized in many countries. The trademark SUPER MAXILITEX owned by the defendant was registered and used by the Nippon Paint Vietnam Co. Ltd for similar products.

NOIP, based upon the evidence provided by the parties, concluded that there was a likelihood of confusion between the trademarks SUPER MAXILITEX and SUPER MAXLITE, and decided that Nippon Paint Vietnam had infringed the trademark rights of ICI. NOIP also informed the Divisions of Market Control of Ho Chi Minh City, Gia Lai Province, Hai Phong and Ha Noi of its decision and requested that they confiscate products bearing the infringing trademark.

Nippon Paint Vietnam appealed the Decision of NOIP to the Ministry of Science, Technology and Environment. The Ministry of Science, Technology and Environment affirmed the finding of infringement and refused the appeal.

It should be noted that, even though ICI presented evidence sufficient to prove the fame of their trademark SUPER MAXILITE, this was not a necessary condition in order for the NOIP to adjudicate the case since there was also the

²¹⁷ See Decision No. 832/KN of the National Office of Industrial Property dated August 15, 2000.

²¹⁸ The Application for Appeal No. FR12/M28/00 dated September 20, 2000.

²¹⁹ Decision No. 405/QĐ-BKHCMNT dated April 5, 2001.

²²⁰ Imperial Chemical Industries Plc (ICI) (UK) v. The Nippon Paint Vietnam concerning the registration and use of the trademark “SUPER MAXILITEX” of the Nippon Paint Vietnam which was considered as confusingly similar to the trademark “SUPER MAXILITE” of the ICI. Decision No. 2178/QĐ-BKHCMNT dated October 12, 2001.

likelihood of confusion between the conflicting trademarks. The infringement was decided upon the existence of similarity between the trademarks established by an examination made by the NOIP. On one hand, this is an acceptable result. On the other hand, the defendant might not be fully convinced since both the plaintiff and the NOIP did not investigate whether or not there was any actual confusion in the consumers' minds. Therefore, it would have been more persuasive if the authorities had established similarity between the trademarks as well as actual confusion of the relevant part of public in choosing and using the trademarks. Further, the fame of the plaintiff's trademark could have constituted a strong evidence of likelihood of confusion as well as in proving the damage the plaintiff incurred from the infringement.

*The "X-MEN" case*²²¹

Marvel Characters Inc. (plaintiff) was the owner of the trademark X-MEN which was registered, protected and used in Vietnam for products in class 9, 16, 25 and 28 from 1994.²²² Marvel stated in its opposition application²²³ that X-MEN was a world-wide well-known trademark as the character X-MEN had been used in connection with a group of super heroes named X-Men in a famous series of cartoon stories firstly published in the United States in 1963. The mark had continuously been introduced in series of cartoon films and movies in 1992, 2000, 2003 and 2006, which made the character X-MEN increasingly more famous world-wide. Furthermore, Marvel had exploited and used the character X-MEN as a trademark for groups of products and services including household products for over 40 years. It had registered and protected the trademark "X-MEN" for a total of 205 certificates of registration in 51 countries.

International Household Products Co. Ltd (defendant) promoted, advertised and sold products bearing the trademark X-MEN and X logo. The defendant applied in Vietnam for registration of the trademark X-MEN & X logo in 2003 in connection with products of class 3. The NOIP approved and granted protection for defendant's trademark by Certificate of Registration No. 63481 dated June 8, 2005 notwithstanding receipt of a Letter of Opposition from Marvel dated April 4, 2005.

Marvel then appealed to the NOIP to request cancellation of the Certification of Registration No. 63481 upon the following grounds: X-MEN was a well-

²²¹ Marvel Characters Inc. v. International Household Products Co. Ltd concerning the request of cancelling the registration of the "X-MEN" trademark, the Application No. 2006-00072 filed August 8, 2006; the Decision No. 93/QĐ-SHTT of the NOIP dated January 22, 2008; the Official Letter of the State Inspection of the Ministry of Science and Technology dated July 14, 2008; the case is presently under consideration in the Ha Noi People's Court.

²²² See Certificate of Registration No. 11455 issued April 7, 1994.

²²³ Application No. 2006-00072 filed August 8, 2006.

known trademark and an important asset of Marvel which was widely used in many fields of communication, entertainment as well as being associated with many kinds of goods and services in trade world-wide. The registration and use of the trademark X-MEN & X logo of the International Household Products was confusingly similar to, and therefore was a detriment to, the well-known trademark X-MEN of Marvel according to Vietnamese law²²⁴ as well as under Article 6*bis* of the Paris Convention.

Marvel also argued that International Household Products registered and used the trademark X-MEN & X logo in bad faith because International Household Products should have known of the fame of the characters X-Men as well as of Marvel's trademark X-MEN. Therefore, International Household Products exhibited a dishonest intention in registering and using trademark X-MEN & X logo. The sign X-MEN & X logo should not be protected by a third party as a trademark under the laws of Vietnam.²²⁵

Despite attempts by Marvel to demonstrate the fame and reputation of its trademark X-MEN through: (i) the duration and extent of use of the trademark, (ii) the world-wide turnover of Marvel from licensing the trademark X-MEN in a 5 year period (from 2001 to 2005), and (iii) the registration and protection granted for the trademark X-MEN in 51 countries, the NOIP held that the evidence and information provided by Marvel was insufficient to prove the fame of the trademark or to compel cancellation of the Certificate of Registration granted to International Household Products. Therefore, the NOIP sided with the defendant and dismissed Marvel's appeal.²²⁶

Marvel appealed the case to the Ministry of Science and Technology requesting a judicial review of Decision No. 93/QĐ-SHTT. The Ministry of Science and Technology decided to refuse the appeal of Marvel and affirmed Decision No. 93/QĐ-SHTT of the NOIP because there was not enough persuasive evidence to conclude that there existed a likelihood of confusion between the trademark X-MEN & X logo and the features of the characters X-Men in Marvel's works. Marvel had failed to prove the fame of trademark X-MEN because they could not provide any evidence showing *that Vietnamese consumers* had actually known of the trademark X-MEN or of products bearing the trademark X-MEN, even within the relevant sector of the public.

²²⁴ See Articles 6(1) (e), 6(1) (h) and 29 of Decree No. 63/CP (as amended and modified by Decree No. 06/2001/NĐ-CP dated February 1, 2001).

²²⁵ Article 6(2) (d) of Decree No. 63/CP (as amended and modified by Decree No. 06/2001/NĐ-CP dated February 1, 2001) states that signs should not be protected under the law if they:

[M]islead, confuse or deceive consumers as to the origin, nature, purpose, quality or value of goods or services.

²²⁶ See Decision No. 93/QĐ-SHTT dated January 22, 2008 of the NOIP.

Once again, Marvel was not pleased with the Decision of the Ministry of Science and Technology and brought a further appeal. The case is presently under consideration by the Ha Noi People's Court.

The "CAMEL" case 2009²²⁷

Another case concerning the trademark "CAMEL" arose between Japan Tobacco Corp. (JT) and C.A.M.E.L. Electric Devices Co. Ltd (C.A.M.E.L Co.). "CAMEL" is a well-known trademark owned by JT for use not only in connection with cigarettes but also in connection with many other different kinds of products. On July 20, 2005, the NOIP issued Certificate of registration No. 64916 for the trademark "M CAMEL" in connection with the electric device products of group 09 and 11 of C.A.M.E.L Co.²²⁸

JT appealed to the NOIP requesting cancellation of Certificate of registration No. 64916 suggesting that the trademark M CAMEL was confusingly similar to trademark CAMEL of JT. The similarity between the two trademarks was great, not only in the formal sense but also regarding the meaning and pronunciation of the word camel. Such a similarity would mislead or confuse consumers even though the trademarks were used in connection with different product lines. JT underlined that the trademark CAMEL is a worldwide, well-known trademark registered and protected in 180 countries, sold world-wide in 50 countries. It has been ranked in the top 6 of the world's most widely known trademarks for several years, and was recognized as a well-known trademark in many countries such as the United States, Spain, Indonesia and Germany.

Despite counterclaims by the C.A.M.E.L. Co., the NOIP supported the arguments made by JT and held that (i) the trademark CAMEL was a well-known trademark according to the evidence provided by JT²²⁹ and (ii) there was

²²⁷ TJT Corporation v. C.A.M.E.L Co. concerning the registration and use of the trademark "M CAMEL" of C.A.M.E.L. Co. which is claimed to infringe the rights of the well-known trademark "CAMEL" of JT Corporation, Decision No. 2007/QĐ-SHTT of the NOIP dated October 14, 2009.

²²⁸ Certificate of registration No. 64916 issued July 20, 2005.

²²⁹ In order to prove the fame of the trademark "CAMEL", the NOIP considered the following criteria:

The trademark has been used continuously from 1913;

The trademark has been registered and protected in 180 countries (with 5 certificates granted and protected for 5 groups of products in Vietnam);

The trademark has been sold in 50 countries and in duty free stores in many other countries including Vietnam;

The annual turnover is more than six hundred million US dollars and is ranked in the top 6 of the world most known brands of tobacco;

a likelihood of confusion between the trademark M CAMEL and the well-known trademark CAMEL. Therefore, the NOIP cancelled the Certificate of Registration No. 64916²³⁰ even though the products bearing the trademarks were not similar (cigarettes and electric devices).

*The “COVERSYL” case*²³¹

Biofarma Co. was the owner of the trademark COVERSYL under Certificate of international registration No. 453868 dated July 22, 1980 in connection with pharmaceutical products including products of group 5. On October 1, 2004, the Shinpoong Daewoo VN Co. (“SDV”) applied to the NOIP for registration of the trademark CARVESYL.²³² The NOIP issued Certificate of registration No. 70472 on March 1, 2006 for the trademark in connection with use with the products of group 5.

Biofarma applied to the NOIP to request cancellation of SDV’s trademark registration²³³ on the grounds that there was similarity (both in appearance and in pronunciation), and a likelihood of confusion between trademarks CARVESYL and COVERSYL and that COVERSYL was highly distinctive and the mark had a number of other significant attributes including its reputation and prestige (asserted through evidence such as the number of countries protecting the trademark (more than 150 countries). Products bearing the trademark had a high sales volume (USD \$2.7 billion worldwide from 1999 to 2004, increasing on an annual basis) and that the degree of advertising and promotion of products bearing the trademark; and the long-term and constant use of the trademark was significant.

The NOIP agreed with most of Biofarma’s arguments concluding that there was similarity between them and there was a likelihood of confusion. However, the NOIP did not find that the trademark COVERSYL was famous as argued by Biofarma. The evidence provided by the Biofarma was considered as factors proving that COVERSYL was a *widely used and recognized* trademark under the provision of the Article 74(2) (g) of the 2005 Law on Intellectual Property (as amended in 2009). The NOIP decided that the trademark CARVESYL was confusingly similar to the *widely used and recognized trademark* COVERSYL. Consequently, it was not distinctive enough to be registered and protected as a

The trademark was advertised and promoted in many different channels such as through magazines, websites and through domain names used in the internet.

²³⁰ Decision No. 2007/QĐ-SHTT of the NOIP dated October 14, 2009.

²³¹ Biofarma Co. V. Shinpoong Daewoo VN Co. concerning the trademark COVERSYL, Official Letter No. 956/SHTT-TTKN dated May 20, 2010 of the NOIP.

²³² Application for registration No. 4-2004-10411 dated October 1, 2004.

²³³ Application of Appeal No. FR12/M1359/06 dated September 12, 2006.

trademark. Therefore the NOIP approved the appeal by Biofarma, cancelling SDV's Certificate of registration.²³⁴

3.4. *SUB-CONCLUDING REMARKS*

In summary, international efforts to create an international framework for the protection of well-known trademarks have resulted in significant achievements through international conventions and treaties. Even though they do not all provide specific definitions for well-known trademarks or direct provisions for their protection, they have built the basic foundations and established minimum standards for such protection. They have been utilized as a basis for advancing national systems for well-known trademark protection.

The European Union has internalized international provisions concerning well-known trademark protection into their legal systems both at the Union and national levels. The European legal system is a complex system, which includes interaction at the union and national levels. Enactment of the Trademark Directive in 1989 is one of the most important steps in harmonizing these provisions. It promotes and strengthens the harmonization process of national trademark laws. While the Trademark Directive primarily governs substantive aspects of trademark protection, the Trademark Regulation is a procedural law creating a unified registration system for trademarks within the Union that permits trademark owners to apply for registration of their trademark using a unified and simple procedure. With regard to the protection of well-known trademarks both the Trademark Directive and the Trademark Regulation establish the legal foundations for the protection of well-known trademarks within the territory covered by them. This foundation is grounded upon legal principles provided under international conventions and treaties.

In terms of the present situation in Vietnam, the first point to bear in mind is that Vietnam has a suitable trademark policy and is proceeding to improve its trademark system. Despite the fact that the concept of well-known trademark is novel and has only been in effect for a short time, the Vietnamese legal system concerning well-known trademark protection has achieved significant results. The 2005 Law on Intellectual Property (as revised in 2009) and its guidance documents have created a relatively complete regime for the protection of well-known trademarks and deals with many important legal issues concerning well-known trademarks such as their definition, the principles concerning their protection, and the scope of such protection. However, the effect of the legislation on trademark practice has not yet come up to expectations even if there is now a growing body of cases which indicates future directions.

²³⁴ See Official Letter No. 956/SHTT-TTKN of the NOIP dated May 20, 2010.

4. A COMPARATIVE ANALYSIS

As previously discussed, the main goal of the dissertation is to approach and investigate the European Union and Vietnamese legal systems in a comparative perspective in order to suggest suitable solutions for the Vietnamese protection of well-known trademarks. The previous chapter focused generally on the legal framework of well-known trademark protection, especially as regards the current status of the Vietnamese and European legal systems. This approach was limited to introducing and investigating the issues through an examination of statutes and case law practices. The dissertation now continues through an examination of the details and specific provisions of the two systems to clarify legal issues concerning the protection of well-known trademarks, and explains and analyzes how they have been applied and why.

A comparative approach presents us with a comprehensive examination of the subject matter investigated. Subject to the dissertation's limitations stated in the first chapter¹, this chapter presents comparisons made between the two legal systems based primarily on both the laws' language and the question of how the statutory language is interpreted and applied. Such comparisons are made by means of analyzing the similarities and differences between the two systems concerning key issues such as the means of determining a well-known trademark, the legal grounds for protection of well-known trademarks, the scope of protection applied to well-known trademarks and finally, the enforcement of protections of well-known trademarks.

These comparisons have been made primarily between European and Vietnamese laws. However, in some cases, the legislation and case-law of other countries, such as the United States are referred to in order to explain and clarify statements or arguments.

¹ See Subchapter 1.4 supra.

4.1. DETERMINATION OF WELL-KNOWN TRADEMARK

4.1.1. Definition

Well-known trademark

The first and most important questions concerning well-known trademark protection under any form of legislation are “what is a well-known trademark” and “when a trademark will be considered a well-known one”? These questions were referred to in Chapter 2 but only in a general way. These issues are now investigated in more detail in respect of the legislation and case-law of the European Union and Vietnam.

The European Trademark Directive and Trademark Regulation do not provide a great deal of specificity concerning well-known trademarks. Their primary aim is to achieve harmonization of the trademark laws of EU member States. Therefore, it is no surprise if, although both they refer to and govern aspects of well-known trademark protection², they do not provide a formal definition of well-known or famous trademark.

The Trademark Directive’s references to well-known trademarks consist of supplying grounds for their refusal or invalidity and concerns regarding conflicts with earlier trademarks.³ Accordingly, determining whether a mark is a well-known trademark is one of the important steps Member State authorities have to take when they consider registration applications for trademark. According to Article 4(2) (d) of the Directive, the term “earlier trademarks” includes:

trademarks which, on the date of application for registration of the trademark, or, where appropriate, of the priority claimed in respect of the application for registration of the trademark, are well-known in a Member State, in the sense in which the words “well-known” are used in Article 6 bis of the Paris Convention.⁴

The Regulation uses the same approach for defining well-known trademarks, using nearly the same language whereby the concept is interpreted as “in the sense in which the word “well-known” is used in Article 6 *bis* of the Paris

² See e.g., Articles 4 and 5 of the Trademark Directive and t Articles 8 and 52 of the Community Trademark Regulation.

³ Article 4 – The Trademark Directive.

⁴ Article 4 (2) (d) of the Trademark Directive.

Convention”.⁵ This approach was adopted by the General Court in the *Tosca Blu* case⁶ which held “Article 8(2) (c) of the Regulation 40/94 includes within the concept of an earlier trademark those marks which are well-known within the meaning of the Article 6bis of the Paris Convention”.⁷ In addition the TRIPs Agreement also refers to Article 6bis with regard to the term.⁸ Therefore under the European legal system, the definition of well-known trademark should be understood as being made in relation to the sense of the wording of Article 6bis.

Unfortunately, the Paris Convention does not define well-known trademark. WIPO has published a Joint Recommendation Concerning Provisions on the Protection of Well-known Trademarks⁹ which suggests certain criteria that countries should take into account in defining a well-known trademark. However, WIPO’s Recommendations are not binding. As a result, in practice, the concept of well-known trademark is primarily based on the interpretations or understandings of EU authorities through practical cases and on national laws.

For example, the Czech Industrial Property Office, in the DURACELL case¹⁰ observed that once a trademark is considered to be a well-known one, there are certain consequences, such as that the wrongful applicant to register the trademark stands to benefit from the well-known mark’s distinctive character, regardless of the classes of goods or services for which it is registered; and the fame of the trademark would be recognized by relevant consumers for all classes of goods and services for which trademarks may be registered, rather than one which is merely well-known within the parameters of its particular market.¹¹

Under Portuguese law, in a case before the Lisbon Court of Appeals, the “advertising function” of a trademark was argued as being the key to its fame or repute¹² by one appellant.¹³ The appellant argued that a function of the trademark is to advertise or proclaim the characteristics of its goods or services to the public. Therefore, the more famous the trademark, the greater the likelihood that

⁵ Article 8 (2) (c) of the Community Trademark Regulation.

⁶ Case T – 150/04, Mulhens GmbH & Co. KG v. OHIM, Judgement of the Court of First Instance (Second Chamber) of July 11, 2007 concerning the application for figurative Community trademark TOSCA BLU. [2007]

⁷ *Idem*, paragraph 49.

⁸ Article 16 of the TRIPs Agreement.

⁹ See subchapter 3.2.4 *supra*.

¹⁰ See DURACELL trademark (1999) ETMR 583.

¹¹ Jeremy Phillips, *Trademark Law – A Practical Anatomy*, (Oxford University Press 2003), page 404, paragraph 12.33.

¹² *Idem*, page 404, paragraph 12.34.

¹³ See *Industria E Comercio De Cosmeticos Natura AS’s Application* (2001) ETMR 783 (Portugal).

even a remote and unconnected use of an identical or similar sign by others would damage that inherent advertising function.¹⁴ While this appellant's argument failed because it was procedurally deficient, the importance of criteria relating to the "advertising function" still plays a significant role in the process of defining whether a trademark is well-known or not. Thus, if a trademark is well-known or famous, damage to its advertising function should be compensated.

As observed by Jeremy Phillips, the French courts have taken a fairly strict line towards protection which might be termed the penumbra of famous marks – variations of marks which evoke them rather than repeat them by letter for letter.¹⁵ That is why the *Cour de Cassation* of France refused to conclude that the trademark OLYMPRIX, used in connection with advertising an annual "low price" marketing campaign, infringed the famous trademarks OLYMPIQUE and JEUX OLYMPIQUES.¹⁶ This reasoning demonstrates that French courts decide such cases based primarily on French law rather than on Article 6*bis* of the Paris Convention or other international conventions. This is understandable because there is no specific definition concerning the well-known trademark in those international legal sources and the Paris Convention has no valid of self-executing in France.

Thus, until the ECJ gives guidance on the subject or national comity is granted among member states' judiciary at the highest levels of national law establishes judicial consensus, there will continue to be two main characteristics of well-known trademark protection: (i) protection of trademarks which are well-known or famous will vary from country to country, and (ii) the scope of protection under national laws will be defined by considerations derived from diverse national legal traditions rather than from a common stock of shared jurisprudence.¹⁷ In Case C-375/97, *General Motors Corporation v. Yplon SA*¹⁸, the ECJ established an important principle for defining the fame of well-known trademarks by holding:

¹⁴ Jeremy Phillips, *Trademark Law – A Practical Anatomy*, (Oxford University Press 2003), page 404, paragraph 12.34.

¹⁵ *Idem*, page 404, paragraph 12.35.

¹⁶ *Groupement d'Achat des Centres Leclerc v. Comité National Olympique et Sportif Français and others* [2001] ETMR 367. Also see: Jeremy Phillips, *Trademark Law – A Practical Anatomy*, (Oxford University Press 2003), page 404, paragraph 12.35.

¹⁷ Jeremy Phillips, *Trademark Law – A Practical Anatomy*, (Oxford University Press 2003), page 405, paragraph 12.36.

¹⁸ Case C-375/97, *General Motors Corporation v. Yplon SA*, on the interpretation of Article 5(2) of the First Council Directive (89/104/EEC) of 21 December 1988 to approximate the laws of the Member States relating to trademarks (OJ 1989 L 40, p. 1).

A registered trademark must be known by a significant part of the public concerned by the products or services which it covers. In the Benelux territory, it is sufficient for the registered trademark to be known by a significant part of the public concerned in a substantial part of that territory, which part may consist of a part of one of the countries composing that territory.¹⁹

It should be noted that the ECJ's judgment refers to marks with a reputation rather than well-known trademarks. However this principle may reasonably be applied to well-known trademarks equally well. Accordingly, a trademark should be considered as well-known in the EU if it has been considered well-known in one Member State's territory or even in a significant part of that country. This was confirmed by the ECJ in Case C-328/06 where the Court held:

As regards the geographical area in which the mark is well known, it should be noted that, under Article 4(2) (d) of the Directive, the existence of "well-known marks" within the meaning of Article 6 *bis* of the Paris Convention is to be assessed "in a Member State."²⁰

And:

Without prejudice to the respective scopes of those two provisions, the answer to the question referred for a preliminary ruling must therefore be that Article 4(2) (d) of the Directive is to be interpreted as meaning that the earlier trademark must be well known throughout the territory of the Member State of registration or in a substantial part of it.²¹

Vietnamese law utilizes a different approach than that of the EU. It attempts to provide a statutory definition of a well-known trademark. Accordingly, the term "well-known trademark" has been approached differently throughout Vietnamese legislation. The definition first stated in Decree No. 06/ND-CP in 2001 reads:

Well-known trademark means a trademark which has been continuously used for prestigious goods and services whereby such trademark has become widely known.²²

This definition was not sufficiently precise to be of practical use because of its vagueness.²³ The definition was subsequently amended in the 2005 Law on

¹⁹ Case C-375/97, *General Motors Corporation v. Yplon SA*, paragraph 31 of the Judgment.

