



# Commercialisation PLUS

Enhancing science impact through commercialisation

## Overview of key regulations and legal considerations underpinning Commercialisation PLUS in Viet Nam

Compliance with national laws and regulations governing the technology transfer process is fundamental to the Commercialisation PLUS approach. This chapter provides an overview of the legal systems in Viet Nam that guide the creation, transfer, and protection of intellectual property (IP), as well as the Vietnamese market regulations that influence the commercialisation of technology products and services. The aim of this chapter is to complement the practical steps and tools found in Chapter 3 and 4 with an overview of key foundational concepts for successful Commercialisation PLUS outcomes, including intellectual property, technology transfer and market regulations. Specifically, this chapter will demonstrate the role of IP protection, the various protection methods available for different types of technology solutions and how to apply for them, how to manage your IP assets including conducting a technology valuation and managing infringements as well as the relevant legal and regulatory considerations for successful commercialisation (domestic and international).

### Intellectual property

*According to the World Intellectual Property Organization (WIPO), "intellectual property rights include rights related to scientific, artistic and literary works; artists' performances, sound recordings, and radio and television broadcasts; inventions in all areas of human activity; scientific discoveries; industrial designs; trademarks, service marks, indications, and trade names; protection against unfair competition and all other rights as a result of intellectual activity in the field of industry, science, literature or the arts".*

*As per the above definition, intellectual property, or an IP asset, is therefore also understood to (indirectly) include: "scientific, artistic and literary works, performances of artists ... as a result of intellectual activity in industry, science, literature and art".*

*For more detailed information, refer to Nguyen, Can H