²⁰ Case C-328/06, *Alfredo Nieto Nuño v. Leonci Monlleó Franquet*, ECJ (Second Chamber), Judgment of November 22, 2007, paragraph 14.

²¹ *Idem*, paragraph 20.

²² Clause 8b – Article 2 – Decree No. 06/2001/ND – CP dated 1 February 2001 of the Government to revise and modify some provisions of Decree No. 63/CP on the industrial property rights protection.

²³ See subchapter 3.3.2.

Intellectual Property (as amended in 2009). Accordingly, the concept of well-known trademark is now defined as:

Well-known mark is a mark widely known by consumers throughout the territory of Vietnam.²⁴

While the former definition sought to define a well-known trademark primarily on the prestige of goods or services associated with the mark without mentioning the territorial scope in which the trademark must be used the amended definition is solely based on knowledge of the trademark within the territory of Vietnam. Because both definitions contain these significant omissions, they both are of no great practical relevance. In other words, these definitions are just linguistic formulas rather than substantive provisions which can be applied effectively to resolve disputes or aid in registration.

Therefore, in addition to these statutory definitions, the concept of well-known trademark in Vietnam should be understood as combining the intentions of Article 75 of the Law on Intellectual Property and paragraph 42.3 of Section 5 of Circular No. 01/2007 on the criteria for determining well-known trademarks.²⁵ In addition, paragraph 42.1 of Section 5 of Circular No. 01/2007 provides:

Well-known marks shall be protected in Vietnam pursuant to article 75 of the Law on Intellectual Property and article 6 of the Paris Convention on industrial property rights.²⁶

Thus, under currently applicable Vietnamese law, the concept of well-known trademark is generally accorded the meaning of the term in Article *6bis* of the Paris Convention. This is similar to EU law since both Vietnam and all EU Member States are members of the Paris Convention. This may explain the similarities between the two systems in approaching the general concept of well-known trademark. However, there seems to be a significant difference between EU law and Vietnamese law on how the concept is to be interpreted and understood in practice. While in Vietnam the notion of well-known trademark is defined in the statute, the EU legal system has no statutory definition of the notion but indirectly interprets it through case law. The EU legislation also seems to prefer to use a definition of a mark with a reputation rather than the well-known trademark.

²⁴ Article 4(20) of the 2005 Law on Intellectual Property (as amended in 2009).

²⁵ See subchapter 3.3.2.

²⁶ See paragraph 42.1 – Section 5 of Circular No. 01/2007-TT-BKHCN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights.

Mark with a reputation

As noted, marks with a reputation has long been covered and protected under European national legislation on trademark protection. For instance, a famous German case concerning the trademark “ODOL”²⁷ addressed by the German Supreme Court in 1924 has been considered as significant in the field of well-known trademarks or marks with a reputation.

The word “reputation” is constantly used by trademark lawyers, brand managers, marketing consultants and even consumers²⁸ not only within Europe but also throughout the world. However, the term seems to be foreign to and not be mentioned in legal documents such as the Paris Convention and the TRIPs agreement. The enactment of the Trademark Regulation, made basic changes in the protection of marks with a reputation. Article 8(5) of the Trademark Regulation states:

[U]pon opposition by the proprietor of an earlier trademark within the meaning of paragraph 2, the trademark applied for shall not be registered where it is identical with or similar to the earlier trademark and is to be registered for goods or services which are not similar to those for which the earlier trademark is registered, where in the case of an earlier Trademark the trademark has a reputation in the Community and, in the case of an earlier national trademark, the trademark has a reputation in the Member State concerned and where the use without due cause of the trademark applied for would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trademark.²⁹

Thus, an application for registration of a trademark may be refused where it is identical with, or similar to, an earlier trademark under Article 8(2)³⁰ even if the

²⁷ Odol case: Reichsgericht (NJW 1925, 264). See more at: http://www.ucl.ac.uk/laws/ibil/docs/INTA_clark_pp.pdf.

²⁸ Jeremy Phillips, *Trademark Law – A Practical Anatomy*, (Oxford University Press 2003), page 370, paragraph 11.30.

²⁹ Article 8(5) – The Community Trademark Regulation.

³⁰ Under the provisions of Article 8(2), an earlier trademark is understood as follows: (a) trademarks of the following kinds with a date of application for registration which is earlier than the date of application for registration of the Community trademark, taking account, where appropriate, of the priorities claimed in respect of those trademarks: (i) Community trademarks; (ii) trademarks registered in a Member State, or, in the case of Belgium, the Netherlands or Luxembourg, at the Benelux Trademark Office; (iii) trademarks registered under international arrangements which have effect in a Member State; (iv) trademarks registered under international arrangements which have effect in the Community²¹; (b) applications for the trademarks referred to in subparagraph (a), subject to their registration; (c) trademarks which, on the date of application for registration of the Community trademark, or, where appropriate, of the priority claimed in respect of the application for registration of the Community trademark, are well known in a Member State, in the sense in which the word "well-known" is used in Article 6 bis of the Paris Convention.

contested trademark covers goods or services are not similar to those for which the earlier trademark was registered. The condition is that the earlier trademark has a reputation in the Union, or, in case of a national trademark, where the earlier trademark has a reputation in the territory of the member country concerned. The same rule applies under Article 5(2) of the Trademark Directive and has accordingly been implemented in all national laws.

This provision has been applied to many cases by European national courts. However, it seems somewhat difficult for countries to hold a common interpretation of the term “reputation” as well as the concept “mark with a reputation.” Interpretations depend on different viewpoints prevalent in different legal cultures. For instance, the term “reputation”, in relation to a trademark, may mean the consequence of the fact that:

- Consumers know that the trademark is in use; or
- Competitors know that the trademark is in use; or
- Consumers place a particular value on the trademark in order to make or avoid making repeat purchases.³¹

These signs may appear simple and comprehensive from a social and economic perspective. However, when courts and legal practitioners become involved the issue becomes more complicated. Answering the question of how to “know” or how to precisely define the level of knowledge always brings substantial debate to judicial hearings.

Thus, in Case C-375/97, *General Motors Corporation v. Yplon SA*³², the representatives of the Benelux countries made differing arguments as to how to define a mark having a reputation. According to the Belgian Government, “trademark having a reputation should be construed flexibly” and;

[T]here is a difference of degree between a mark with a reputation and a well-known mark. The degree to which a trademark is well-known cannot be evaluated in the abstract by, for example, setting a percentage. A reputation in any single one of the three Benelux countries applies throughout the Benelux territory.³³

To the same question, the French Government argued that “a trademark's reputation within the meaning of Article 5(2) of the Directive cannot be defined precisely”. However, as regards the mark’s territorial scope, it was a different

³¹ Jeremy Phillips, *Trademark Law – A Practical Anatomy*, (Oxford University Press 2003), page 370, paragraph 11.30.

³² Case C-375/97, *General Motors Corporation v. Yplon SA*, on the interpretation of Article 5(2) of the First Council Directive (89/104/EEC) of 21 December 1988 to approximate the laws of the Member States relating to trademarks (OJ 1989 L 40, p. 1).

³³ Case C-375/97, *General Motors Corporation v. Yplon SA*, paragraph 15 of the Judgment

question where the French took the position that “a reputation in a single Benelux country is sufficient”.³⁴ The Netherlands Government, however, submitted that it was sufficient for the trademark to have a reputation with the public at which it is aimed. The degree of knowledge required could not be indicated in abstract terms. It had to be ascertained whether, in view of all the circumstances, the earlier mark had a reputation which may be harmed if it is used for non-similar products. The mark did not have to be known throughout a Member State or, in the case of Benelux trademarks, throughout the Benelux territory.³⁵

The answers to the question given by the Court of Justice were that:

Article 5(2) of the Directive is to be interpreted as meaning that, in order to enjoy protection extending to non-similar products or services, a registered trademark must be known by a significant part of the public concerned by the products or services which it covers; and

In the Benelux territory, it is sufficient for the registered trademark to be known by a significant part of the public concerned in a substantial part of that territory, which part may consist of a part of one of the countries composing that territory.³⁶

Here, the Court explained the term “reputation” though a description of the protection which it conferred.

In summary, the use of the concept “mark with a reputation” is a special case in European Union law. In general, a mark with a reputation has many characteristics similar to a well-known or famous trademark but at a lower level of definition and protection. Even though the term can be understood as a “known” mark under the German, Dutch and Swedish perspectives or as a “reputation” mark in other countries³⁷, a “mark with a reputation” can be considered as a mark which is known by a significant part of the public concerned by the products or services covered by that trademark.³⁸

³⁴ Idem, paragraph 16 of the Judgment

³⁵ Idem, paragraph 17 of the Judgment.

³⁶ Idem, paragraph 31 of the Judgment.

³⁷ Case C-375/97, *General Motors Corporation v. Yplon SA*, paragraphs 20-21. Moreover, the term can also be defined differently in different languages, as stated in the paragraph 20 of the Judgment, as by: “the words ‘er renommeret’ in the Danish version of that provision; ‘bekannt ist’ in the German version; ‘ἄβῆνᾶέ ὀπιçò’ in the Greek version; ‘goce de renombre’ in the Spanish version; ‘jouit d’une renommée’ in the French version; ‘gode di notorietà’ in the Italian version; ‘bekend is’ in the Dutch version; ‘goze de prestigio’ in the Portuguese version; ‘laajalti tunnettu’ in the Finnish version; ‘är kánt’ in the Swedish version; and by the words ‘has a reputation’ in the English version”.

³⁸ Idem, paragraph 26 of the Judgment.

In Vietnam, the term “mark with a reputation” (nhãn hi?u có danh ti?ng) has not been statutorily defined. However, Article 74(2) (g) of the 2005 Law on Intellectual Property (as amended in 2009), states that signs may not be considered and protected as trademarks if they are “identical with or confusingly similar to another person's mark which has been **widely used and recognized** for similar or identical goods or services before the filing date or the priority date.”³⁹ Thus even though the Law does not refer directly to the term “mark with a reputation”, it states an equivalent concept, the so-called “widely used and recognized trademark” a concept that has been frequently utilized to evaluate the distinctiveness of signs treated as trademarks. There is no further definition which clarifies this concept in the Law or its explanatory documents.

Trademark lawyers and practitioners in Vietnam unofficially recognize a similar term known as “widely used and recognized marks” (nhãn hi?u du?c s? d?ng và th?a nh?n r?ng rãi) to define trademarks which rank in between ordinary and well-known trademarks. In the Vietnamese perspective a trademark which is widely used and recognized is considered to be at a lower ranking in comparison with a well-known trademark and is therefore not treated as a separate subject protection.

For instance, in the *Strepsils* case⁴⁰, the NOIP considered that the trademark STREPSILS was used and recognized world-wide, including in Vietnam. This was demonstrated through evidence provided by the Boots Company proving that (i) the trademark STREPSILS has been used in over 70 national markets including traditional and markets such as the United Kingdom, Denmark, Netherlands, Hong Kong, and Singapore; (ii) the trademark STREPSILS was registered and protected in 150 countries, and (iii) the Boots Company had invested in extensive advertising and broadcasting activities in magazines, brochures, television programs and commercial promotions in many markets, including the Vietnamese market causing the trademark to become increasingly familiar among consumers along with an increasing sales turnover.⁴¹ Thus, even though the Boots Company trademark STREPSILS was not officially registered as a well-known trademark in Vietnam, it was still protected against infringement from a similar trademark (STREPDIZIN) used for a similar class of

³⁹ See Article 74(2) (g) of the 2005 Law on Intellectual Property (amended in 2009) (Bolding added.)

⁴⁰ The Boots Company PLC (England) v. FORIPHARM Co. (Vietnam) as regards the use of the trademark STREPDIZIN by the FORIPHARM for the products of the class 05 which was complained to be similar to the the Boots Company trademark STREPSILS. The case was addressed and decided by the NOIP of Vietnam by the Decision No. 133/QĐ-SHTT dated January 21, 2009.

⁴¹ See Decision No. 133/QĐ-SHTT dated January 21, 2009 as regards the request of the Boots Company to invalidate registration of the trademark “STREPDIZIN” of the FORIPHARM, paragraph 2.

products (class 05). The Boots Company had established that the earlier trademark was widely used and recognized in Vietnam within the relevant business segment regardless of its registration status.

Another example concerns the trademark COVERSYL⁴² of the Biofarma Company. The NOIP held that trademark COVERSYL should be considered a trademark widely used and recognized in Vietnam, despite not having become a well-known trademark, that it should be treated as a widely used and recognized trademark in Vietnam and protected against the registration and use of Shinpoong Daewoo VN Pharmacy Company Ltd.'s similar trademark CARVESYL. NOIP's holding was based upon evidence provided by the Biofarma Company that: (i) the trademark "COVERSYL" had been used for a long time world-wide (including from 1980 in Vietnam), (ii) the large number of the registrations granted (150 countries); and (ii) that the sales turnover of products bearing the trademark had continuously increased in international and domestic markets.

Thus, despite differences of terminology, both European Union law and Vietnamese law have used similar methods for defining an intermediate form of trademark appearing to more closely resemble well-known trademarks than it does ordinary trademarks.

What appears at first sight to be identical does not bear up under closer examination. There still remain small differences because the term "mark with a reputation" under European Union law appears to be nearly synonymous with well-known trademarks for which there is yet no statutory definition under European Union law. Somewhat differently, the term "widely used and recognized marks" under Vietnamese law lies a bit further from the concept of well-known trademark and has usually been applied within the scope of similar groups of products or services for which these trademarks are used.

4.1.2. The criteria for determining a well-known trademark

Because international conventions and treaties do not contain clear definitions, the factors used for determining well-known trademarks are, for the most part, defined by national courts in a manner consistent with international custom, especially with respect to the Joint Recommendations on protecting well-known trademarks established by the Joint Committee of WIPO and the

⁴² See Official Letter No. 956/SHTT-TTKN dated May 20, 2010 of the NOIP of Vietnam as regards the resolution of the complaint of the BIOFARMA Company invalidating the registration of trademark "CARVESYL" of the Shinpoong Daewoo Vietnam Pharmacy Company Ltd.,.

Paris Union in 1999.⁴³ In a narrower perspective, many of factors used to determine well-known trademarks in the EU and Vietnam are expressed in both the legislation and case law. These are:

The fame or reputation of the trademark in the relevant sector of the public

The reputation of a mark is one of the most important indications referred to by statute and case-law to determine whether an infringement exists. “Reputation” means that a mark is used and recognized widely within a certain sector of the public where many people (including consumers, competitors and others) know and can distinguish the mark from others. The reputation of the mark can be investigated by evaluating the public understanding of the mark and how the public places a particular value on the trademark in order to make, or avoid making repeat purchases.⁴⁴ Indeed, the reputation of the trademark may operate in different ways. It may be “deep” in the sense that it penetrates a particular market to a very great extent⁴⁵ or it may be “wide” in the sense that it does not penetrate a specific market because it broadly covers many separate markets.⁴⁶ Under European Union law, as set forth in *General Motors v. Yplon*,⁴⁷ where the ECJ considered the meaning of the term “reputation” it ruled that:

In order to enjoy protection extending to non-similar products or services, a registered trademark must be known by a significant part of the public concerned by the products or services which it covers.⁴⁸

It should be noted that even though the requirement of reputation of the mark is primarily based on the knowledge of a certain number of people in the European Union, that does not mean that these people must be located in many different Member States. For instance, a Trademark with a reputation in only one EU Member State may still be protected against third parties taking unfair

⁴³ On September 1999, the General Assemblies of the Paris Union and of the WIPO jointly enacted their General Recommendations which consist of 6 articles intended to clarify and modify relevant provisions regarding well-known trademark protection under the Paris Convention and the TRIPs Agreement.

⁴⁴ Jeremy Phillips, *Trademark Law – A Practical Anatomy*, (Oxford University Press 2003), page 370, paragraph 11.30.

⁴⁵ *Idem*, page 370, paragraph 11.32. For instance, “all gum-chewers will have heard of WRIGLEYS and all car-owners will know of FORD even if they have never driven one”.

⁴⁶ *Idem*, page 370, paragraph 11.32. For instance, “MARKS & SPENCER AND DISNEY are extremely well-known but are not tied to any particular product”.

⁴⁷ Case C-375/97, *General Motors Corporation v. Yplon SA*, [1999] ETMR 950.

⁴⁸ *Idem*, paragraph 31 (see more at the paragraph 28).

advantage of it, or causing it detriment. The European Court of Justice in *Pago v Tirolmilch*⁴⁹ held that if a mark is known by a significant number of the relevant public, it may not matter that those people are all located in one Member State.⁵⁰

In Vietnam, even though the subject matter of protection for well-known trademarks was defined in 1996 in Decree 63/CP, the factors to be considered in determining well-known trademarks were not defined either in legislation or in practice until enactment of the 2005 Law on Intellectual Property and its guidance documents. Under Vietnamese law a trademark's reputation is an important factor to be considered when making determinations regarding well-known trademarks. The 2005 Law on Intellectual Property (as amended in 2009) was the first to recite the requirement that the reputation of a trademark shall be considered as well-known if a "number of relevant consumers" have been aware of it⁵¹ and it has a "wide reputation of goods or services bearing the mark."⁵² There seems to be some confusion between the terms "reputation of trademark" and "reputation of goods and services bearing the mark" in Vietnamese legislation. While they are two different terms with different meanings, a close relationship between the two is not so easily discerned. The reputation of a trademark is created and ensured through the reputation of goods or services and similarly, the reputation of goods or services bearing the mark is enhanced and ensured by the reputation of the trademark. Thus, this provision of Vietnamese Law can be seen as an affirmation of the requirement of the existence of a trademark's reputation for determining whether that trademark is well-known or not.

The requirements concerning a trademark's reputation are further clarified by Circular No. 01/2007. The Circular provides some indication that a proprietor of a well-known trademark may prove the reputation of trademark through submission of the following types of evidence:

- Surveys of a number of consumers who know the mark through its sale, purchase, use, advertisement and marketing;

⁴⁹ Case C – 301/07, *PAGO International GmbH v Tirolmilch registrierte Genossenschaft mbH*, [2009].

⁵⁰ The ECJ (second chamber) on 6 October 2009 held that: Article 9(1)(c) of Council Regulation (EC) No 40/94 of 20 December 1993 on the Community trademark must be interpreted as meaning that, in order to benefit from the protection afforded in that provision, a Community trademark must be known by a significant part of the public concerned by the products or services covered by that trademark, in a substantial part of the territory of the European Community, and that, in view of the facts of the main proceedings, the territory of the Member State in question may be considered to constitute a substantial part of the territory of the Community. (Paragraph 32 of the Judgment).

⁵¹ Article 75(1) – The 2005 Law on Intellectual Property (as amended in 2009).

⁵² Article 75(5) – The 2005 Law on Intellectual Property (as amended in 2009).

- A rating and evaluation of the reputation of the mark by national or international organizations or the mass media;
- Prizes and medals awarded to the mark;
- The results of examinations held by intellectual property examination organizations.⁵³

This brings up the case concerning the SHANGRI-LA trademark.⁵⁴ In 1995 when the case arose, there were no specific legislative provisions concerning the criteria for determining a well-known trademark. In SHANGRI-LA, the Vietnamese authorities accepted evidence supplied by the owner to prove the mark's worldwide reputation including (1) a statutory declaration showing the duration, extent and nature of use and advertising of the mark, (2) registrations for the mark in many countries worldwide, and (3) an affidavit reporting annual sales.⁵⁵ These facts appeared to constitute sufficient evidence of the fame or reputation of the SHANGRI-LA trademark. However, they were insufficient to support the authority's decision in the case. It would appear to be a better practice if the authority could conduct its own survey evaluating the level of fame of the trademark.

The degree of knowledge of the relevant public

This factor can be understood as the degree of recognition of a mark among a certain sector of the public. The more that people in the community are able to recognize the mark, the greater the chance that such mark is a well-known or famous one. The best evidence to prove such recognition is probably represented by unsolicited requests from potential licensees, manufacturers, distributors, importers, retailers, and consumers of the goods or services which bear the mark.⁵⁶ This is direct evidence of recognition by third parties. Indirect proof of recognition is available through the evidence provided by surveys.⁵⁷ It is not always easy to define the degree of knowledge of a mark among the public. Normally, the information and statistical figures obtained from social surveys are

⁵³ Section 5 – Paragraph 42.3 – Circular No. 01/2007-TT-BKHCV dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights.

⁵⁴ Shangri-La International Hotel Management Ltd, v. Phu Tho Joint Venture Co. concerning the registration of the trademark “Shangri-La”, in 1995.

⁵⁵ Decision No. 15/KN 95-QĐ (1996) 27 IIC 579.

⁵⁶ Frederick Mostert, “Famous and Well-known Marks – An international Analysis”, (Butterworths 1997), page 11.

⁵⁷ Ruth E. Annand and Hellen E. Norman, Blackstone's Guide to the Trademarks Act 1994, (1994), page 31.

used as a quantitative element so that the authorities may evaluate the communities' knowledge of the mark. However, there are still at least two questions that must be fully addressed before making any decision.

What percentage of people with knowledge of the mark should be considered to be the minimum to establish that the mark is known widely or not? (60%, 70% or 80%); and which level of such knowledge by the public is to be accepted for consideration? (Just know, know clearly or know very clearly?)

What is the relevant sector of the public where the knowledge of the mark is to be investigated?

In the General Motors case, the ECJ referred to this factor when it discussed the public's knowledge of the mark. The GM Court held that:

It is only where there is a sufficient degree of knowledge of that mark that the public, when confronted by the later trademark, may possibly make an association between the two trademarks, even when used for non-similar products or services, and that the earlier trademark may consequently be damaged.⁵⁸

Accordingly, the main requirement which courts will consider is the knowledge or recognition of the trademark among a significant part of the public concerned with regard to the products or services it covers.⁵⁹

Establishing a common standard for evaluating the degree of knowledge of a trademark among the public within the entire EU is impossible due to significant differences among the member states' populations. The intellectual standards of the people, the political and social factors of the community, the development level of the economy, the level of information accession can all strongly influence public awareness of the trademark, and impact indirectly their knowledge of, and responses to, a trademark. Therefore, even though knowledge among a sector of the populace is important for determining whether a trademark is well-known or not, in practice, it is to be used flexibly in combination with other elements.

In Vietnam, similar to European law, the degree of knowledge of the trademark is also considered to be an important element for consideration in determining the existence of a well-known trademark. As provided in Article 75(1) of the 2005 Law on Intellectual Property (as amended in 2009), when evaluating and determining whether or not a trademark is well-known, the authorities should take into account "the number of relevant consumers who were aware of the mark by purchase or use of goods or services bearing the

⁵⁸ Case C-375/97, *General Motors Corporation v. Yplon SA*, [1999] ETMR 950, paragraph 23 of the Judgment.

⁵⁹ *Idem*, paragraph 26 of the Judgment.

mark, or from advertising.”⁶⁰ Circular 01/2007 further explains that this “number” should be the “surveyed number of consumers knowing the mark through sale, purchase, use, advertisement and marketing; rating and evaluation of reputation of the mark by national or international organizations or the mass media.”⁶¹

However, there is a difference between the two regulations with respect to the percentage of consumers who may know the trademarks sufficiently to conclude that the trademark will be considered well-known. Both the Law and the Circular are silent on the percentage to be considered as the border line for defining a trademark as well-known. There is also no explanation in the case-law concerning the minimum percentage of consumers who are aware of the trademark in order to constitute sufficient evidence of the fame of that trademark. This can be seen as a weak point which may present difficulties for the authorities in arriving at decisions.

It should be noted that there is a close relationship between the first and second criteria under the laws of both the European Union and Vietnam. The more famous or greater the repute of the trademark the higher the degree of knowledge of the trademark that the relevant group of consumers or the public gains from it.

The extent and duration of use of the mark

A trademark can only express its value whenever it is used in the course of trade. The use of a trademark is one of the most important elements considered by the authorities in order to decide whether to grant a certificate of trademark registration. A registered trademark can be generally be invalidated or cancelled if there are grounds to confirm that such mark has not been used or would not have actually been used. The Trademark Directive defines the period of time in which trademark owners or their representatives may commence using the trademark in commerce or be declared invalid. This is provided for in Article 10 (1) of the Trademark Directive:

If, within a period of five years following the date of the completion of the registration procedure, the proprietor has not put the trademark to genuine use in the Member State in connection with the goods or services in respect of which it is registered, or if such use has been suspended during an uninterrupted period of five years, the trademark shall be subject to the

⁶⁰ See Article 75(1) of 2005 Law on Intellectual Property (as amended in 2009).

⁶¹ Section 5 – Paragraph 42(3) – Circular No. 01/2007-TT-BKHHCN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights.

sanctions provided for in this Directive, unless there are proper reasons for non-use.⁶²

In the case where a trademark is considered as well-known, the factors concerning the extent and duration of use of trademark play an important role. For instance, the ECJ interpreted Article 10(1) in the *General Motors* case holding:

In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trademark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.⁶³

Indeed, in order to evaluate a well-known trademark different criteria should be considered and the use of the trademark during the time and within a certain geographical area is one of them. The history of the establishment and development of some widely known trademarks provides strong support for this statement. For example, the trademark COCA-COLA has been continuously in use for over one hundred years⁶⁴, the trademark NOKIA was first created by a Finnish engineer in connection with producing and trading wood-pulp mill and paper about one and a half centuries ago and has been used for about fifty years in connection with telecommunication devices, especially mobile phones.⁶⁵

The use of a trademark over a prolonged period of time and broadening its application to a larger scope can make the mark more widely known within the community. Thus, the fame of such a trademark will be demonstrated through the volume of sales and the depth of its market penetration within the particular product segment.⁶⁶

Under Vietnamese law, similar to EU law, the extent and duration of use of a trademark is an important element for determining whether a trademark is well-known. This was first reflected in Article 75(4) of the 2005 Law on Intellectual

⁶² Article 10(1) of the Trademark Directive 89/104.

⁶³ Case C-375/97, *General Motors Corporation v. Yplon SA*, [1999] ETMR 950, paragraph 27.

⁶⁴ In May, 1886, Coca Cola was invented by Doctor John Pemberton a pharmacist from Atlanta, Georgia. John Pemberton concocted the Coca Cola formula in a three legged brass kettle in his backyard. The name was a suggestion given by John Pemberton's bookkeeper Frank Robinson. Being a bookkeeper, Frank Robinson also had excellent penmanship. It was he who first scripted "Coca Cola" into the flowing letters which has become the famous logo of today. http://inventors.about.com/od/cstartinventions/a/coca_cola.htm.

⁶⁵ Nokia's Cable Work's Electronics department started to conduct research into semiconductor technology in the 1960's. Available at: <http://www.about-nokia.com/history/>.

⁶⁶ Frederick Mostert, "Famous and Well-known Marks – An international Analysis", (Butterworths 1997), page 11.

Property (as amended in 2009) by the wording “duration of continuous use of the mark.”⁶⁷

However, the Law is silent on what can be seen as “continuous use” and the minimum term before such use can distinguish the mark as well-known. Circular No. 01/2007 further clarified this deficiency by stating that such use may be considered through “the scope, scale, level and continuity of the use of the mark, including an explanation of origin, history and time of continuous use of the mark.”⁶⁸ Nonetheless, the guidance in the Circular is not sufficiently helpful for defining well-known trademarks in specific cases because it does not answer these two questions. Furthermore, both the Law and the Circular do not define the geographical scope of such use of the trademark. This means that under Vietnamese legislation, there is no specific requirement that the trademark should be used in Vietnam over a “continuous period of time” in order to be considered as well-known. In such a situation, how can Vietnamese authorities come to a decision in a case where the trademark has not been used in Vietnam? There is no answer under existing Vietnamese law.

Looking back the history of the development of the legal framework of well-known trademark protection through cases prior to the 2005 Law on Intellectual Property (as amended in 2009), a principle has been applied in order to hold that a foreign well-known trademark may be recognized and protected in Vietnam even when it has not been used in the country.⁶⁹ From that point, it may be understandable that Vietnam used to side with the concept of “internationally well-known” rather than limit the term of “well-known” within the territory of the country. However, the legal thinking has been changed much in the current legislation. The 2005 Law on Intellectual Property (as amended in 2009) has kept silent on the issue. Even so, according to practical cases dealt with by the authorities, the answer may be indirectly clarified. Namely, in the X-MEN case⁷⁰, Marvel had failed in legal debating on whether or not the trademark “X-MEN” is considered as well-known in Vietnam because of that the evidence

⁶⁷ Article 75(4) of the 2005 Law on Intellectual Property (as amended in 2009).

⁶⁸ Section 5 – Paragraph 42(3) – Circular No. 01/2007-TT-BKHCHN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights.

⁶⁹ For example, see *McDonald’s Corporation v. an Australian Company* relating to the registration of the trademark “McDonald’s” filed by the Australian Company, in 1992; and *OPHIX GROUP (Australia) v. the Pizza Hut International, LLC (United States)* concerning the registration of the trademark “Pizza Hut”, in 1993. For more information, see subchapter 5.2.1 *infra*.

⁷⁰ *Marvel Characters Inc. v. International Household Products Co. Ltd* concerning the request of cancelling the registration of the “X-MEN” trademark, the Application No. 2006-00072 filed August 8, 2006; the Decision No. 93/QĐ-SHTT of the NOIP dated January 22, 2008; the Official Letter of the State Inspection of the Ministry of Science and Technology dated July 14, 2008; the case is presently under consideration in the Ha Noi People’s Court.

provided by Marvel has not been sufficient enough to convince the Vietnamese authorities and more importantly, that Marvel has also failed in proving the practical use of the trademark “X-MEN” associated with certain products in Vietnam. The NOIP and the State Inspection of the Ministry of Science and Technology of Vietnam has shared the same viewpoint in arguing that the X-MEN has been a very well-known character in Vietnam but not a well-known trademark because of the lack of practical use. Thus, even though the legislation seems to evade the issue, the case law has indirectly showed a principle of protection of well-known trademark in Vietnam which says that a trademark obtaining an internationally well-known may still be refused to be recognized and protected as well-known one in Vietnam if it has not been use actually, and therefore well-known specifically in the territory of Vietnam.

Duration, extent and scope of any publicity for the mark

Together with the above factors, publicity or advertising concerning the trademark is also an important element that may establish the fame of a mark more easily in certain markets. Indeed, a mark may become famous and well-known almost overnight via modern advertising and advanced technology. More frequently, a mark will become well-known with the passage of time by the continued expenditure of resources, time and effort by its owner.⁷¹ Nowadays, creating publicity for a trademark has become more and more convenient not only within a country or a community but also worldwide because of information technologies’. Internet connections, online television programs, online international magazines, and various forms of spill-over advertising⁷² have become helpful bridges connecting a trademark to people all over the world.

Publicity or advertising can expand the reputation of a famous or well-known mark not only beyond the territory in which the goods or services are actually sold but also beyond the specific goods or services in relation to which the mark is used.⁷³ Authorities can have reliable information defining how famous or well-known such trademark is in the community by considering and evaluating the extent, duration and geographical scope of the publicity or advertising of a trademark.

⁷¹ Frederick Mostert, “Famous and Well-known Marks – An international Analysis”, (Butterworths 1997), pages 11 and 12.

⁷² *Idem*, page 12, footnote 18: “Spillover advertising may also be present in televised sporting events sponsored by a trademark owner, in-flight magazines on international airlines, and product placements in films which are distributed internationally”.

⁷³ *Idem*, page 12.

In the BUDWEISER case⁷⁴, based on the evidence provided by Budvar⁷⁵ (the Czech defendant) the Board of Appeal of OHIM sided with Budvar ruling that:

In the present case, the Board of Appeal found that the evidence which Budvar produced was clearly sufficient to prove genuine use of the earlier international word mark BUDWEISER... The Board of Appeal referred, in particular, to advertisements showing images of Budvar beer bearing the mark BUDWEISER, to invoices sent to customers in Germany and Austria and to the fact that those advertisements and invoices related to the relevant period.⁷⁶

This indicates that the Board of Appeal considered the publicity of the trademark as an important element proving the use of the trademark in the course of trade. Such considerations may be helpful in other cases to determine the fame or reputation of a trademark.

Vietnamese law appears to vary from European law and the laws of other countries because the 2005 Law on Intellectual Property (as amended in 2009) is almost silent on whether or not the publicity of the trademark is a factor to be used to determine well-known trademark status within the scope of Article 75. Actually, Article 75(1) refers to issues concerning the publicity of the trademark but only in the context of the degree of knowledge of the trademark among relevant consumers which is to be evaluated in considering whether or not a trademark is well-known. This may be explained by the fact that Vietnam's advertising industry has not yet developed to the point that it can strongly influence the value of trademarks as well as by the trademark policies of enterprises. Furthermore, evaluating the extent and duration of the advertising or marketing of a trademark is not easy in the context of Vietnamese conditions.

However, the situation improved when Circular 01/2007 provided that investment in and expense for the advertising and marketing of a trademark is

⁷⁴ Case T-191/07, between Anheuser-Busch, Inc., established in Saint Louis, Missouri (United States) v. the Office for Harmonisation in the Internal Market (Trademarks and Designs) (OHIM), held by the Court of First Instance (First Chamber) on March 25, 2009 on the action brought against the decision of the Second Board of Appeal of OHIM of 20 March 2007 (Case R 299/2006-2) relating to opposition proceedings between Budejovický Budvar, národní podnik and Anheuser-Busch, Inc.,).

⁷⁵ Idem, paragraph 109. Budvar produced strong evidence to prove its genuine use of the trademark by submitting the following documents: an advertisement which appeared in an Austrian magazine in 1995, as evidenced by the date on the cover page of the magazine, in which the word 'Budweiser' appears a number of times in different forms in connection with beer; eight advertisements from German magazines which appeared between 1996 and 1998, as evidenced by the dates or certain indications appearing on the cover pages of the magazines, in which the word 'Budweiser' appears a number of times in different forms in connection with beer.

⁷⁶ Idem, paragraph 106 of the Judgement.

one of the elements to be considered in determining a well-known trademark.⁷⁷ Thus, under current Vietnamese law, advertising or publicity for a trademark is one relevant factor which may be used to determine whether or not a trademark is well-known.

The degree of inherent or acquired distinctiveness of the mark

As analyzed in previous chapters,⁷⁸ the distinctiveness of a trademark is an important characteristic used by authorities in investigating and granting a trademark registration certificate. Accordingly, all application for a trademark, without submission of proof of distinctiveness should be refused. The distinctiveness of a trademark can be divided into two different types including inherent distinctiveness and acquired distinctiveness. Inherent distinctiveness is the specific character of a trademark distinguishing the mark from others. This character resides in the mark itself. Acquired distinctiveness is understood as the character that a mark may obtain from the outside environment through its use in trade. The longer the term and the wider the scope of use of the mark, the more that distinctive character may be acquired. Such acquired distinctiveness may distinguish the trademark not only from similar and competing goods or services but also from dissimilar and non-competing ones.

In order to prove a trademark's fame, the trademark's owner should present proof of the inherent distinctiveness and/or the acquired distinctiveness of the mark. However, in practice, a high degree of acquired distinctiveness would seem to be more probative of fame than mere inherent distinctiveness.⁷⁹ Proof of distinctiveness can assist in supporting a broader scope of protection for the mark for non-competing goods or services.

Regarding the distinctive character of a trademark, in the *Adidas* case, the ECJ affirmed the provisions of the Trademark Directive as follows:

A trademark shall not be refused registration or be declared invalid in accordance with paragraph 1(b), (c) or (d) if, before the date of application for

⁷⁷ Section 5 – Paragraph 42(3) – Circular No. 01/2007-TT-BKHHCN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights, which states: “[T]he documents proving the ownership of a trademark and its fame include... investment in and expenses for advertising and marketing of the mark, including those for participation in national and international exhibitions...”

⁷⁸ See generally Chapter 1 and Chapter 2.

⁷⁹ Frederick Mostert, “Famous and Well-known Marks – An international Analysis”, (Butterworths 1997), page 13.

registration and following the use which has been made of it, it has acquired a distinctive character.⁸⁰

This is recognition that the distinctiveness of a trademark is an important element for creating value and is a guarantee of the existence of that trademark. It is impossible to refuse registration of, or declare invalid, trademarks having distinctiveness within the provisions of this Article. It should be noted that such distinctiveness may be acquired even after the date of application for registration or after the date of registration as stated in the following sentence of Article 3(3) of the Directive.⁸¹ Especially, in the case of a well-known trademark, this distinctive character is all the more important because it can embed the trademark in consumer's minds, and then make it become increasingly famous within the relevant consumer group. When a trademark is well-known or has a reputation, it also has a particularly distinctive character. Although European law has no specific provision defining distinctive character as a factor for determining a well-known trademark or trademark with a reputation, European case-law has referred to distinctiveness as closely linked to the fame or reputation of a trademark. For instance, in the INTEL case⁸², the court observed that one of the factors assessed globally to prove the existence of a link between the earlier trademark with a reputation and the later trademark is "the degree of the earlier mark's distinctive character, whether inherent or acquired through use."⁸³

Under Vietnamese law, the distinctiveness of the mark is merely stated as an important requirement in order for a sign to be protected under trademark law. This is provided for in Article 74(2) of the 2005 Law on Intellectual Property (as amended in 2009) and further explained in Circular 01/2007.⁸⁴

The Law refers to the distinctive character of a well-known trademark as an object which may be injured by unauthorized use by third parties.⁸⁵ Neither the Law nor the Circular contain specific provision requiring that distinctiveness be used as a factor for determining a well-known trademark's status. This appears

⁸⁰ See Article 3(3) of the Trademark Directive 89/104/EEC. See also Case C-102/07, Adidas AG and Adidas Benelux BV, v Marca Mode CV, C&A Nederland CV, H&M Hennes & Mauritz Netherlands BV and Vendex KBB Nederland BV judgement of the ECJ (First chamber) dated April 10, 2008, paragraph 4.

⁸¹ Article 3(3) of the Trademark Directive 89/104 has opened the possibility for the Member States to provide that "this provision shall also apply where the distinctive character was acquired after the date of application for registration or after the date of registration."

⁸² Case C-252/07 Intel Corporation Inc. v. CPM United Kingdom Ltd., Judgement of the ECJ (the first chamber) dated November 27, 2008.

⁸³ *Idem*, paragraph 42.

⁸⁴ See Section 5 – Items 39.3, 39.4, 39.5, 39.6 of Circular 01/2007.

⁸⁵ Article 74 (2) (i) – 2005 Law on Intellectual Property (as amended 2009).

to be similar to European law. However, in practice, there is a difference between the two systems. While the distinctiveness of well-known trademarks is often considered by EU courts, Vietnamese authorities are more careful and reserved in using this factor in cases concerning well-known trademarks. This can be preliminarily explained by the differences in the legal thinking and legislative policies between the different legal systems. Vietnamese courts and authorities must follow the laws precisely as written in all cases. They are obliged to interpret and apply exactly what the laws say and are not permitted to deduce or express personal statements in ruling on cases.

The nature of goods and services and the channels of trade for the goods or services with which the mark is used

In so far as protection for non-competing goods or services is concerned, the nature of the goods or services will, to a large extent, determine how large a segment of the public has been exposed to the mark.⁸⁶

Furthermore, when the trademark and/or the goods or services which bear the mark are put into and circulate in the market throughout multiple channels of trade, a broad reputation of the trademark among the public will be indicated. This could warrant a correspondingly wider scope of trademark protection for non-competing goods or services. Otherwise, if the use of the trademark is limited to a narrow market or specialized channel of trade, such confined use may point to a more limited scope of protection in relation to non-competing goods or services.

In the INTEL case, the Court observed that one of the factors that should be taken into account in assessing whether there is a link between conflicting trademarks is:

The nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant sector of the public.⁸⁷

Thus, even though the Court did not explicitly state that the nature of goods and services and the channels of trade for the goods or services for which the mark is used was an element in the determination, it is clear from the above that this factor aids courts seeking to determine if a trademark is well-known. A court should consider the link between the earlier mark with a reputation and the later mark in order to determine whether a trademark is well-known or not. If such a

⁸⁶ Frederick Mostert, "Famous and Well-known Marks – An international Analysis", (Butterworths 1997), page 14.

⁸⁷ Case C-252/07 Intel Corporation Inc. V. CPM United Kingdom Ltd., Judgement of the ECJ (the first chamber) dated November 27, 2008, paragraph 42.

link does not exist, then there will be no need to determine whether the earlier mark is well-known or not.

The situation seems to be similar under Vietnamese law. The nature of goods or services bearing the mark and the channel of trade for goods or services with which the mark is used were first referred to by the 2005 Law on Intellectual Property (as amended in 2009). Accordingly, two criteria for evaluating well-known trademarks are, the territorial area in which goods or services bearing the mark are circulated, and⁸⁸ the quantity of goods sold or services provided.⁸⁹ Circular No. 01/2007 confirms the requirement that in order to prove the fame of a trademark the authorities should assess the:

- Lists of goods and services bearing the mark;
- The territorial area in which the mark is circulated; and
- The quantity of goods and services bearing the mark manufactured or sold.⁹⁰

The nature and extent of use of the same or similar mark by third parties

When a trademark has wide repute in the market, other persons who are not the trademark's owner frequently try to take advantage and use such mark for their own commercial purposes. For instance, many people use the term of KODAK to define their goods or services even though those are not similar or identical to the goods that bear the KODAK trademark. In most cases, such uses are illegal yet in some situations they are not. Consequently, we shall consider whether or not a trademark is famous or well-known and how famous or well-known it is.

These factors should be considered carefully in determining a well-known or famous trademark in specific cases, especially in the context of a dilution action. More aspects of these factors can be found in the Swedish case concerning the SCAN trademark. There, the effect of multiple uses of the same mark by third parties was relevant to determine whether or not a mark was famous. There the plaintiff owned the trademark SCAN and had used this mark in connection with the meat processing industry for many years. The plaintiff took action against

⁸⁸ Article 75(2) – 2005 Law on Intellectual Property (as amended in 2009).

⁸⁹ Article 75(3) – 2005 Law on Intellectual Property (as amended in 2009).

⁹⁰ See Section 5 – Paragraph 42(3) – Circular No. 01/2007-TT-BKHHCN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights.

two oil companies, Scanoil AB and Scanoil Services AB, on the theory that their trade names were confusingly similar to the SCAN trademark.

The plaintiff relied on the *Kodak* doctrine which refers to the British case where the owner of the KODAK trademark was enjoined from using it in connection with a non-competing product, bicycles.⁹¹ The Scanoil defendants responded by arguing that rights to the SCAN trademark were not exclusive. They demonstrated that the mark has been severely diluted by the presence of numerous trademark registrations on trademark and trade names registers. The plaintiff admitted to the existence of 500 – 700 such registrations. The District Court held that the *Kodak* doctrine was inapplicable because the SCAN mark could not qualify as a famous trademark beyond the range of food products, in light of the registration of numerous similar other marks.⁹² Subsequently, the Stockholm Court of Appeal affirmed this decision, agreeing with the court of first instance below.

The SCAN case demonstrates that when trademark use is not sufficiently exclusive within a certain segment of the market, and there are numerous multiple uses by third parties of the same or similar trademark, a trademark's owner will likely fail to establish the mark's reputation or fame. Unfortunately, European legislation and case law seem not to utilize factors relating to the use by third parties of an identical or similar trademark for evaluating the fame or the reputation of a trademark. Similarly, Vietnamese law has no specific provision referring to the use of the same or similar trademark of the third parties in dealing with well-known trademarks.

History of enforcement actions taken to protect the mark

One important factor that courts or authorities should consider in dealing with well-known or famous trademarks is the history of enforcement actions that trademark owners have taken against third parties.

Once the courts of one member state make a decision in a case, other states, under principles of comity should respect and support the decision. Enforcement actions where protection of the mark have been successfully applied for or confirmed by another court should be reliable evidence for proving the mark's fame or reputation. Therefore, it is a litigation advantage for well-known trademark owners who can show that the trademark has formerly been treated and protected as a well-known or famous one.

⁹¹ See *Eastern Photographic Materials Co. Ltd., v. John Griffiths Cycle Corp. Ltd.*, (1898) 15 RPC 105.

⁹² Frederick Mostert, "Famous and Well-known Marks – An international Analysis", (Butterworths 1997), page 13 – 14, footnote 23.

In Vietnam, the 2005 Law on Intellectual Property does not refer specifically to a prior history of trademark enforcement actions as a factor for adjudicating well-known trademarks. However, Circular No. 01/2007 modified that in connection with assessing well-known trademarks. The Circular points out that the authorities should consider “infringements, disputes and decisions or rulings of the courts or competent agencies”⁹³ in which the fame of trademark has been recognized and protected. For instance, in the DUXIL case, the NOIP considered the fact that the Biofarma Company owner of trademark DUXIL had succeeded in protecting their trademark in trademark cases in many countries world-wide as evidence of the trademark’s fame.⁹⁴

The extent of the commercial value contributed to the mark

Commercial value is one of the important inherent characters of a trademark. That value is an asset of the trademark’s owners. There is a two-way relationship between commercial value and the fame of a trademark. The more famous the trademark the higher the commercial value it accumulates. Many of the most universally famous or well-known trademarks such as COCA-COLA, TOYOTA, BMW, and NOKIA have great commercial value (up to tens of billions of US Dollars)..⁹⁵

The application of this factor in determining the fame of a trademark is both necessary and uncontroversial. The evaluation of a mark’s commercial value for assessing trademarks is universally recognized around the globe. However, the key issues in applying this factor are:

First, the causal relation between the value and the fame of a trademark may not always be established. Thus, the financial value which accountants or financial experts ascribe to a trademark may not necessarily correspond to its fame or recognition with the public. Significant amounts of money are sometimes spent in unsuccessful attempts to imprint the name of a product in the mind of the public.⁹⁶

⁹³ See Section 5 – Paragraph 42(3) – Circular No. 01/2007-TT-BKHHCN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights.

⁹⁴ BIOFARMA Co. v. SANOFI VN Co. as regards the request of the plaintiff to cancel the certification of registration No. 21780 granted for the trademark “DEXYL” of the SANOFI VN Co., Decision No. 405/QĐ-BKHHCNMT dated April 5, 2001

⁹⁵ This position was mentioned and analysed in Chapter 2. See generally: http://www.interbrand.com/best_global_brands.aspx?year=2009&langid=1000.

⁹⁶ Frederick Mostert, “Famous and Well-known Marks – An international Analysis”, Butterworths 1997, page 15, footnote 29.

Second, in so far as the commercial value of a well-known or famous mark may be relevant, the methodology for evaluating trademarks should be carefully considered. The qualitative approach of establishing the mark's financial value should be used.⁹⁷ These methods are not mutually exclusive and it is best to apply several, if not all, in a single valuation exercise.⁹⁸

Vietnamese law uses the criterion of the commercial value of a trademark as an important element of the trademark's fame. This is set forth in the 2005 Law on Intellectual Property (as amended in 2009)⁹⁹ and in Circular No. 01/2007.¹⁰⁰ Commercial value under Vietnamese law may be understood as including the sales turnover, assignment price, licensing price, investment capital and other expenses for the advertising or marketing contributing to the mark's total value. Evaluation of the commercial value contributed by a trademark has been accepted in trademark cases. For example, in the DUXIL case, the plaintiff successfully proved the fame of their trademark DUXIL through evidence consisting of the worldwide sales turnover of the product bearing the mark totaling hundreds of million FF and sales turnover of millions FF in the Vietnamese market.¹⁰¹ However, the plaintiff failed in the case because it could not prove any likelihood of confusion between the conflicting marks.

⁹⁷ There are three principal methods which are used to qualify the profits or cash flows. Those are: Premium profits: which is aimed at isolating the additional or premium profits accruing to the trademark owner over and above the "normal" profits received by a similar business which does not benefit from the trademark; Residual value: which focuses on the value of the trademark owner's business by reference to earnings or future cash flow compared to the value of the same business as if it did not own the trademark and therefore is expected to earn only "normal" profits; and Relief from royalties: which determines the profits or cash flows accruing to the trademark by estimating the actual or notional royalty income that may be earned by licensing out the right to use the trademark. See also: Maggie Mullen, "How to value intangibles" (1993), November 1993, Accountancy 92 –94. See also: Gordon V. Smith and Russell L. Parr, "Valuation of intellectual property and intangible assets" (1994).

⁹⁸ Maggie Mullen, "How to value intangibles" (1993), November 1993, Accountancy 92 – 94.

⁹⁹ Article 75 of the Law on Intellectual Property states: The following criteria shall be taken into account when considering whether or not a trademark is well-known: ... Turnover of the sale of goods or provision of services bearing the mark... Assignment price, licensing price, or investment capital contribution value of the mark.

¹⁰⁰ According to Section 5 – Paragraph 42(3) – Circular No. 01/2007-TT-BKHCN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights, when assessing the well-known trademark, the authorities should take into account the following factors: Property value of the mark, price of assignment or licensing of the mark and value of investment capital contributed in the form of the mark; Investment in and expenses for advertising and marketing of the mark, including those for participation in national and international exhibitions;

¹⁰¹ BIOFARMA Co. v. SANOFI VN Co. as regards the request of the plaintiff to cancel the certification of registration No. 21780 granted for the trademark "DEXYL" of the SANOFI VN Co., Decision No. 405/QĐ-BKHCNMT dated April 5, 2001.

The states of registration or recognition of the mark

A well-known or famous trademark is often registered or recognized in many countries or world-wide. When the trademark is registered in one country the mark is formally recognized at least in that country. Such recognition means that the mark has established its reputation within that country or, if not, among a certain part of the public. This has a very close relationship to the other factors which another country or court will review. Therefore, the number and type of foreign trademark registrations that have been made must be considered as important evidence that demonstrates the mark's fame. The more states where the trademark has been registered, the more well-known or famous the trademark should be considered.

In European law, there is no specific provision directly referring to this factor as an element for establishing well-known trademarks or marks with a reputation. However such evidence was successfully used in the INTEL case. There the court held that INTEL trademark had established a huge reputation in the United Kingdom because it was registered in the United Kingdom as well as many other countries.¹⁰² The criterion of evidence of registration or recognition of the trademark need not be directly set forth in the Trademark Directive because under European legislation, the fame or the reputation of the trademark is to be considered within the territorial limits of the Member State in question or even within a substantial part of that territory.

Vietnamese law makes a basic departure from European legislation because a requirement of proof of the number of countries where the mark has been registered is clearly stated in the 2005 Law on Intellectual Property (as amended in 2009). A trademark will be considered as well-known one based upon the "number of countries protecting the mark" and the "number of countries recognizing the mark as a well-known mark". These elements are further set forth in Circular No. 01/2007 as important evidence of the fame of the trademark.¹⁰³ Vietnamese authorities have always requested that well-known trademark owners submit evidence of prior registration of the mark and evidence from other countries concerning the recognition of the mark as a well-known one. This information is considered persuasive evidence for proving the fame or

¹⁰² Case C-252/07 Intel Corporation Inc. v. CPM United Kingdom Ltd., Judgement of the ECJ (the first chamber) dated November 27, 2008, paragraph 9.

¹⁰³ Section 5 – Paragraph 42.3 – Circular No. 01/2007-TT-BKHCHN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights. See more subchapter 3.3.2 supra.

reputation of the mark in question. For instance, in the COVERSYL case¹⁰⁴, NOIP sustained the plaintiff's arguments (represented by the Le & Le Co.) holding that the COVERSYL trademark was a wide used and recognized mark based upon proof of the number of countries where the mark has been registered and recognized.¹⁰⁵ Accordingly the registration and use of Shinpoong Daewoo VN's similar trademark CARVESYL was considered to infringing the rights of Biofarma Co. The NOIP granted the plaintiff's request that certificate of registration No. 70472 for the trademark CARVESYL be invalidated.¹⁰⁶ Similarly in the CAMEL case, the NOIP concluded that the JT Corporation's trademark CAMEL was a well-known trademark because this trademark had been registered and used in 180 countries commencing in 1913 and had been recognized as a well-known trademark in the United States, Spain, Indonesia and Germany. Therefore, the NOIP canceled the C.A.M.E.L. Co.'s certificate of registration for M CAMEL.¹⁰⁷

4.1.3. Degeneration of well-known trademarks

As observed by the Eastern philosophy, everything always has the beginning and the ending. That is a natural rule. The permanence is impossible excepting such rule. This may be accurately applied to the trademark's life. A trademark as well as its fame is not able to be everlasting but limited within a certain period of time. The crux of trademark owners is that when a trademark loses its life and how to last their trademark's life as long as they can.

One of the main functions of a trademark is to identify the source of goods or services bearing that trademark.¹⁰⁸ This means that a trademark can be seen as a representative of correlative products. When a trademark has become so well-known, the consumers may homogenize the name of trademark and the name of product bearing that trademark. In the other words, a trademark at that time has become a generic term used for a type of product rather than a specific word identifying a particular product. And then everyone is free to use it to name the product, even the trademark owners' competitors. The phenomenon of

¹⁰⁴ BIOFARMA Co. v. SHINPOONG DAEWOO VN Co. concerning the trademark COVERSYL. The case was addressed by the NOIP on May 20, 2010. See more at subchapter 3.3.2 supra.

¹⁰⁵ *Idem*, items III.1 and III.2.

¹⁰⁶ *Idem*, item III.3.

¹⁰⁷ JT Corporation v. C.A.M.E.L. Co. concerning the registration and use of the trademark "M CAMEL" of C.A.M.E.L. Co. which is claimed to infringe the rights of the well-known trademark "CAMEL" of JT Corporation, Decision No. 2007/QĐ-SHTT of the NOIP dated October 14, 2009.

¹⁰⁸ See more at subchapter 2.1.2 supra.

degeneration then appears. For instances, the trademarks *cellophane*, *vespa*, *aspirin*, *thermos*, *escalator*, *windsurfer*, and *gramophone* have been degenerated in the United States. Likewise, the trademarks *dynamit*, *margarin*, *fotogen*, *linoleum*, and *nylon* have been degenerated in Sweden¹⁰⁹. There is a common point appearing among those trademarks, that is most of them had been well-known or famous trademarks for a long time. This shows an unexpected reality that the more well-known or famous trademarks are, the more risky of degeneration appears.

Although there are some commentators arguing that degeneration is one type of dilution,¹¹⁰ it should be noted that the degeneration is not synonym with the dilution. They may share some common points in some extent, but they are separate terms after all. One of the common points between the two phenomena is that both of them often appear only to well-known or famous trademarks rather than ordinary trademarks. And they are to direct ratio to the fame of trademarks. Otherwise, the most different point between the degeneration and the dilution of trademark is that according to dilution doctrine¹¹¹, the trademark has only become weaker because of its distinctiveness or uniqueness is diluted by blurring or tarnishing acts of competitors in business, meanwhile the degeneration makes a trademark lost its own commercial value as an intangible asset. Furthermore, while the dilution is mainly occurred by the unauthorized use of trademarks of competitors, the degeneration happens basing on the use of the “word” of both consumers and competitors, or sometimes by the trademark owners themselves in using their trademarks in a wrong way.

Under the EU law, the degeneration of trademark has been mentioned both in the Trademark Directive and the Community Trademark Regulation. Accordingly, Article 50(1) (b) of the Community Trademark Regulation has stated that:

The rights of the proprietor of the Community trade mark shall be declared to be revoked on application to the Office or on the basis of a counterclaim in infringement proceedings if, in consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a product or service in respect of which it is registered.¹¹²

Similarly, the Trademark Directive permits the revocation of a trademark in case if after the date on which it is registered, in consequence of acts or inactivity of the proprietor, the trademark has become the common name of product

¹⁰⁹Sandra Carlen, *Degeneration of Trademarks*, Master Program of European Intellectual Property law, 2008.

¹¹⁰ See Elson Kaseke, “Trademark Dilution: A comparative analysis”, Doctoral Thesis, University of South Africa, March 2006, page 44.

¹¹¹ See more at subchapter 4.2.2 *infra*.

¹¹² See Article 50(1) (b) of the Community Trademark Regulation.

bearing the mark rather than naming specifically the trademark as such¹¹³. In practice, the authorities in EU had dealt with cases concerning the degeneration of trademark for several years. For instances, the *Jeep* case was resolved in 1967, or the *Dynamit* case in more than one hundred year ago.

According to the Vietnamese legislation, the degeneration has not been stated in neither the 2005 Law on Intellectual Property (as amended in 2009) nor lower documents. Turning back to a reality that in Vietnam many people use the word “Honda” to name all types of motorbikes regardless their origin, does it such use constitute an infringement? Has the trademark “HONDA” been degenerated in Vietnam because of that it has been being used as a generic term within the community? Obviously, from the legislative perspective, the answer is still pending. It seems not to be safe for foreign investors (like HONDA Corporation of Japan) when they desire to bring their well-known trademarks to Vietnam domestic market because their trademark may be lost due to the trademark degeneration theory. Therefore, the author believes that there should be at least a change in legal thinking in Vietnam whereby the laws should mention all relevant issues concerning the trademark protection in general and well-known trademark in particular where the theory of trademark degeneration would be investigated and provided officially and accordingly.

4.2. THE LEGAL GROUNDS FOR WELL-KNOWN TRADEMARK PROTECTION

Well-known or famous trademarks are first and foremost, trademarks. Therefore, they should be treated at least in common with other types of trademarks. This means that a well-known trademark, even if it is not successfully proven to be well-known or famous should be protected as an ordinary trademark under the provisions of the Community Trademark Regulation and the Trademark Directive. Because of the importance supplied by their “fame” or their “reputation”, well-known or famous trademarks can also be protected under a special legal mechanism that differs from those applying to ordinary trademarks. One of the special aspects of well-known trademark protection is that they can be protected even they are not registered. In analyzing EU legislation and judgments concerning trademarks and well-known trademarks, we distill a number of important principles that have frequently been applied to their registration and use including (i) the requirement of likelihood of confusion, (ii) the doctrine of dilution and (iii) the element of bad faith.

¹¹³ See Article 12(2) of the Trademark Directive.

4.2.1. The doctrine of likelihood of confusion

An overview of likelihood of confusion

One of the main functions of trademark law is to protect trademark owners' legitimate rights and interests against unauthorized use by third parties. Trademark owners have the exclusive right to use their trademarks in commerce. This right includes the right to use the trademark itself on or in connection with identified goods or services as well as the right to license their rights to third parties. Such rights are injured by a third party's use of a similar trademark without permission.

In an action for infringement of a registered or common law trademark, or false designation of origin under unfair competition doctrine, the key inquiry is whether the defendant's false or misleading representation as to the origin of goods or services is likely to confuse the consuming public. More specifically, the likelihood of confusion test inquires whether "an appreciable number of ordinarily prudent consumers" are likely to be misled or confused into believing that the junior user's product or service either originated with the senior user, or had some connection (such as sponsorship, endorsement, or affiliation) to the senior user.¹¹⁴

There have been almost no specific statutory standards set out in the laws used to evaluate and determine whether a likelihood of confusion exists. Therefore, the courts will, depending on the facts of the case, consider and use factors which normally include:

- The similarity of the marks;
- The competitive proximity of the products;
- The strength of the plaintiff's mark;
- The sophistication of the typical consumer;
- Evidence of actual confusion;
- The likelihood of expansion in product lines (the factor of bridging the gap);
- The defendant's intention in using the mark;
- The relative quality of defendant's goods or services;¹¹⁵

¹¹⁴ Mary LaFrance, *Understanding Trademark Law*, Lexis Nexis group 2005, 3.02, page 127.

¹¹⁵ See further: Mary LaFrance, *Understanding Trademark Law*, Lexis Nexis group 2005, 3.02, page 129 – 151.

Likelihood of confusion is a very traditional category of trademark law which is commonly applied in connection with ordinary trademarks. However, this does not mean that likelihood of confusion cannot be applied in the context of well-known trademarks. The requirement of proof of likelihood of confusion should be considered in most trademark infringement cases including those concerning well-known or famous trademarks, where a determination of a likelihood of confusion is sufficient by itself to protect these trademark rights without need for proof of any other issue. As observed by J. Thomas McCarthy:

A number of cases have held that after a traditional claim of infringement by a likelihood of confusion is found, the court should not go further to consider whether there is or is not dilution.¹¹⁶

Likelihood of confusion in EU and Vietnamese law

Under Article 4 of the Trademark Directive, a trademark cannot be registered, or if registered, is liable to be declared invalid, if it is proved that it is identical with, or similar to, a registered one which is used for the similar goods and services, or that it creates a likelihood of confusion with the earlier trademark.¹¹⁷ The “earlier trademark” includes trademarks which are considered “well-known” in conformity with article 6*bis* of the Paris Convention. This is repeated in the Trademark Regulation.¹¹⁸ Accordingly, upon opposition by the proprietor of an earlier trademark within the meaning of paragraph 2 of Article 8 of the Trademark Regulation, a trademark application will not be granted where the mark is identical with the earlier trademark or if similar and creating a likelihood of confusion. The same applies where the earlier mark has a reputation and the the applied for mark, irrespective of similarity, would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier mark.

The likelihood of confusion with an earlier trademark is an important ground for refusing a trademark’s registration. However determining the existence of “likelihood of confusion” is very difficult to achieve.¹¹⁹ This was noted by the ECJ in the *Adidas* case:

According to the 10th recital in the preamble to the Trademark Directive, the appreciation of a likelihood of confusion “depends on numerous elements and, in particular, on the recognition of the trademark on the market, of the

¹¹⁶ J. Thomas McCarthy, “Intellectual Property – McCarthy on Trademarks and Unfair Competition”, (Thomson West 2006), 24:70, at 24-175.

¹¹⁷ Article 4 – Paragraph 1 – The Trademark Directive.

¹¹⁸ Article 8 – Paragraph 2 – The Community Trademark Regulation.

¹¹⁹ See subchapter 4.3.1 *supra*.

association which can be made with the used or registered sign, of the degree of similarity between the trademark and the sign and between the goods or services identified”. The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case.¹²⁰

A likelihood of confusion is often considered together with a likelihood of association. As stated in the Trademark Directive:

A trademark shall not be registered or, if registered, shall be liable to be declared invalid... if because of its identity with, or similarity to, the earlier trademark and the identity or similarity of the goods or services covered by the trademarks, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trademark.¹²¹

In *Sabel v. Puma AG*, the likelihood of confusion, “which includes the likelihood of association with the earlier trademark”, was interpreted as meaning that the mere association which the public might make between two trademarks as a result of their analogous semantic content is not in itself a sufficient ground for concluding that there is a likelihood of confusion within the meaning of Article 4(1) (b) of the Trademark Directive. The likelihood of association is not an alternative to a likelihood of confusion.¹²² Because of this, and also because of proof through survey results proving that PUMA was not an especially well-known trademark in Europe, the court held that a competent authority could not refuse to register the plaintiff’s SABEL trademark.

Under Vietnamese law, the requirement of proof of likelihood of confusion is one of the most important methods for determining and assessing whether or not there is infringement of a trademark. According to the 2005 Law on Intellectual Property (as amended in 2009), likelihood of confusion will exist where “signs identical with or confusingly similar to another person’s mark.”¹²³ In Circular No. 01/2007, the requirement of the likelihood of confusion has been more specifically stated as:

The sign shall be deemed similar so as to cause confusion with the confronting mark for identical or similar or related goods if:

¹²⁰ See 10th recital of the Preamble to the Trademark Directive 89/104. See Case C-102/07, *Adidas AG and Adidas Benelux BV v. Marca Mode CV and Others*, Judgement of the Court (First Chamber) dated April 10, 2008, paragraph 29.

¹²¹ See Article 4(1) (b) – Trademark Directive 89/104.

See also Case C-251/95, *Sabel v. Puma AG*, Judgment of the court of November 11, 1997, paragraph 8.

¹²² Case C-251/95, *Sabel v. Puma AG*, Judgment of the court of November 11, 1997, ECR 1997, page I-06191.

¹²³ Article 74(2) (i) – 2005 Law on Intellectual Property (as amended in 2009)

The sign is identical to the confronting mark and goods or services bearing that sign are identical or similar to goods or services bearing the confronting mark;

The sign is identical to the confronting mark and goods or services are identical to goods or services bearing the confronting mark of the same mark owner;

The sign is similar so as to cause confusion to the confronting mark and goods or services bearing a sign identical or similar to goods or services bearing the confronting mark, except when calculating such similarity it is not sufficient to cause misunderstanding when using such similar sign;

The sign which is identical or similar to the confronting mark is well-known and goods or services bearing such sign are not identical or similar to those with the confronting mark but could cause consumers to believe there is a relationship between them...¹²⁴

Thus, if the owner of a well-known trademark can present evidence of an identity or similarity between the well-known trademark and the accused sign, regardless of the identity or similarity between the goods or services in question or consumer confusion regarding the origin of goods or services caused by such identity or similarity, then the likelihood of confusion has been proved in respect of the well-known trademark.

The requirement of proving a likelihood of confusion has been an issue in most Vietnamese trademark cases. For instance, in the COVERSYL case, the NOIP decided to cancel the registration of the trademark CARVESYL based on (i) the existence of the likelihood of confusion between the registered trademark CARVESYL and the well-known trademark COVERSYL, and the fact that (ii) both trademarks were used for similar lines of products.¹²⁵ In the CAMEL case, even though the products bearing the conflicting trademarks were not similar (CAMEL for cigarettes and M CAMEL used for electric devices), the NOIP still found a there was a likelihood of confusion between the two trademarks and canceled the certificate of registration for trademark M CAMEL.¹²⁶

Thus, both European and Vietnamese law consider the likelihood of confusion as one of the most important issues concerned in the protection of both well-known and common trademarks.

¹²⁴ Item 39.11 – Section 5 – Circular No. 01/2007.

¹²⁵ BIOFARMA Co. v. SHINPOONG DAEWOO VN Co. Concerning the trademark COVERSYL, Official Letter No. 956/SHTT-TTKN dated May 20, 2010 of the NOIP.

¹²⁶ JT Corporation v. C.A.M.E.L Co. concerning the registration and use of the trademark “M CAMEL” of C.A.M.E.L. Co. which is claimed to infringe the rights of the well-known trademark “CAMEL” of JT Corporation, Decision No. 2007/QĐ-SHTT of the NOIP dated October 14, 2009.

4.2.2. The doctrine of trademark dilution

An overview of the dilution doctrine

The doctrine of trademark dilution is an important concept in modern trademark law. It can be understood as a special legal principle for the protection of well-known or famous trademarks where trademark owners may forbid other persons from using the trademark in ways that can lessen or dilute the unique quality or fame of that trademark. The dilution doctrine is set forth in many national trademark laws, especially in the United States.

However, the historical development of the concept of dilution as a separate doctrine for the protection of trademarks actually originated in German courts. The first and most typical example of the dilution doctrine is found in the 1924 German ODOL case¹²⁷ where the owner of the ODOL trademark for mouthwash prevailed in cancelling the registration of the same trademark for use with steel products. The concept was then introduced in the United States through the writings and congressional testimony of Frank Schechter.¹²⁸ Under the American perspective, the doctrine of trademark dilution is understood and applied in two main forms (i) dilution by blurring, and (ii) dilution by tarnishment.

Dilution by blurring

A historical review demonstrates that dilution by blurring is the most common type of dilution.¹²⁹ Frank Schechter described dilution by blurring as “the gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods.”¹³⁰ J. Thomas McCarthy explained the rationale of dilution by blurring as:

¹²⁷ Odol case: Reichsgericht (NJW 1925, 264). See more at: http://www.ucl.ac.uk/laws/ibil/docs/INTA_clark_pp.pdf.

¹²⁸ Frank I. Schechter, “The Rational Basis of Trademark Protection”, 40 Harvard Law Review 813, 825 (1927), reprinted in 60 TMR 334 (1970). See also: J. Thomas McCarthy, “Intellectual Property – McCarthy on Trademarks and Unfair Competition”, (Thomson West 2006), 24:67, at 24-164.

¹²⁹ Elson Kaseke, “Trademark Dilution: A comparative analysis”, Doctoral Thesis, University of South Africa, March 2006, page 44.

¹³⁰ Frank I. Schechter, “The Rational Basis of Trademark Protection”, 40 Harvard Law Review 813, 825 (1927), reprinted in 60 TMR 334 (1970). According to Schechter: The more distinctive or unique the mark, the deeper is its impress upon the public consciousness, and the greater its need for protection against vitiation or dissociation from the particular product in connection with which it has been used. See also: Nancy S. Greiwe, “Anti-dilution Status: A new attack on Comparative Advertising” [1982] 72 TRADEMARK REP, 178 at 180.

Customers or prospective customers will see the plaintiff's mark used by other persons to identify other sources on a plethora of different goods and services. This unique and distinctive significance of the mark to identify and distinguish one source may be diluted and weakened. But no confusion as to source, sponsorship, affiliation or connection has occurred. ¹³¹

The concept of dilution by blurring was analyzed more specifically by Robert D. Litowitz and Douglas A. Rettew who gave practical examples of uses which cause such damage.

Classic examples of potentially diluting uses might include: Buick aspirin tablets, Schlitz varnish, and Kodak pianos. Blurring dilution was intended to encompass uses like these, where someone usurps (intentionally or unintentionally) the selling power of a famous mark but does so on goods or services that consumers would not ordinarily associate with the famous brand name. The uses eventually detract from the power of the famous mark to identify its goods and "whittle away" its distinctive value as a source identifier. ¹³²

Thus, the concept of dilution by blurring is used to express a situation where the use of a famous trademark by other persons diminishes or dilutes the distinctiveness, uniqueness, effectiveness and prestigious connotations of the mark when used by its owner. In the case of dilution by blurring, the positive association the owner trademark enjoys in relation to owner's goods is transferred to the infringer's goods. In this way, the advertising value of the owner's trademark is shared among two or more products, and its ability to exclusively focus on the owner's product becomes "blurred" or "eroded". ¹³³ The application of dilution by blurring is normally associated with the advertising value of a trademark. Namely, a claim for dilution by blurring aims at protecting against the misappropriation of the advertising value of a trademark in the absence of the competition or a likelihood of confusion.

Dilution by tarnishment

The tarnishment of a trademark may be understood as a case where the trademark's reputation, quality and commercial value are diminished, degraded or tarnished by unauthorized use of that trademark by third parties. Therefore, the dilution by tarnishment doctrine may be applied where the distinctive quality

¹³¹ J. Thomas McCarthy, "Intellectual Property – McCarthy on Trademarks and Unfair Competition", (Thomson West 2006), 24:68, at 24-166.

¹³² Robert D. Litowitz and Douglas A. Rettew, "What is "dilution" under the new Federal Trademark Act?" [1996] 11 European Intellectual Property Review 618 – 620, at 618-619. See also: Elson Kaseke, "Trademark Dilution: A comparative analysis", Doctoral Thesis, University of South Africa, March 2006, page 45.

¹³³ Elson Kaseke, "Trademark Dilution: A comparative analysis", Doctoral Thesis, University of South Africa, March 2006, page 46.

and commercial magnetism of a trademark which serves to evoke satisfaction and to focus attention in the public mind on the trademark owner's goods can be diluted and tarnished if the trademark is linked to products of inferior quality, or to products of an immoral or unwholesome character, or where the trademark is portrayed in an unsavory context likely to evoke negative thoughts about the trademark owner's goods.¹³⁴

J. Thomas McCarthy observes that the best-known example of dilution by tarnishment is found in the ENJOY COCAINE case.¹³⁵ There, the court emphasized the damage to COCA-COLA's reputation caused by the unwholesome association with an illegal drug resulting from the defendant's use of posters reading ENJOY COCAINE in a script and color identical to that used by COCA-COLA despite the defendant's efforts to prove that its use was only a satirical spoof of COCA-COLA. Accordingly, the court held:

Plaintiff's good will and business reputation are likely to suffer in the eyes of those who, believing it responsible for defendant's poster, will refuse to deal with a company which could seek commercial advantage by treating a dangerous drug in such jocular fashion.¹³⁶

Frederick Mostert expresses a similar approach to the concept of dilution by tarnishment, noting:

The unauthorized use of a trademark in an unsavoury context could tarnish the favourable association that it evokes with the purchasing public about a product. If a trademark is used without consent on non-competing goods in an offensive and unsavoury connotation, the favourable association which it creates with the purchasing public can be severely tarnished.¹³⁷

Thus, a claim for dilution by tarnishment occurs where (i) there is a unauthorized use of a trademark, (ii) such a use is made in an "unsavoury context", and (iii) there is a tarnishment of the trademark resulted by that use. It should be noted that dilution by tarnishment does not apply to a use by an infringer on a product whose commercial status, reputation and quality is held in high esteem, or at least is of higher price and quality owner's product.¹³⁸ In other

¹³⁴ *Idem*, page 49.

¹³⁵ *Coca-Cola Co. v. Gemini Rising, Inc.*, 346 F. Supp. 1183, 175 U.S.P.Q 56 (1972).

¹³⁶ *Idem*, 1190 – 91, 175 U.S.P.Q 56 (1972). See also: *Coca-Cola Co. Vv. Alma-Leo U.S.A., Inc.*, 719 F. Supp. 725, 12 U.S.P.Q. 2d 1487 (1989).

¹³⁷ See Frederick Mostert, "Trademark Dilution and Confusion of Sponsorship in the United States, German and English Law", [1986], Vol. 17 *international Review of Industrial Property and Copyright Law* 80 – 95, at 89.

¹³⁸ J. Thomas McCarthy, "Intellectual Property – McCarthy on Trademarks and Unfair Competition", (Thomson West 2006), 24:104, at 24-323

words, there would be no dilution by tarnishment if the infringer's use does not place owner's trademark in a degrading or jarring context.

Apart from the traditional categories of trademark dilution referred to above, there is a third type of dilution added by American case law decided prior to the 1999 enactment of the Anti-Cybersquatting Protection Act namely "dilution by cybersquatting."¹³⁹ In addition, some commentators refer to a fourth type of dilution, so-called "dilution by genericide" which is understood as a case where a trademark's uniqueness or distinctive quality is blurred by generic uses by other persons.¹⁴⁰ However, in my opinion, this case should be treated as the degeneration of trademark but not consider as trademark dilution because when a dilution occurs, the distinctiveness or the uniqueness of trademark shall be diluted, but in general, such trademark is still a trademark and it may remain the protection under trademark law. Conversely, if a trademark is degenerated, it will not be a trademark anymore and its protection should be theoretically expired.¹⁴¹

Dilution doctrine in EU law and Vietnamese law

There is an important European legal principle relating to trademark protection which holds that the scope of protection is not limited to similar goods and services. The scope of protection is expanded for marks with reputation to cover the use of similar marks on dissimilar goods or services when such use damages, or takes unfair advantage of, the reputation of earlier mark.¹⁴² This can be seen as an echo of the doctrine of trademark dilution.

In Europe, however, the term "trademark dilution" is not expressly stated in the legislation or in the case-law. Some commentators refer to Articles 4(4) (a) and 5(2) of the Trademark Directive as anti-dilution laws¹⁴³, loosely modeled on

¹³⁹ More may be found on dilution by cybersquatting in J. Thomas McCarthy, "Intellectual Property – McCarthy on Trademarks and Unfair Competition", (Thomson West 2006).

¹⁴⁰ Tony Martino, "Trademark Dilution" (1996), at 57 – 63; Neil J, Wilkoff, "Trademark and the Public Domain: Generic Marks and Generic Domain Names", [2000] European Intellectual Property Review 571, 572 – 573.

¹⁴¹ As regards the degeneration of well-known trademarks, see subchapter 4.1.3 supra.

¹⁴² See *Marca Mode v. Adidas* [2000] E.T.M.R. 561 for the Opinion of the Advocate General, and [2000] E.T.M.R 723 for the decision of the ECJ. See also: Spyros M. Maniatis (Senior Lecturer in IP, Queen Mary University of London) Article "Trademark Law and Domain Names: Back to Basics?", European Intellectual Property Review, 2002, page 398.

¹⁴³ Cornish & Llewelyn, "Intellectual Property", §17-99, third edition (2003). See also: Thomas McCarthy, "Dilution of a Trademark: European and United States law compared", the Trademark Reporter Vol. 94 TMR, page 1163.

those in place for many years in the Benelux and other European countries.¹⁴⁴ Before the Trademark Directive, these anti-dilution laws were in force in several European countries. These include national trademark laws, such as Benelux trademark law, or segments of unfair competition law, such as in Germany. However, the word “dilution” is absent from the Directive.¹⁴⁵

Article 5(2) of the Trademark Directive indirectly references the dilution doctrine through the following wording:

Any Member State may also provide that the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trademark in relation to goods or services which are not similar to those for which the trademark is registered, where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trademark.

It is understood that the Directive has focused on protection for trademarks when their reputation or distinctive character is diluted or lessened by the unauthorized use of third parties even though the goods or services which their trademarks bear are not similar to the latter trademark. This appears to be some kind of anti-dilution protection.

On the other hand, the European Court of Justice seems loathe to use the word “dilution” and is even more averse to referring to the theoretical, historical and logical foundations of the dilution concept.¹⁴⁶ The term for the most part, did not appear in any of the ECJ’s judgments or in the arguments presented. That is, until 2003, in the *Adidas* case¹⁴⁷ when Advocate General Jacobs attempted to investigate what the word “dilution” meant and took a look at its history and purpose. Accordingly, he defined the term “dilution” as “detriment to the distinctive character of a trademark and divided into two main categories (dilution by blurring and dilution by tarnishment) as in US practice. However, the definition of dilution given by Jacobs did not arise out of German or Benelux laws, but had an American ring.¹⁴⁸

¹⁴⁴ T. Martino, “Trademark Dilution”, (1996) page 100. See also: Case C-375/97, General Motors Corporation v. Yplon SA, [1999] 3 C.M.L.R. 427, paragraph 28.

¹⁴⁵ Thomas McCarthy, “Dilution of a Trademark: European and United States law compared”, the Trademark Reporter Vol. 94 TMR, page 1163.

¹⁴⁶ *Idem*, page 1165.

¹⁴⁷ *Adidas-Solomon AG and Adidas Benelux BV v. Fitnessworld Trading Ltd.*, [2003] 1 C.M.L.R. 14, paragraphs 37-40.

¹⁴⁸ Frank I. Schechter, “The Rational Basis of Trademark Protection”, 40 Harvard Law Review 813, 825 (1927), reprinted in 60 TMR 334 (1970). However, Schechter looked at back across the ocean to Europe to the 1924 German ODOL case as a basis for his theories.

In Vietnam, the concept of trademark dilution doctrine has not been set forth clearly in the statutes. The situation seems to be similar to that of the European legal system. However, through the wording of both the 2005 Law on Intellectual Property (as amended in 2009) and Circular No. 01/2007¹⁴⁹ it may be seen that the doctrine of trademark dilution has been indirectly applied in Vietnam. Accordingly, as long as the distinctiveness of the earlier trademark (well-known trademark) is diluted or is at risk of being diluted or is detrimental to the identity or creates the appearance of similarity between the trademarks, the applied for mark will not be considered as distinctive enough to be a trademark and its registration will be refused.¹⁵⁰

However, Vietnamese authorities have not referred to anti-dilution as a requirement for well-known trademark protection. This differs not only from European law but also from the laws of other countries and especially that of the United States where the trademark dilution doctrine is an important tool for protecting well-known and famous marks. The question arising at this point is whether Vietnam needs to adopt and fully apply the doctrine of trademark dilution in its legislation and case law. The answer should be “yes” because the absence of a dilution doctrine makes the system less effective. That leads to other disadvantageous consequences for the economy because it deters owners of well-known or famous trademarks from investing their trademarks in the Vietnamese market.

4.2.3. The principle of bad faith

“Bad faith” is one of the most important and popularly used legal terms and is frequently applied in civil law world-wide. The term is understood as the fraudulent deception of another person, or the intentional or malicious refusal of one person to perform some duty or contractual obligation.¹⁵¹

¹⁴⁹ The Article 74(2) (i) of the 2005 Law on Intellectual Property refers to the doctrine of trademark dilution through the wording of “the use of such trademark may affect the distinctiveness of the well-known trademark”. Circular No. 01/2007 refers to the doctrine of trademark dilution in stating that “The sign which is identical or similar to the confronting mark is well-known and goods and services bearing such sign are not identical or similar to those with the well-known trademark but the use of such the sign could cause consumers to believe there is a relationship between them, or likely dilute the distinctiveness of the well-known trademark or detriment to it’s prestige”. (Section 5 – Paragraph 39.11 (iv) – Circular No. 01/2007-TT-BKHCN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights).

¹⁵⁰ See subchapter 3.3.2 *infra*.

¹⁵¹ See: <http://legal-dictionary.thefreedictionary.com/bad+faith>.

As discussed in the second chapter¹⁵², trademark protection is based not only on principles of trademark law but is also concerned with the principles of unfair competition. Thus bad faith has always been considered as an important factor in trademark cases.

The principle not rewarding bad faith is recognized as a basic principle in civil law in the continental and common law systems. Roughly speaking it holds that one who acts in bad faith may not ask the courts or authorities for any help or assistance. In general, the principle of bad faith used within the trademark protection system is briefly explained by S. Ladas as follows:

Whether or not a registration was obtained in bad faith is a matter for decision by the administrative or judicial authority of the country concerned. Leaving aside the case where the defendant has been an agent or representative of the plaintiff, which case is covered by the Article 6septies Paris Convention, the defendant will usually be found to have engaged in fraud, if, as a customer of the proprietor, he had actual knowledge of the ownership of the trademark by the latter and without advising him or being authorized by him, the customer proceeds to register the trademark in his name. This would also be the case where a manufacturer or merchant, well knowing the trademark used by his foreign competitor, appropriates the mark for the purpose of preventing the latter from importing his goods into the country.¹⁵³

As observed by Christopher Heath, from principles derived from case-law, the existence of bad faith has often tipped the balance in cases where the reputation or recognition of a mark could not be so unambiguously proven that a remedy could be granted.¹⁵⁴ The bad faith doctrine lies somewhere between the nexus of trademark law and unfair competition law.

Regarding the protection of well-known trademark, the principle of bad faith is set forth in the Paris Convention 1883 as follows:

No time limit shall be fixed for seeking the cancellation or the prohibition of the use of marks registered or used in bad faith.¹⁵⁵

In Europe, the principle of bad faith is provided for both in trademark laws and in national laws against unfair competition in for example, section 3(6) of the UK Trademark Act 1994¹⁵⁶, Article 9 of the 1991 Act (article L.712-6 of the

¹⁵² See subchapter 2.1.2.

¹⁵³ Christopher Heath and Kung-Chung Liu, "The Protection of Well-known Marks in Asia", Max Planck Series on Asian Intellectual Property Law, 2000, page 23.

¹⁵⁴ *Idem*, page 24.

¹⁵⁵ See Article 6bis (3) of the Paris Convention 1883.

¹⁵⁶ Section 3(6) of the UK Trademark Act 1994 provides: A trademark shall not be registered if or to the extent that the application is in bad faith

French Intellectual Property Code),¹⁵⁷ Article 34 of the Austrian Trademark Act,¹⁵⁸ and Article 1 of the Austrian Act against Unfair Competition¹⁵⁹.

Under European Union legislation, the principle of bad faith has also been recognized in the Trademark Directive and the Trademark Regulation. The Trademark Directive stating:

The trademark is liable to be confused with a mark which was in use abroad on the filing date of the application and which is still in use there, provided that at the date of the application the applicant was acting in bad faith.¹⁶⁰

Likewise, the Trademark Regulation states:

A Trademark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings... where the applicant was acting in bad faith when he filed the application for the trademark.¹⁶¹

In Vietnam, the principle of bad faith is generally set forth in the 2005 Law on Intellectual Property. The statute of limitations for exercising the right to request invalidation of a protection title shall be the whole term of protection. For marks, such statute of limitations shall be five (5) years from the grant date, except where the protection title was granted as a result of dishonesty of the applicant.¹⁶² The provision must be understood to mean that the time limit for an applicant to request cancellation or invalidation of a trademark registration is normally five (5) years. However, where the authorities or the appellant have persuasive evidence proving that the registration of the trademark was made as a result of dishonesty, then this time limit will not apply. This means that at any point in time if the applicant's dishonesty in registering the trademark is discovered, the registration will be invalidated.

¹⁵⁷ Article 9 of the 1991 Act states that if a Trademark is fraudulently registered in violation of either the rights of a third party or of a legal or contractual obligation, anyone who considers himself having a right to the Mark may claim that right before the Court.

¹⁵⁸ Article 34 – Austrian Trademark Act states that: "Anybody may request the cancellation of a trademark, if the applicant was in bad faith at the time of the filing of the application.

¹⁵⁹ Article 1 of the Austrian Act against Unfair Competition is a blanket clause allowing injunctions and damages in cases of unfair competition in the course of trade. See more at: <http://oami.europa.eu/en/enlargement/private/pdf/INTA.pdf>.

¹⁶⁰ See Article 4(4) (g) of the Trademark Directive.

¹⁶¹ See Article 51(1) (b) of the Community Trademark Regulation.

¹⁶² See Article 96(3) of the 2005 Law on Intellectual Property (as amended in 2009).

In the SHANGRI-LA case¹⁶³ Shangri-La International Hotel Management Ltd. (Shangri-La) relied on the protection in Article 6*bis* of the Paris Convention and the principle of bad faith and proved that Phu Tho Joint Venture had made its application for registration of trademark “SHANGRI-LA” in bad faith. Shangri-La argued that Phu Tho Joint Venture’s foreign partner had been aware of the prior wide and continuous use of the SHANGRI-LA trademark by Shangri-La prior to the filing date of Phu Tho Joint Venture’s application for registration. The NOIP agreed with Shangri-La and canceled the registration.¹⁶⁴

Thus, both European and Vietnamese law provide a doctrine of the bad faith consistent with the provisions of the Paris Convention. However, the details of the actual application of the principle in the two systems are somewhat different.

4.3. THE SCOPE OF PROTECTION

4.3.1. Unregistered trademark

Under EU legislation, the international conventions to which EU member states have acceded, well-known trademarks will be accorded protection even if the trademarks have not been registered in a particular EU member country.¹⁶⁵ Thus trademark proprietors are merely required to prove, and the courts or authorities need only to consider the mark’s fame or reputation in determining the existence of these marks. Actual registration of a well-known trademark will, of course, be advantageous to their owner but registration has never been an express legal requirement.

In Vietnam, well-known trademarks are protected regardless of their registration or non-registration.¹⁶⁶ This principle is important to the protection of well-known trademarks. As long as an owner of a well-known trademark succeeds in proving the fame of its trademark, protection will be granted for it even though it has not been registered or used in Vietnam. For instance, in the

¹⁶³ Shangri-La International Hotel Management Ltd, v. Phu Tho Joint Venture Co. concerning the registration of the trademark “Shangri-La”, in 1995.

¹⁶⁴ Christopher Heath, Kung-Chung Liu, The protection of well-known marks in Asia, Max Planck Series on Asian Intellectual Property Law, 2000 Christopher Heath, Kung-Chung Liu, The protection of well-known marks in Asia, Max Planck Series on Asian Intellectual Property Law 2000, page 144.

¹⁶⁵ Article 4(4) – the Trademark Directive.

¹⁶⁶ Section 5 – Paragraph 42.2 – The Circular No. 01/2007-TT-BKHHCN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights.

McDONALD case¹⁶⁷, and in the PIZZA HUT case¹⁶⁸, the Vietnamese authorities considered that these trademarks were well-known and granted them protection despite the fact that they had not been registered or used in Vietnam at that time. However, as discussed so far in subchapter 4.1.2, the current laws and practices of Vietnam has had an opposite viewpoint. This may be an unexpected result for foreign investors, who desire to bring their international well-known trademark to the Vietnamese domestic market. Therefore, in my opinion, the Vietnamese legislation should consider to clarify this issue in the process of improving the legal system of well-known trademark protection.

4.3.2. Dissimilar goods and services

From a policy perspective as reflected in most statutory enactments, well-known trademarks should be protected from infringement by third parties use in commerce of trademarks where the goods or services are identical with, or similar to goods or services bearing the well-known trademark.¹⁶⁹

However, as long as a trademark is defined as a well-known one, its protection is granted a greater scope of protection than that accorded an ordinary trademark. In some cases, a well-known trademark may be protected even if the goods or services connected to the third party's trademarks are not similar to those as to which the well-known trademarks are registered or connected.¹⁷⁰ Thus, under the provisions of the TRIPs Agreement, it can be shown that well-known or famous trademark protection will be extended to use in connection with dissimilar goods or services. Similarly, Article 8(5) of the Trademark Regulation provides that "the trademark applied for shall not be registered where it is identical with or similar to the earlier trademark and is to be registered for goods or services which are not similar to those for which the earlier trademark is registered..."¹⁷¹ Identical language is set forth in Article 5(2) of the Trademark Directive.

Under Vietnamese law, well-known trademark protection is also extended to use in connection with dissimilar goods or services where the identity or similarity of the conflicting trademarks could cause consumers to believe there is a relationship between them or is likely to erode the distinctive character of well-

¹⁶⁷ *McDonald's Corporation v. OPHIX GROUP (Australia)* relating to the registration of the trademark "McDonald's filed by the Australian Company, in 1992.

¹⁶⁸ *OPHIX GROUP (Australia) v. the Pizza Hut International, LLC (United States)* concerning the registration of the trademark "Pizza Hut", in 1993.

¹⁶⁹ Article 8(1) – Community Trademark Regulation.

¹⁷⁰ Article 16(3) – TRIPs Agreement.

¹⁷¹ Article 8(5) – Community Trademark Regulation.

known trademark or is detrimental to the repute of the mark.¹⁷² In the CAMEL case, because of the fame of the well-known trademark CAMEL, protection was granted to the trademark to prevent against its erosion through cancellation of the registration for the similar trademark M CAMEL even though there was no similarity between the two lines of products (one for cigarettes and the other for electric devices).¹⁷³

4.3.3. Non-competing goods and services

The traditional approach of both intellectual property law and competition law with respect to trademark protection show that such protection shall be granted to a trademark owner when the goods or services of third parties are competing directly or indirectly with goods or services bearing the earlier trademark. However, the issue is different in the case of well-known or famous trademarks. Protection for well-known or famous trademarks can be granted even where there is no competition between the goods or services of the trademark owners.

As long as well-known or famous trademarks are protected in connection with dissimilar goods and services when there is likelihood of confusion, or by the anti-dilution doctrine, such protection will also be extended to non-competing goods or services. Whenever a trademark proprietor proves that a trademark's use by third parties constitutes an unfair advantage over the owner, or a detriment to the fame or the distinctiveness of the well-known or famous mark, that use should be prevented. Vietnamese legislation has no specific provisions concerning this nor have the courts ruled on this point. However, in so far as protection will be granted for dissimilar goods and services, such considerations should also logically extend to non-competing goods and services.

4.3.4. The duration of protection

How long should protection apply for well-known marks? Normally, it takes a long time to acquire this sort of fame even if in some cases fame can be

¹⁷² Section 5 – Paragraph 39.11(iv) – Circular No. 01/2007-TT-BKHCN dated 14 February 2007 providing guidelines for implementation of Decree No. 103/2006-ND-CP dated 22 September 2006 implementing the law on intellectual property with respect to industrial property rights.

¹⁷³ JT Corporation v. C.A.M.E.L Co. concerning the registration and use of the trademark “M CAMEL” of C.A.M.E.L. Co. which is claimed to infringe the rights of the well-known trademark “CAMEL” of JT Corporation, Decision No. 2007/QĐ-SHTT of the NOIP dated October 14, 2009.

established in a short time.¹⁷⁴ Is this status eternal or must it be proven afresh each time the trademark owner applies for protection or is involved in an infringement procedure?

Practitioners make various arguments on the issue. Some hold the view that if the fame of a trademark must be established before a judicial tribunal or trademark registry on the first occasion the owner seeks protection, he must also do so on every subsequent occasions since it is the mark's fame at the time it is threatened that determines the nature of the legal response to the threat.¹⁷⁵ Protection will extend continuously until as the mark has been proved to be no longer well-known or famous. This argument seems to persuade the courts or authorities in some cases.¹⁷⁶ However, another point of view maintains that the trademark's fame once established should be presumed¹⁷⁷, or that where a trademark has been held not to be famous the matter is *res judicata* when the mark's fame is asserted in subsequent proceedings.¹⁷⁸ The latter argument spares trademark owners the inconvenience of presenting evidence of what, in the vast majority of cases, will already be obvious.¹⁷⁹

In Vietnam, before enactment of the 2005 Law on Intellectual Property, Article 10 (1) of Decree No. 63/CP provided for the principle of "unlimited time" protection for well-known trademark.¹⁸⁰ Accordingly, well-known trademarks will be protected in Vietnam under this principle from the day the well-known trademark is recognized by the authorities. Such term of protection will not expire until the well-known trademark has lost its fame or the well-known trademark owner fails to establish the trademark's fame or reputation. This seems to be similar to the situation in European and other countries' laws.

However, the new Law on Intellectual Property in 2005 does not mention any time frame for the protection of well-known trademarks. There are also no

¹⁷⁴ *Plizer Ltd and Plizer Incorporated v. Eurofood Link (United Kingdom) Ltd* [2000] ETMR 896 (HC). See also Jeremy Phillips, *Trademark Law – A Practical Anatomy*, (Oxford University Press 2003), page 407, paragraph 12.42.

¹⁷⁵ Jeremy Phillips, *Trademark Law – A Practical Anatomy*, Oxford University Press 2003, page 407, paragraph 12.42.

¹⁷⁶ This position was taken by the Peruvian Trademark Office when *Mars* (in the case *Mars v. Miski* in 2003 in Peru), sought to cancel a similar trademark granted in 1999.

¹⁷⁷ The decision of the Supreme Court of Peru in case *Mars v. Miski* in 2003.

¹⁷⁸ See *Enterprise Rent-a-car v. Advantage Rent-a-car Inc.* WTLR, July 18, 2003 (CAFC).

¹⁷⁹ Jeremy Phillips, *Trademark Law – A Practical Anatomy*, (Oxford University Press 2003), page 407, paragraph 12.43.

¹⁸⁰ Section 10.1 – Decree No. 63/CP of 24 October 1996 of the government On Detailed Regulations Concerning Industrial Property: Industrial property rights on a well-known mark are protected throughout the time period when the mark is recognized as a well-known one as stated in the Decision on the recognition of a well-known mark.

guidelines or instructions about this issue in other Vietnamese regulations. It could be helpful to establish the principle of “unlimited time” of protection in the statutory law.

4.4. SUB-CONCLUDING REMARKS

Following the purpose of the thesis this chapter seeks to analyze well-known trademark protection under European and Vietnamese law through a comparative analysis. This comparison has been made concerning both the theoretical background and practices in well-known trademark protection in the two systems. Within the scope of the thesis as well as in this chapter, the author has no intention of comparing all legal matters embraced in well-known trademark protection but only to emphasize important and common issues. On that basis, and consistent with the given targets, I have reached the following conclusions:

First, as regards the definition of a well-known trademark, even though both European and Vietnamese law are derived from the legal regime of the protection of well-known trademark of Article *6bis* of the Paris Convention, there still remain some differences between the two systems in defining what a well-known trademark actually is. While European law seems to avoid using the term “well-known trademark” and focuses more on the concept of mark with a reputation, Vietnamese law is more faithful to the original concept of the Paris Convention. Vietnamese law unofficially recognizes the special term “widely used and recognized mark” (nhãn hi?u du?c s? d?ng và th?a nh?n r?ng r?i) to indicate trademarks which rank in between ordinary trademarks and well-known trademarks. This is different from the concept of mark with a reputation under European law.

Second, concerning the criteria for determining well-known trademarks, while Vietnamese law attempts to build up a set of criteria for determining well-known trademarks¹⁸¹, European legislation has made no specific references to such criteria. However, in the case law, European courts have applied similar criteria suitable to the circumstances of particular cases. Furthermore, because of the differences between these specific circumstances, there remain some gaps between the two systems in the application of criteria for determining well-known trademark.

Third, regarding the basic legal grounds for the protection of well-known trademarks, despite the differences in interpretation and application, both

¹⁸¹ As stated in Article 75 of the 2005 Law on Intellectual Property and in section 5 – paragraph 42.3 of Circular No. 01/2007.

European and Vietnamese law have established the requirement of likelihood of confusion as a very important element of well-known trademark protection. However, concerning the doctrine of trademark dilution, there remains a substantial difference between the two systems. Although there has been no official recognition in the statutes, the doctrine of trademark dilution has been applied quite frequently by European courts. Meanwhile, the doctrine of trademark dilution continues to be foreign to Vietnamese law-makers and practitioners.

Fourth, on the scope of protection for well-known trademarks, European and the Vietnamese law have a similar approach to expanding protection for well-known trademark to unregistered trademarks, dissimilar goods and services, non-competing goods and services within an unlimited time-frame. However, the specific reasoning and foundations for such expansions of the scope of protection are not quite identical.

This comparative investigation has presented a detailed picture of the European Union and Vietnamese legal systems regarding well-known trademark protection. However, it should be noted that another purpose for making such comparisons is to review the Vietnamese legal systems' current status in order to make suggestions for future improvements.

5. ASSESSING WELL-KNOWN TRADEMARKS IN VIETNAM

This chapter continues the analyses and evaluations of the actual operation of well-known trademark protection in Vietnam, and suggests solutions for the improvement of Vietnamese law on well-known trademark protection in the context of globalization and international economic integration. These suggestions are grounded in the theoretical foundations of well-known trademark law and the international legal framework on well-known trademark protection, and the results of the thesis' comparative analysis of the European and Vietnamese legal systems. As the purpose of the dissertation states, the chapter focuses more particularly on well-known trademark protection, but may also have a general application to the broader system of trademark law in Vietnam. The chapter ends with concluding remarks.

5.1. *ACHIEVEMENTS*

5.1.1. General policies and legislations

In general, the Vietnamese legal system for the protection of intellectual property rights and well-known trademarks has made significant achievements. It has established a trend towards harmonization with international norms and the laws of other countries. It has not only effectively protected trademark owners' rights and benefits, but has also contributed to improving Vietnam's economy. This has been achieved through the implementation of the system by Vietnam's authorities.

Vietnam has achieved many of its policy goals aimed at reforming and restructuring its economy. Effective progressive policies and changes were instituted by the VCP and the State in planning and developing the country. Indeed, the "DOI MOI" policy from 1986 opened a new course of development for the economy by integrating it into the regional and global economy as well as creating a new position for the Vietnamese economy in the world. The

Vietnamese economy has changed greatly and for the better in recent years, especially after Vietnam became a member of the WTO in 2007. This renewal and renovation has brought remarkable progress to the Vietnamese economy in general and specifically to the field of trade.¹⁸² From the beginning of this process the Vietnamese market has actively engaged international markets. Since then, an increasing number of foreign investors have entered the domestic market, making large capital investments. This capital includes intellectual property, a significant part of which is comprised of well-known trademarks.

More specifically, there have been important changes in the Government's awareness regarding the importance of trademarks and their protection, especially in the area of well-known trademarks, which primarily originate in developed countries and contribute to the economic development of Vietnam. This change began in 1989 when Vietnam became a member of the Paris Convention. However, until 1996 specific legal provisions governing well-known trademarks were only promulgated in Decree No. 63/CP.¹⁸³ At that time, the provisions of Decree No. 63/CP, which were mostly inconsistent with Article 6 *bis* of the Paris Convention, constituted the sole legal source for protection of well-known trademarks.

The legislation concerning well-known trademark protection was amended with the enactment of Civil Code 2005, the 2005 Law on Intellectual Property (as amended in 2009) and its interpretation through other legal documents. A combination of specific provisions set forth in these legal sources created a substantial legal regime governing protection for well-known trademarks. The legislative achievements of Vietnam are significant in comparison with other legal systems, especially with that of the European Union. Legislative gaps between Vietnam and other countries have been progressively narrowed. This stems from the aggressive efforts of the Vietnamese Government to integrate the country into the world economy in the context of globalization.

5.1.2. Enforcement of the trademark system

Beside these remarkable results in policy, planning, and law, as mentioned above, the achievements of Vietnam in protecting trademarks and well-known trademarks in particular are also evidenced by the success of its system of trademark enforcement.

Up to 31 December 2001, NOIP of Vietnam received 85,000 filings requesting protection for industrial property rights, including 9,004 patent

¹⁸² See subchapter 1.1 *supra*.

¹⁸³ For example, see Article 6 (1) and Article 10 of Decree No. 63/CP as amended by Decree No 06/2001/NĐ-CP dated February 1, 2001.

filings, 746 utility design filings, 11,320 industrial designs filings and 56,366 trademark filings. These resulted in the issuance of 48, 839 certificates of protection including 2,517 for patents, 272 for utility designs, 5,963 for industrial designs, and 39,510 for trademarks. In addition, there were also about 50,000 trademarks registered in Vietnam under the Madrid Agreement.¹⁸⁴

Through 2004, the total of trademarks registered and protected in Vietnam number over 100,000 with over 20% being Vietnamese trademarks and the balance from other countries (including of course, many well-known trademarks). On average, annually there have been more than 12, 000 trademarks filings with the NOIP.¹⁸⁵

In sum, after many years of changes and development since the 1980's, general activities relating to trademark protection in Vietnam have achieved significant results as demonstrated in Appendix 2. These numbers demonstrate the vigorous development of the legal system with respect to trademark protection. Specifically the total number of trademark registration filings from 1982 to 1989 (seven years), were 1721 increasing annually to a total of 27110 filings in 2007. Together with the increase in filings, the number of licenses issued by the NOIP has also been increasing to a total of 16860 licenses in 2007. In addition to these figures it should be noted that trademark registration filings constitute the majority of filings in comparison with all application submitted to the NOIP.

5.1.3. Well-known trademark protection

Even though the legal framework for well-known trademark protection began in 1995 with the enactment of Vietnam Civil Code 1995 and Decree No. 63/NĐ-CP, issues concerning protection of well-known trademarks in Vietnam appeared some years prior to the statutory enactments. For instance, the “McDonald” case was handled in 1992, and the “Pizza Hut” case was resolved in 1993.¹⁸⁶

After enactment of the Vietnam Civil Code in 1995, and especially Decree No. 63/CP, enforcement of well-known trademark protection in Vietnam has been continuously strengthened. This may be evidenced by the example of cases

¹⁸⁴ The Ministry of Industry, the book of Intellectual Property Rights – Trademarks of Vietnamese products, Youth Publisher House, 2004 – “Industrial Property in Vietnam and challenges of industrial property protection in the international economic integration”, page 565.

¹⁸⁵ The Ministry of Industry, the book of Intellectual Property Rights – Trademarks of Vietnamese products, Youth Publisher House, 2004 – “The Protection of Trademarks”, page 389.

¹⁸⁶ As presented in subchapter 3.3.2 supra.

resolved by the authorities such as the SHANGRI-LA case in 1995, the TEMPO case in 1996, the CAMEL case in 1997, the DUXIL case, and the SUPER MAXILITE case in 2001.¹⁸⁷

From 2005, the Law on Intellectual Property and its guidance documents have significantly enhanced the legal system on well-known trademark protection in Vietnam. Application of the new laws has resulted in important results for the protection of well-known trademarks. At this stage, it seems that the Vietnamese trademark system is more familiar with well-known trademarks as well as legal issues concerning the protection of well-known trademarks than in the past despite a number of weaknesses in the system.¹⁸⁸ The current success of the well-known trademark protection system can be seen through the record of important cases where legal issues concerning well-known trademarks have been thoroughly considered such as the X-MEN case in 2008 and the CAMEL case in 2009.¹⁸⁹ Especially, with regard to the X-MEN case, authorities including the NOIP, the Ministry of Science and Technology and the courts played important roles in dealing with legal issues concerning disputed trademarks. This is a new and commendable sign for the trademark system in Vietnam where the courts are becoming more involved in cases dealing with the subject.

Thus, together with the above-mentioned success of Vietnam's policies and legislation its enforcement system for well-known trademark protection has also achieved significant results through cases where theoretical matters and legal issues regarding the well-known trademark have been resolved.

5.1.4. Other developments

The mechanisms for the protection of well-known trademarks in Vietnam have also received support from the results from Vietnam's technical, social and economic development. Apart from its considerable legislative and enforcement successes, those include:

First, the development and expansion of communication channels to create effective connections between consumers and publicly used trademarks. The development of information technologies whose pinnacle is the internet helps consumer access products, services and their trademarks at any time, in any place, and without any restriction. Vietnamese consumers may now check and find information about any product that they wish to buy by simply using the search tools of the internet such as Google Search or Yahoo Search.

¹⁸⁷ As presented in subchapter 3.3.2 supra.

¹⁸⁸ See more at subchapter 5.2.2 infra.

¹⁸⁹ See more at subchapter 3.3.2 supra.

Second, socio-economic conditions in Vietnam are continually improving. This includes improvements in the general education level as well as public legal awareness of intellectual property. The awareness level of the community, enterprises and individuals concerning well-known trademarks and the importance of their protection in the current national economic context have significantly changed over the years. Individuals now know more about well-known trademarks. This assists them in making good purchasing decisions in respect of the products associated with those marks. Enterprises are currently much more aware of the role and value of well-known trademarks which gives them an appreciation of the need to respect the well-known trademarks of other enterprises and to plan specific strategies for building their own well-known trademarks.

Third, a support system for the protection of well-known trademarks has been built and developed with the establishment of a growing number of industrial property representatives and law firms dealing with intellectual property issues. The cases mentioned above, constitute evidence that most foreign parties have engaged in protecting their well-known trademarks through the support of their Vietnamese representatives. In addition, the support system for well-known trademark protection also includes the participation of professional assessing bodies, news and press agencies, social organizations, and trade unions. The participation of those parties in administrative and judicial procedures concerning well-known trademark protection assists the authorities in making correct and rational decisions in the circumstances of each particular case.

In sum, over time, especially with the appearance of the new law on intellectual property, the Vietnamese legal system for well-known trademark protection has had a significant success. *First*, the law has stated clearly cases where the application of registration for a sign as trademark must be refused by the authorities. Accordingly, any trademark may not be used for any goods/services when regarded as identical or confusingly similar to a well-known trademark, and the use of such mark prejudices the distinctiveness of the well-known trademark or its registration, or if it aims to take advantage of the prestige and goodwill of the well-known trademark will be excluded from registration. *Second*, the law explicitly stipulates that the use of signs which are identical, or confusingly similar to a well-known trademark constitute acts of infringement if such use could lead to the likelihood of confusion as to the origin of goods, or imply the wrong perception about the business relationship between the person using the sign and the well-known trademark owner. *Finally*, there are the definitions of the jurisdiction and the specific measures applied to the enforcement of intellectual property rights and trademark protection in particular. Therefore, it is not an exaggeration to conclude that the Vietnamese legal system for well-known trademark protection is quite complete and basically conforms to international legal standards. However, this is only the bright side of the picture.

5.2. *SHORTCOMINGS*

Besides the irrefutable achievements mentioned above, the Vietnamese legal system for the protection of well-known trademarks also has some shortcomings. This is because the protection of well-known trademarks is still a relatively new legal field in Vietnam. Although the Government of Vietnam has attempted to establish a complete system of legal provisions by enacting many new laws and regulations, the legal regime for the protection of well-known trademarks in Vietnam has still not been sufficiently effective in protecting the rights of well-known trademark's owners or created a safe investment environment for foreigners, especially in the age of international economic integration.

Within the scope of this paper, the writer only refers to some specifically identified problems relating to the protection of well-known trademarks in Vietnam.

5.2.1. Lack of concerns of the Government

The extent of the Government's concerns in the matter would normally be the first factor determining the effectiveness of the entire legal system and particular legal fields. The Government should play an important role in the entire system of protection for trademarks and well-known trademarks in particular. Indeed, the Government is the competent body responsible not only for interpreting and applying the laws, but also for equipping and ensuring in all aspects the necessary conditions for the operation of the trademark system.

The efforts of the Vietnamese Government in reforming and improving the legal system for the protection of intellectual property rights have been remarkable. The results achieved both in legislation and in the enforcement of the trademark system in Vietnam have been significant. However, such efforts and results seem to be more focused upon formalities rather than substance.

In order to achieve greater practical results, the mechanisms for the protection of well-known trademarks in Vietnam need more attention from the Government. The Government should have specific and obvious plans and strategies for enhancing and developing the system for trademark protection and improving the legal regime for well-known trademark protection. Particular solutions concerning the intervention of the Government shall be discussed in following parts of the thesis.¹⁹⁰

¹⁹⁰ See subchapter 5.3.2 *infra*.

5.2.2. The lack of detailed provisions

From the legislative perspective, the provisions that have been used for protecting trademarks and well-known trademarks in particular of the 2005 Law on Intellectual Property and other related legal documents have not yet completely addressed the needs of commerce. There are only three articles¹⁹¹ in the Law concerning well-known trademarks. These provisions are vague, general difficult to apply effectively. Meanwhile, there are limited helpful explanations found in other legal documents.

Although there is the provision on the definition of well-known trademarks in Article 4(20), this provision makes no sense in practice because of its equivocalness and lack of specificity. The criteria for defining well-known trademarks stated in Article 75 are very helpful to supporting the interpretation of Article 4(20). However, this is complicated by the fact that Article 75 also lacks specificity. Rather, it reads as if it has been directly copied from the provisions found in international documents¹⁹² or the laws of other countries rather than a provision compatible with and reserved for the Vietnamese legal and economic context. Circular No. 01/2007 has made some important modifications in the correlative provisions of Section 5. Unfortunately, such provisions have not yet answered the need to make clear the criteria contained in Article 75. The current provisions on well-known trademark protection, especially the criteria for the determination of a well-known trademark are quite subjective and qualitative. The application of such provisions in practice may easily depend on inconsistent interpretations by the authorities.

The authorities seem to be confused when defining what a well-known trademark actually is and what a widely used and recognized trademark is in the context of a specific case. Thus, it can be seen that even though the legal system on well-known trademark protection is quite complete from a theoretical perspective, similar to other countries' legislation especially the European legal system. However, experience demonstrates that such a "complete" legislation has not yet effectively satisfied the practical demands of the Vietnamese market. There is a need for further improvements by supplementing the statutes with more specific provisions that address important concerns regarding well-known trademark protection such as the definition of well-known trademark, the precise interpretation of criteria for determining a well-known trademark, and the codification of the trademark dilution doctrine in the trademark law system.¹⁹³

¹⁹¹ Article 4 – the 2005 Law on Intellectual Property (as amended in 2009). Article 74 – the 2005 Law on Intellectual Property (as amended in 2009). Article 75 – the 2005 Law on Intellectual Property (as amended in 2009).

¹⁹² WIPO Joint Recommendation concerning Provisions on the protection of well-known trademarks.

¹⁹³ See generally subchapter 5.3.2 *infra*.

5.2.3. The weakness of the enforcement system

Since the provisions on intellectual property rights and well-known trademarks are very general, enforcement of trademark law is consequently not effective. Further, inconsistencies among different laws such as procedural laws, competition law, custom law, also create difficulties for the authorities in their role of protecting well-known trademarks. It may be said that the authorities in Vietnam are now somewhat apprehensive of becoming involved in cases concerning well-known trademarks. This can be easily explained by the following:

First, because there are many inconsistencies and overlaps among different procedural laws, such as the administrative procedural law, the civil procedural law, the criminal procedural law and others, it becomes very difficult to define the correct jurisdiction in particular cases involving well-known trademark protection as well as intellectual property rights in general. The statutes identify many competent authorities that can be responsible in trademark cases such as inspectorates, police offices, market management offices, customs offices and people's committees at all levels.¹⁹⁴ Unfortunately, the borders of competence of such authorities have not been defined very clearly.

Second, the role of the courts in the enforcement system is not very robust. Most cases involving trademark infringement have been dealt with solely by administrative agencies¹⁹⁵, especially the NOIP. Few cases have been brought to the courts. This demonstrates that, in some sense, important functions of the courts have been performed by other authorities. This result should not be expected in a situation where we are trying to build a complete legal system in which the rule of law is to be adequately respected. Actually, there are some cases where the courts have been involved in the last stage of the dispute resolution procedure.¹⁹⁶ However, it should be noted that in those cases, the court has played the role of a body reviewing administrative decisions rather than dealing with disputes between parties (trademark owners versus infringers). Meanwhile people often desire more active and effective participation of the court in dispute resolution. Therefore, the small participation of the court in the entire enforcement system is weak and needs to be addressed in order to build up a strong and complete legal regime for well-known trademark protection in Vietnam.

¹⁹⁴ See Article 200(3) – 2005 Law on Intellectual Property (as amended in 2009) and Article 17 – Decree No. 106/2006. See also subchapter 3.3.2 *supra*.

¹⁹⁵ As mentioned in Subchapter 3.3.2 *supra*.

¹⁹⁶ For example, the “X-MEN” case has now been dealt with by the Ha Noi People’s Court. In the past, the Binh Duong People’s Court dealt with the “RED CUP” case between the Gold Roast VN Co. Ltd, v. the Chairman of the Binh Duong People’s Committee concerning decision No. 156/QĐ-UBND dated January 18, 2008.

Third, the execution of the law in practice may not be effective enough due to the lack of specific provisions and instructions in the law. In practice Article 75 of the 2005 Law on Intellectual Property (as amended in 2009) and various other sub-provisions rarely end up with the expected results. In actual disputes, the authorities face challenges in applying the laws, especially concerning the definition of well-known trademark, as well as the determination of criteria to be utilized for each case. Experience shows that there is no single standard that will be used to distinguish between the term “well-known trademark” under Article 75 of the Law and the concept of “widely used and recognized trademark” as stated in Article 74(2).

Four, because the protection of well-known trademarks is a new subject matter in Vietnam, our authorities have had little experience in the field. We have quite acceptable legislation; however the application of such legislation into practice through the authorities’ actions has not been as effective as expected. Moreover, there are still not enough experts on intellectual property in Vietnam. Such experts are mainly found at the NOIP and the Ministry of Science and Technology, but are noticeably absent from the courts and other authorities. The professional knowledge of most officials is not sufficient to solve complicated cases concerning well-known trademarks.

Five, collaboration among the various authorities and between the authorities and its support system is not always effective. Despite the variety of enforcement systems for well-known trademark protection, the efficiency of the enforcement should be based on the results of assessments made by neutral bodies or by the enforcement bodies themselves. Hence, even though the applicable laws of Vietnam say mostly nothing about these bodies, their role in the system is very important and necessary.

The lack of specific provisions for evidentiary assessments in the intellectual property field and trademark law in particular will cause difficulties for the authorities when dealing with well-known trademark cases. In some cases, the authorities may become confused when requesting proof of whether or not there is a similarity between conflicting trademarks, whether or not there is a likelihood of confusion occurring within a relevant sector of the public or whether or not a trademark should be considered as well-known. The situation becomes more complicated if the answer of the administrative bodies is that they have no competence to perform such assessments or they are not able to perform such an assessment. In those cases, the authorities should make their own judgment, but that may not be sufficiently objective or accurate. Even in a case where an assessment has been successfully done, the results may be rejected by the authorities for various reasons.

5.2.4. Legal consciousness and the people's intellectual standards

The general knowledge of intellectual property rights in the community is still insufficient. Trademark owners do not have a proper foundation or awareness of their right to protect their well-known trademarks. Most of them put all of their faith in the authorities, but do not try to resolve problems first themselves. On the other hand, among the majority of the community, there is insufficient awareness of the requirement to respect other's intellectual property rights as well as the need to conform their behavior to the law's requirements. Infringements of intellectual property rights and well-known trademarks harms not only the legitimate rights and benefits of rights holders, but damages the social values of the community and the effectiveness of the legal system.

In most cases concerning well-known trademarks in Vietnam infringement frequently occurs because the owner of an infringing trademark has no information about the well-known trademark or about its fame or the legal principles concerning protection for well-known trademarks. They become confused between the requirements for protection of well-known trademarks and the protection of ordinary trademarks. This, of course, excludes cases when the owner of infringing trademarks registers or uses infringing trademarks in bad faith. Because of the very high commercial value and prestige of well-known trademarks in consumer's minds, there is a tendency to take unfair advantages and seek to free-ride on well-known trademarks in disregard of the legitimate rights of well-known trademark owners.¹⁹⁷

In addition, the attitude and awareness of the consumers in choosing, buying and using the products in the market also have strongly impacted the effectiveness of protection for well-known trademarks. Generally, most consumers in developing countries including Vietnam make their buying choices based on price. Naturally, it would be better if that product were associated with a well-known trademark. However, on a different view, as long as the consumer decides to buy a product bearing an infringing trademark owned by another person, they unknowingly provide support for the infringers and damage the economic interests of well-known trademark owners. Such consumer buying decisions also threatens to damage the legal framework of trademark protection. The object of any system of trademark law is to prevent and restrict infringement by other parties of well-known trademarks. However, that purpose of the trademark law system may be completely frustrated if consumers support infringers by choosing and buying their infringing products.

¹⁹⁷ As regards the principle of bad faith, see subchapter 4.3.3 supra.

5.3. *FURTHER IMPROVEMENTS*

5.3.1. General suggestions

Ensuring the principle of rule of law

The principle of rule of law is fundamental to the legal systems of most countries, and especially to the integrity of the global economy. It requires that there should be first, a unification and harmonization of legal systems and second absolute respect and observance of all subjects concerned with applying the law. Vietnam is engaged in constructing a State governed by Rule of Law. This is clearly set forth in the Constitution of 1992 (as amended in 2001) as well as in many other lower level legal documents. This principle has become the foundation of Vietnam's legal system.

Following the ideals of the principle of "Rule of law", improvement of the Vietnamese legal system for the protection of trademarks and well-known trademarks must (1) ensure unification between lower and higher legal documents as well as between later and earlier ones; (2) ensure the rationality and the feasibility of the legal system; and (3) ensure the transparency of the legal and political policies.

Internalize global experience and apply it to the internal situation.

Globalization and international integration are bringing opportunities to developing countries to obtain and use the technical advances of other countries to improve their own economies. Globalization has also created many challenges for these countries to face. In this regard, Vietnam has also had opportunities to study and learn useful lessons from other legal systems, especially from developed country legal systems.

It is necessary to internalize the legislative achievements and practical experience of other legal systems into the Vietnamese legal system for the protection of well-known trademarks. However, such internalization must be made with care. It is most important that experiences from other legal systems be applied to the specific context of Vietnamese conditions. Solutions should be adapted to the needs of a transforming Vietnamese economy; secondly, any changes should be made based on Vietnamese socio-economic conditions focusing on effective solutions; and thirdly, any improvement of the legal system should not be contrary to general policies of the State of Vietnam.

Ensuring harmonization and the conformity with international

conventions and treaties

The Vietnamese legal system is one piece in the world's legal system. Therefore, in addition to ensuring conformity to national conditions, specific provisions should be enacted in accordance with general principles contained in international conventions of which Vietnam is a member.

Presently many international conventions are in force, which concern protection of intellectual property rights and the protection of trademarks. They create common standards for the world legal system in these fields. All countries must consider those standards when enacting their domestic laws for the protection of intellectual property rights. Vietnam likewise should consider these principles. We should reflect on these issues in order to ensure that Vietnam's national legal system is constructed in harmony and in conformity with international conventions of which we are members as well as other national legal systems.

As a member of many international conventions on intellectual and industrial property such as the Paris Convention, the TRIPs Agreement, the Madrid Agreement and the Madrid Protocol, Vietnam is obliged to respect and obey all provisions of those legal mechanisms. The legal standards for well-known trademark protection should be considered and transferred in full and consistently into the Vietnamese legal system.

Having a comprehensive consideration of the rights and benefits of all related subjects

The function of trademark law is not just the protection of trademark holders. The basic principles of modern trademark law demonstrate that protection of trademarks should serve the rights and interests of trademark owners (in using and in exploiting the trademark as well as in protecting the prestige of their trademark in the market), consumers (in choosing goods or services that they desire without being misled or confused by different products), other producers (in competing fairly with trademark owners) and the State (in ensuring the equity and effectiveness of the legal system). From that standpoint, it should be noted that rights concerning well-known trademarks not only belong to the proprietors of trademarks, but also relate to other parties and influence economic stability. Therefore, aside from ensuring the rights and benefits of trademark owners, protection of well-known trademarks must address the interest of all sides concerned:

First, the legal regime of well-known trademark protection should aim at adequately protecting the legitimate rights and interests of any person rather than well-known trademark holders to the use of well-known trademarks when such use is bona fide and not in the course of commerce. This has been referred to by

legal systems world-wide. The protection of well-known trademarks should not impair the rights of consumers for finding and using products with lower prices than those associated with well-known trademarks and which bear trademarks which are, to some extent, similar to the well-known trademark but do not cause confusion with, or dilution to, the well-known trademark.

Second, establishing specific provisions for the protection of well-known trademarks must be effected in relation to the problem of monopoly power in commerce. They must prevent situations where owners of well-known trademarks abuse the power of their trademarks to command excessive prices in the market and bar other competitive companies from the market. Trademark law and the legal regime for well-known trademark protection in particular always seek to create and ensure a fair environment for competition in business where competitors have equal opportunity to create and exploit their trademarks and the ability to use even well-known trademarks without any restriction of the rights of trademark holders, especially in the cases of exhaustion of rights and parallel import.

5.3.2. Specific suggestions

Enhancing the role of the Government in the system of trademark protection and well-known trademark protection in particular

The Government plays a key role in the origination and operation of trademark protection. This role finds expression not only in the context of policy formation and law making but also in building and operating the enforcement system.

The concerns of the Government should first, concentrate on popularizing the value and role of well-known trademarks in a healthy economy as well as the importance of trademark protection for promoting commercial activities and generally developing the economy. The Government needs to publicize protection for well-known trademarks as an important policy for enhancing Vietnam's competitive capacity in the world market. Indeed, an effective and reliable mechanism for well-known trademark protection will make the foreign investors feel more secure and safe when accessing and exploiting the Vietnamese market. The Government should consider creating and publicizing a list of international well-known or famous trademarks, which have been widely known or used in Vietnam through channels of trade or at least through advertising activities or trade promotion. Such a list may be created using cases where well-known trademarks have been recognized by court's decisions or judgments or by other competent authorities, or upon a considerations based upon the popularly available information, announced through different means of international communication (for example, the yearly Best Global Brands

Ranking may be a good reference for countries in making their own lists of well-known trademarks). Such a list may also be based upon the existing lists published by other countries or international organizations. That list should be updated and adjusted periodically or when some trademark in the list is held no longer famous. Actually, this is not a novel suggestion because Vietnamese law already requires the NOIP to create such a list.¹⁹⁸ The ideal of making a list of well-known trademarks, thus, has existed for some years. However, nothing has been done about it for a variety of reasons.

It should be noted that the list of well-known trademarks as above mentioned is not a fixed evidence for the authorities in determining well-known trademarks. It is only a significant reference beside other factors that the authorities should take into account in dealing with in particular cases.

The Government should also have a specific strategy to develop well-known trademarks of goods and services “made in Vietnam”, such as “Trung Nguyen coffee”, “Pho 24”, “Phu Quoc fish sauce”, and “Sai Gon Beer”. It would be unbalanced policy if we focus only on foreign well-known trademarks but do not concern ourselves with the domestic ones. Along with the development and strengthening of the legal regime for protecting foreign well-known trademarks, the Government should create reasonable policies to support Vietnamese enterprises in protecting, developing and popularizing their trademarks not only in the Vietnamese market but also in a worldwide context. In the short term, there needs to be a list of Vietnamese well-known trademarks that are widely and popular known and used first, within the territory of Vietnam. Next, through international relations, the Government should develop policies designed to broaden and develop Vietnamese well-known trademarks in the international marketplace.

Furthermore, the Government should consider increasing the importance of Vietnamese case-law in the trademark enforcement system. The rule of law principle requires an accurate and unified application of the laws in practice. However, there are many different reasons why these decisions or judgments are inaccessible. Because of the special conditions in Vietnam, the case-law development should occur step by step. Judgments by courts and decisions by authorities should be well motivated and transparent and subject to scrutiny by law makers and academic circles thereby playing a key role in improving the trademark law system in Vietnam.

Modifying and improving applicable provisions on well-known

¹⁹⁸ Section 5 – paragraph 42.4 of Circular No.01/2007 states: If a well-known mark is recognized pursuant to civil proceedings or by a decision of the National Office of Industrial Property, it shall be recorded in the relevant list of well-known marks and archived at the National Office of Industrial Property.

trademark protection

Despite the above-mentioned achievements of its legislative efforts¹⁹⁹, the legal regime for well-known trademark protection in Vietnam still has gaps that need to be filled by modifying current legislation and adding new provisions that make it more effective. The following are more specific suggestions:

First, as regards the definition of well-known trademarks, it can be seen that Vietnamese law has been working towards refining how to define a well-known trademark.²⁰⁰ However, such definitional process is not very reliable because it is so general.²⁰¹ Further Vietnamese law merely sets forth a definition of a well-known trademark as such, but does not mention related terms that may cause misunderstandings such as “famous trademark” and “widely used and recognized trademark”.

Therefore, the law should clarify the borders and relationships among those terms. The author is of the opinion that the trademark system in Vietnam may be divided into four groups including (i) ordinary trademarks, signs satisfying the requirements to be protected normally as trademarks under the law, (ii) widely used and recognized trademarks as provided under Article 74(2) (g) of the 2005 Law on Intellectual Property (as amended in 2009), (iii) well-known trademarks defined according to Article 4(20) of the 2005 Law on Intellectual Property (as amended in 2009), and (iv) famous trademarks which are trademarks having the highest level of fame.

However, the concept of famous trademarks is not statutorily set forth and a proper approach is rarely encountered in practice. As long as a trademark becomes famous, it should have been treated as well-known for a certain period of time. The legal regime for well-known trademark protection and famous trademark protection are the same. In other words, there is no need to have a larger scope of protection for famous trademarks because the current legal framework applied to well-known trademark protection may also be completely applicable to famous trademarks. A distinction between a well-known and a famous trademark only makes sense from a theoretical perspective. There is often confusion among “well-known trademarks” and “widely used and recognized trademarks”, or between “widely used and recognized trademarks” and “ordinary trademarks”. In order to avoid such confusion, the law should precisely define any distinctions among them.

Second, the law should make clear the legal point concerning whether or not a well-known trademark will be protected in Vietnam even when it has not been

¹⁹⁹ See subchapter 5.2.1 supra.

²⁰⁰ See Article 4(20) of the 2005 Law on Intellectual Property (as amended in 2009).

²⁰¹ See subchapter 4.2 supra.

used or known in Vietnam. The 2005 Law on Intellectual Property (as amended in 2009) states that a well-known trademark should be “*widely known by consumers throughout the territory of Vietnam.*”²⁰² The case law has used the same approach.²⁰³ Thus, it may be concluded that according to Vietnamese law a foreign trademark will not be considered as a well-known trademark if it has not been known in Vietnam. However, this does not seem to be appropriate to the real situation because there are many products of limited use within a certain sector of consumers such as pharmacies, office stationeries or special technologies and industries. In those cases, it would be more reasonable if consideration of whether or not trademarks are well-known should be made within a certain sector of consumers who have been directly involved with products bearing the trademarks but not extended to a wider grouping of consumers. Therefore, the author argues that the provision of Article 4(20) of the 2005 Law on Intellectual Property (as amended in 2009) must be amended. Accordingly, a trademark may be considered as well-known in Vietnam if that trademark is “*widely known by a relevant part of consumers throughout the territory of Vietnam*”. It should be noted that this does not mean that such trademark should be used actually in Vietnam. Turning back the X-MEN case²⁰⁴, in my opinion I suggest that the Hanoi People’s Court should consider investigating whether or not the trademark “X-MEN” has been well-known not only in the United States but also in worldwide basing on evidence provided by the Marvel. In case of the fame of the trademark is convincible proven, the court may side with the plaintiff to cancel the registration of “X-MEN and X logo” trademark of International Household Products Co. regardless the fact that the trademark X-MEN of Marvel has been used actually in Vietnam or not.

Third, concerning the criteria for the determination of well-known trademarks, it appears that Vietnamese law has succeeded in building a list of criteria as provided in the Article 75 of the 2005 Law on Intellectual Property (as amended in 2009) and Section 5 – paragraph 42.3 of Circular No. 01/2007. However, as previously stated, the provisions of the laws are informative and quantitative but not sufficiently qualitative. Accordingly, they may be not effective enough in application. The definitions contained in these laws are merely suggestive and consultative for the authorities rather than specific and precise standards to be directly applied. Therefore, there should be a more specific interpretation on how the laws are to be understood and applied.

²⁰² See Article 4(20) – the 2005 Law on Intellectual Property (as amended in 2009). See further subchapter 3.3.2 supra.

²⁰³ For example, see the “X-MEN” case in subchapter 3.3.2 supra.

²⁰⁴ Marvel Characters Inc. v. International Household Products Co. Ltd concerning the request of cancelling the registration of the “X-MEN” trademark, the Application No. 2006-00072 filed August 8, 2006; the Decision No. 93/QĐ-SHTT of the NOIP dated January 22, 2008; the Official Letter of the State Inspection of the Ministry of Science and Technology dated July 14, 2008; the case is presently under consideration in the Ha Noi People’s Court.

Concerning the “*number of relevant consumers who were aware of the mark*”²⁰⁵, the law should more completely explain the percentages of relevant consumers which may be accepted as borderline for determining the difference between a well-known trademark and a widely used and recognized trademark. The laws should also define how many countries that protect and recognize a trademark are sufficient to determine that a trademark is well-known in Vietnam under Articles 75(6) and 75(7) of the 2005 Law on Intellectual Property (as amended in 2009). There is also a need for clearer instructions concerning other criteria on how these concepts should be understood and applied.

In addition, the protection of well-known trademarks is granted primarily to secure the legitimate rights and benefits of well-known trademark owners. Therefore, the criteria provided by the law should not be limited but should be extended without any restriction depending on presentation of sufficient evidence provided by well-known trademark owners in each case.

Fourth, with respect to the legal grounds for the protection of well-known trademarks, there should be an amendment of the law to improve current provisions on the requirements for proving likelihood of confusion in trademark cases. Accordingly, the law should be amended to clarify issues pertaining to similarities between registered signs and widely used and recognized trademarks under Article 74(2) (g) of the 2005 Law on Intellectual Property (as amended in 2009), or between registered signs and well-known trademarks under the Article 74(2) (i) of the 2005 Law on Intellectual Property (as amended in 2009). As stated in Circular No. 01/2007, a sign shall be deemed confusingly similar to a trademark if:

- (i) The structure and/or content and/or pronunciation and/or meaning and/or form of expression of the sign in the mark under consideration and the sign in the confronting mark are so close that consumers would believe they are the only object or they are two different versions of one sole object or they have the same origin;
- (ii) The sign in the mark under consideration is an only transcription or translation of the confronting mark being a well-known trademark.²⁰⁶

However, the law says nothing about how to define such a similarity other than what may be found in the general instructions of Section 5 – paragraph 39.11 of Circular No. 01/2007. Normally, the expectation is that similarity will be proven reasonably and persuasively by use of a survey or an assessment made by the authorities. Unfortunately, this has rarely been done but, rather determinations have been based upon on evidence supplied by well-known

²⁰⁵ See Article 75(1) – the 2005 Law on Intellectual Property (as amended in 2009).

²⁰⁶ See Section 5 – Paragraph 39.8 (c) of Circular No. 01/2007.

trademark owners which is then considered by the agency. This is not a good situation for an advanced system of trademark protection. Therefore, Vietnamese trademark law should modify and add more provisions on the specific factors to be used in defining the similarity between signs as well as making it the responsibility of the authorities to perform their own surveys or assessments. Likewise, the similarity between products bearing conflicting signs should also be proven and defined in that manner. With regard to the likelihood of confusion occurring within a relevant sector of consumers, the law needs to clearly state that (i) the likelihood of confusion should be considered as including actual confusion and associated confusion, and (ii) such confusion should be assessed through actual surveys made by the authorities within a relevant consumer sector and not dependant only on information supplied by trademark owners.

More important, the law should mandate that the doctrine of trademark dilution is one of the most important elements for the determination of infringing activities in trademark cases. The dilution doctrine has played a key role in the system of well-known trademark protection. Even in the European Union where there is no specific provision regarding the requirement of trademark dilution in the legislation, the doctrine is applied by the courts.²⁰⁷ In Vietnam, although the law has mentioned to some extent, trademark dilution as in article 74(2) (i) of the 2005 Law on Intellectual Property (as amended in 2009) and section 5 of Circular No. 01/2007,²⁰⁸ the trademark dilution doctrine has never been utilized. Vietnamese law-makers should consider and adopt the doctrine of trademark dilution in relation to the trademark law system and to the protection of well-known trademarks in particular in order to reach the long-term purpose of improving the legal system. Further, the authorities should also apply the dilution doctrine in the course of defining infringements of well-known trademarks.

In sum, important issue for the improvement of the Vietnamese legal system for the protection of trademarks and particularly for well-known trademarks is expedited enactment of laws dealing with mandatory legal issues concerning trademark protection. Those include a definition of trademark, the specification of various kinds of trademark, the requirement of the distinctiveness of trademarks, the procedures for trademark registration, cancellation and invalidation, infringement proceedings and jurisdiction for trademark dispute resolution, the State's management on trademark system, and transactions relating to trademarks and other related matters. The Law on Trademark of Vietnam should, of course, refer to these statutes as necessary provisions which systematically govern legal issues regarding the trademark system. Especially, the estimated Law on Trademark of Vietnam should cover the theory of

²⁰⁷ See subchapter 4.2 supra.

²⁰⁸ See subchapter 4.2 supra.

trademark degeneration as one of the most important basic grounds of protection for trademarks in general and well-known trademarks in particular.

The author believes strongly that the Law on Trademark is an indispensable component of the system of intellectual property law. This would constitute a great advance for Vietnamese law that would harmonize it with international trademark law.

Enhancing the role and the efficiency of competent authorities in protecting trademarks

One important factor which builds the effectiveness and success of the legal system for protecting of trademarks is competent authorities' efficiency and the quality of their control and management. However, the competent authorities in Vietnam have not yet created a sufficient level of protection for well-known trademarks and the legitimate rights and interests of owners. Therefore, in order to improve the legal system in this field, we must enhance the role and the efficiency of competent authorities.

There should be a delineation of responsibilities for the authorities in dealing with applications for registration of trademarks, especially in the case of refusals of registrations and cancellations of existing certificate of trademarks which are identical with, or similar to well-known trademarks. The NOIP's state policy role as well as its implementation of the legal regime should be strengthened. The NOIP should be in charge of assessing, considering and determining whether or not a trademark is well-known. The NOIP, as the professional representative of the Government, should be the entity which gathers information, evaluates the statistics and creates official list(s) of well-known trademarks.²⁰⁹

There is need to distinguish and clarify the competence of state management authorities concerned with legal issues relating to the registration and the protection of well-known trademarks such as the respective competences for settlement, administrative fines, and criminal treatment. As mentioned above, enforcement of trademark protection is carried out among different competent authorities (apart from the professional bodies as the Ministry of Science and Technology and the NOIP).²¹⁰ The law should precisely define and separate the functions of each authority as well as setting out a structure for collaboration among all authorities when addressing the same trademark case.

It is especially important to affirm and enhance the role of the courts and their jurisdiction over well-known trademarks disputes. Under Vietnam Civil

²⁰⁹ See more at subchapter 5.3.2 supra.

²¹⁰ See more at subchapter 5.2.3 supra. See also subchapter 3.3.2 supra.

Procedures Code 2004, the courts have jurisdiction over disputes concerning industrial property rights. Despite this the role of the Vietnamese court system in solving trademark cases has generally been weak. Very few cases have been addressed by the courts despite the fact that it is uncontroversial that the efficiency of the legal system for trademark protection must be ensured primarily by them. Therefore, improvement of the court system is one of the most important tasks in improving the legal system on intellectual property. In particular, Vietnam should consider establishing a separate court with competence over intellectual property cases within the structure of the provincial court system. Such a court would be a significant assurance of the implementation in Vietnam of the law on intellectual property rights and specifically trademark law. Actually, this idea has been discussed for many years in other countries. There are some examples of this kind of court such as the United States Federal Circuit Court which focuses particularly on intellectual property cases. The European Union has also since 2003 considered and discussed establishing a specific court for patent cases in both the first instance level and the appeal level.²¹¹ Unfortunately, that proposal has not been supported by the European Court of Justice.²¹² However, despite many different opinions, the author still believes and vigorously supports establishing a specific court for intellectual property disputes.

The latter suggestion may be more useful for the enforcement system in the distant future. The establishment of such a court would be a long-term process that needs a great deal of preparation from all sides concerned. At the moment, the Government should place particular emphasis on continuing education and training concerning the field of intellectual property for judges in the current court system to ensure the efficiency of intellectual property case resolution.

The efficiency of the system has also been influenced by the activities of subsidiary agencies including social-professional organizations, research centers, institutes, universities, law firms and enterprises that work directly with general legal issues of intellectual property. The results of surveys or researches made by those agencies as well as the ability to consult with experts constitute valuable resources for authorities dealing with trademark cases. Such ancillary resources

²¹¹ At the fifth meeting of the Working Party of European Patent Litigation Agreement on November 19-20, 2003, there were two important proposals discussed: A proposal to set up a European Patent Court with jurisdiction to deal with infringement and revocation actions concerning European patents; and A proposal to entrust the European Patent Court of Appeal with the task of delivering, upon request, non-binding opinions on any point of law concerning European or harmonised national patent law to national courts trying infringement and validity actions. For more information, see: <http://www.epo.org/law-practice/legislative-initiatives/epl.html> .

²¹² See: http://www.ippt.eu/files/2011/IPPT20110308_ECJ_Opinion_on_unified_patent_litigation_system.pdf.

have increasingly become more important to the development of this new legal field in Vietnam.

Raising the people's legal consciousness and intellectual standards

In recent years, the development of the economy as well as of science and technology has changed Vietnamese society for the better. The people's living standards and intellectual standards have been significantly raised. This is an optimistic sign for the protection of well-known trademarks in Vietnam. However, more needs to be done in order to improve the Vietnamese legal system for well-known trademark protection.

Well-known trademarks are always associated with the awareness of the public or at least of the relevant sector of the public where the goods or services bearing the trademarks are traded. The fame or the reputation of a trademark should be embedded in the consumer's consciousness. Therefore, protection of well-known trademarks should be supported by the community by information designed to inculcate the public with a high level of consciousness of applicable legal and intellectual standards. The task of raising the people's legal consciousness rests on the Government.

It needs to strengthen educational and propaganda activities within the community and among domestic enterprises in order to popularize knowledge of well-known trademarks and their protection. For instance, the Government may reserve a certain amount of the national budget for holding as many as possible courses, seminars, workshops and conferences focusing mainly on well-known trademark protection. This would aid in raising the people's legal consciousness and the need to respect the intellectual property rights of well-known trademark owners.

The Government should also establish and enhance information channels in order to build an effective information bridge between consumers and trademarks. Such a connection would aid consumers in avoiding confusion in making their buying choices and make the authorities more comfortable in their ability to assess consumer's awareness of a particular trademark in connection with a particular case. The television programs (e.g. "Chap canh thuong hieu" – "The promotion of brands") and awards such as "Sao vang dat Viet" (Vietnamese golden star), or "Hang Vietnam chat luong cao" (Vietnamese high quality products) have played an important role in linking trademarks with consumers as well as strengthening the people's awareness of trademarks. However, such attempts appear insufficient for the purpose of building up a robust legal system for well-known trademark protection in Vietnam in a globalized context.

Finally the Government should improve the awareness of well-known trademarks through other activities such as training courses or encouraging and

promoting general awareness of intellectual property in universities and institutes. In addition, the creation of beneficial conditions for the promotion of trade and trademark advertising and popularizing enterprises is also useful for strengthening the community's awareness and knowledge of well-known trademarks.

5.4. *CONCLUDING REMARKS*

One of the main purposes of this thesis was to find suitable ways to improve the legal system for well-known trademark protection in Vietnam. In order to do so, apart from a general theoretical exploration and investigation of the legal framework of well-known trademarks, it also requires a complete evaluation of the current situation of the Vietnamese legal system. Such an evaluation aids in a deeper understanding of which actions must be continued and what are the weak points that need to be addressed.

My results show that the Vietnamese legal system has had significant legislative and enforcement success in the area of protection for well-known trademarks. This may be seen by the examination of cases as well as the statistical data concerning the number of certificates of trademark registration issued by the NOIP in recent years. Despite that, it cannot be denied that there remain significant areas for the system's improvement to be carefully considered and resolved.

Based upon the results of the previous chapters, the author has made suggestions for improvement of the Vietnamese legal system for well-known trademark protection. Those solutions focus on different aspects of the issues in question including legislative, administrative, and judicial activities as well as multi-dimensional impacts on society. Among them, the three most important and strategic solutions at the moment are, amendments to the Law on Trademark, the creation and publication of lists of well-known trademarks, and the establishment of a professional court with competence over intellectual property cases. In addition, the other suggested solutions should play a significant role in improving and developing the legal system on well-known trademark protection in Vietnam.

Vietnam has acknowledged the great importance of protection for intellectual property rights for patents, industrial designs, copyrights, and trademarks. In recent years, the Government has taken a number of steps to ensure legal guarantees of such rights. In Vietnam, intellectual property in general, and trademarks in particular, have already played a crucial role in the development of the economy, especially in its efforts towards harmonization and globalization.

Vietnam has become the member of the Paris Convention and the 1981 Madrid Agreement since 1949, and the 1989 Madrid Protocol since 2006.²¹³ Accordingly the provisions of these international conventions have been transformed completely and appropriately into national law. We have enacted legislation on intellectual property in conformity with these conventions.

Globalization has incrementally abolished national boundaries and established a universal world market that ignores differences in political, cultural and traditions, and shortens geographical distances between people, markets, and producers to consumers. This process has many advantages and interests for countries, people, and companies. Nevertheless, globalization also creates new and complicated challenges. In that context, the protection of well-known trademarks in particular needs to be re-considered and harmonized.²¹⁴

Well-known trademarks and their protection are special part of the trademark law system at the international and national levels. Although the doctrine of well-known trademark protection has existed for more than a hundred years and prior to the Paris Convention in 1925, the legal system for well-known trademark protection in Vietnam is a new field that needs to be studied and explored theoretically and in practice. In recent years, Vietnamese trademark law has become increasingly more aligned with the international legal framework for the protection of trademarks and well-known trademarks. Legislation has been enacted and improved over time, consistent with the international conventions and treaties of which Vietnam has been a member, especially the Paris Convention and the TRIPs Agreement. However, Vietnam has made only initial steps in the development of its legal system. Many challenges await further refinement and progress.

The well-known trademark is understood as a trademark widely known by a relevant sector of consumers in certain specified areas. In comparison with ordinary trademarks there are many differences those include the high level of distinction, wide use and high economic value. Primarily for those reasons well-known trademarks have become an important object of industrial property. Protection of well-known trademarks constitutes a significant place in legal systems for the protection of intellectual property rights world-wide. In the context of globalization and international integration in Vietnam, improving the legal system for the protection of well-known trademarks is indispensable.

²¹³ WIPO lists Vietnam as a member since March 8 1949 and as a party to the Stockholm amendments since July 2, 1976. See <http://www.wipo.int/export/sites/www/treaties/en/documents/pdf/paris.pdf>. The list of Members on the WIPO website lists Vietnam as a member of the 1891 Madrid agreement as of March 8, 1949 and of the 1989 Madrid Protocol as of July 11, 2006. See list of acceding states at http://www.wipo.int/export/sites/www/treaties/en/documents/pdf/madrid_marks.pdf.

²¹⁴ See subchapter 2.4 supra.

Therefore, the choice of this topic as a doctoral dissertation is suitable and appropriate within the general context of the Vietnamese legal system.

This thesis provides readers with basic knowledge relating to well-known trademarks and aided their general awareness of the importance of protection for well-known trademarks. The thesis provides a comparative study of Vietnamese and European Union law in order to discover useful avenues that can be applied to Vietnam. In addition, the thesis presents a picture of the Vietnamese legal system for the protection of well-known trademarks, evaluates its achievements and shortcomings, and suggests specific solutions for improving the Vietnamese legal system for the protection of trademarks and well-known trademarks.

This comparative research demonstrates that the Vietnamese legal system for well-known trademark protection has been well-developed due to the Government's efforts to learn from and adopt from the experiences of other countries as well as in joining and internalizing the provisions of the international legal framework. However, such attempts have not yet been completely effective to create an advanced legal system for well-known trademark protection, especially in the context of globalization and international economic integration.

The gap between the Vietnamese legal system and other legal systems, specifically the European Union legal system is noticeable. It must be filled by more and aggressive solutions from the Vietnamese Government in its progress towards improving the entire legal system. Accordingly, the Government should consider and promptly implement comprehensive solutions for improving the legal regime for well-known trademark protection.

In summary, the protection of well-known trademarks is a complicated and sensitive field in modern trademark law. Due to the delimitations of the thesis the author has focused mainly on comparisons between the European Union and the Vietnamese legal systems. However, the author strongly believes that an understanding of the topic can be studied on a larger scale, such as in respect of comparisons with the US legal system or with those of other Asian countries.

6. REFERENCES

INDEX 1:

THE QUESTIONNAIRES FOR INTERVIEWING EXPERTS IN IP LAW IN HA NOI

1. How long have you worked with the IP issues?

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2. Have you been working with the matters that relates to the trademark protection? If yes, please introduce shortly such relation?

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3. Are you interested in well-known trademarks and well-known trademark protection? Please explain shortly the reasons.

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4. How do you evaluate the Vietnamese applicable laws on well-known trademark protection?

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5. In your opinion, a trademark may be considered as well-known trademark in Vietnam if (please circle the answer that you most agree with):

- a. The trademark is known and recognized by at least 40% of relevant consumers
 - b. The trademark is known and recognized by at least 50% of relevant consumers
 - c. The trademark is known and recognized by at least 60% of relevant consumers
 - d. The trademark is known and recognized by at least 70% of relevant consumers
 - e. The trademark is known and recognized by at least 80% of relevant consumers
6. In your opinion, a trademark may be considered as well-known trademark in Vietnam if (please circle the answer that you most agree with):
- a. The trademark has been registered and widely used in at least 50 countries
 - b. The trademark has been registered and widely used in at least 60 countries
 - c. The trademark has been registered and widely used in at least 70 countries
 - d. The trademark has been registered and widely used in at least 80 countries
 - e. The trademark has been registered and widely used in at least 100 countries
7. Do you think that a trademark may be considered as well-known in Vietnam only if it has been used and widely known in the entire territory of Vietnam?

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8. Do you think that there is a need of distinguishing between a widely used and recognized trademark, well-known trademark and famous (or very well-known) trademark? If yes, what are the criteria of such distinction?

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9. In your opinion, is it necessary to build up a list of global well-known trademark in Vietnam?

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10. In your opinion, is it necessary to build up a list of trademarks that have been recognized as well-known in Vietnam?

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11. How do you think about the suggestion of enacting a separate law on trademark in Vietnam (to move towards to enact other separate laws on each subject matter of IPRs)?

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12. How do you think about the suggestion of establishing a special court on IP cases in Vietnam belonging to the Provincial People's Courts (besides other separate courts)

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13. How do you think about the publicity of the court's judgments and authority's decisions on IP cases in Vietnam?

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14. What are your comments on the possibility of application of case-laws in the enforcement of IP law in general and well-known trademark protection in particular in Vietnam?

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15. Do you think that the Government should plan more practical and flexible policies in strengthening the regime of well-known trademark protection in Vietnam at present? Please give some examples.

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16. Do you have any further opinion, comment and suggestion on the well-known trademark protection in Vietnam?

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INDEX 2:**NATIONAL TRADEMARK REGISTRATION FILES
APPLYING TO NOIP AND BEING LICENSED BY NOIP
FROM 1982 TO 2007 IN VIETNAM.**

Year	Files applied by			Licence issuing to		
	Vietnamese	Foreigner	Total	Vietnamese	Foreigner	Total
1982 – 1989	716	1005	1721	380	1170	1550
1990	890	592	1482	423	265	688
1991	1747	613	2360	1525	388	1913
1992	1595	3022	1617	1487	1821	3308
1993	2270	3866	6136	1395	2137	3532
1994	1419	2712	4131	1744	2342	4086
1995	2217	3416	5633	1627	2965	4592
1996	2323	3118	5441	1383	2548	3931
1997	1645	3165	4810	980	1506	2486
1998	1614	2028	3642	1095	2016	3111

1999	2380	1786	4166	1299	2499	3798
2000	3483	2399	5882	1423	1453	2876
2001	3095	3250	6345	2085	1554	3639
2002	6560	2258	8818	3386	1814	5200
2003	8599	3536	12135	4907	2243	7150
2004	10641	4275	14916	5444	2156	7600
2005	12884	5134	18018	6427	3333	9760
2006	16071	6987	23058	6335	2505	8840
2007	19653	7457	27110	10660	5200	16860
Total	99802 (62.2%)	60619 (37.8%)	160421	54005 (57.5%)	39915 (42.5%)	93920

Source: Annual Report of Vietnamese NOIP in 2007.²¹⁵

²¹⁵ Available at: [http://www.noip.gov.vn/noip/resource.nsf/vwSelectImageResourceUrl/09725617223E90834725767A002BAC82/\\$FILE/Annual%20Report%202007.pdf](http://www.noip.gov.vn/noip/resource.nsf/vwSelectImageResourceUrl/09725617223E90834725767A002BAC82/$FILE/Annual%20Report%202007.pdf).

TABLE OF CASES

EUROPEAN CASES

Case C-102/07, <i>Adidas AG and Adidas Benelux BV v. Marca Mode CV, C&A Nederland, H&M Hennes & Mauritz Netherlands BV and Vendex KBB Nederland BV</i>	102
Case C-206/01, <i>Arsenal Football Club plc. v. Matthew Read</i>	32
Case C-251/95, <i>SABEL BV v. Puma AG, Rudolf Dassler Sport</i>	88, 101, 171
Case C-252/07, <i>Intel Corporation Inc. v. CPM United Kingdom Ltd</i>	93, 102, 159, 160, 165
Case C-292/00, <i>Davidoff & Cie SA, Zino Davidoff SA v. Gofkid Ltd</i>	16, 101
Case C-301/07, <i>PAGO International GmbH v. Tirol Milch registrierte Genossenschaft mbH</i>	102, 149
Case C-321/03, <i>Dyson Ltd v. Registrar of Trade Marks</i>	101
Case C-328/06, <i>Alfredo Nieto Nuño v. Leonci Monlleó Franquet</i>	101, 142
Case C-375/97, <i>General Motors Corporation v. Yplon SA</i>	16, 93, 101, 141, 149, 152, 154
Case C-39/97, <i>Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc</i>	31
Case C-408/01, <i>Adidas-Salomon AG, formerly Adidas AG, Adidas Benelux BV v. Fitnessworld Trading Ltd</i>	101, 102, 158, 170, 177
Case C-529/07, <i>Chocoladefabriken Lindt & Sprüngli AG, v. Franz Hauswirth GmbH</i>	102
Case C-542/07, <i>Imagination Technologies Ltd v. Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)</i>	102
Case T-150/04, <i>Mühlens GmbH & Co. KG, established in Cologne (Germany) v. Office for Harmonisation in the</i>	101

Internal Market (Trade marks and Designs) (OHIM)

Case T-47/06, <i>Antartica Srl, established in Rome (Italy) v. Office for Harmonisation in the Internal Market (Trade marks and Designs) (OHIM)</i>	101
Case T-191/07, <i>Anheuser-Busch, Inc., (United States) v. the Office for Harmonisation in the Internal Market (Trademarks and Designs) (OHIM)</i>	102, 157

VIETNAMESE CASES

The “CAMEL” case 2009, <i>TJT Corporation v. C.A.M.E.L Co.</i>	132
The “CAMEL” case, <i>Reynolds Tobacco Co. (US) v. Viet Cuong Co. (Vietnam)</i>	127, 128, 191
The “COVERSYL” case, <i>Biofarma Co. V. Shinpoong Daewoo VN Co.</i>	133, 134, 148, 166, 172
The “DUXIL” case, <i>BIOFARMA Co. v. SANOFI VN Co.</i>	128, 129, 163, 164, 191
The “McDonald’s” case, <i>McDonald’s Corporation v. OPHIX GROUP (Australia)</i>	16, 125, 182, 190
The “Pizza Hut” case, <i>OPHIX GROUP (Australia) v. the Pizza Hut International, LLC (United States)</i>	126, 182, 190
The “SHANGRI-LA” case, <i>Shangri-La International Hotel Management Ltd, v. Phu Tho Joint Venture Co.,</i>	16, 126, 151, 181, 191
The “SUPER MAXILITE” case, <i>Imperial Chemical Industries Plc (ICI) (UK) v. The Nippon Paint Vietnam</i>	129, 130, 191
The “TEMPO” case, <i>Vereinigte Papierwerke Co. (Germany) v. Tam Huu Co. (Vietnam) in 1999</i>	127, 191
The “X-MEN” case, <i>Marvel Characters Inc. v. International Household Products Co. Ltd</i>	130, 131, 132, 155, 156, 191, 203

OTHER CASES

Amoskeag Manufacturing Company v. Spear in 1840

Automotive Gold, Inc. v. Volkswagen of America, Inc. No. 04-16174 of the United States Court of Appeals (Ninth Circuit)

Avery Dennison Corp. v. Sumpton, 189 F.3d 868, 873 (9th Cir.1999)

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Southern v. How 79 Eng. Rep. 1243, 2 Popham 144 (1618)

Sykes v. Sykes in 1824

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2. The Madrid Agreement concerning the international registration of marks was signed on April 14, 1891 under the auspice of the Paris Union on the industrial property.
3. The Protocol amending The Madrid Agreement concerning the international registration of marks signed in 1989.
4. The Agreement on Trade-Related aspects of Intellectual Property Rights (TRIPs Agreement) in 1994.
5. Trademark law Treaty adopted at Geneva October 27, 1994.
6. The Treaty on the Law of Trademarks was adopted in Singapore, on March 28, 2006.
7. The Anti-Counterfeiting Trade Agreement (ACTA) signed in 2010.

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2. The Civil Code of Vietnam enacted on 28 October 1995
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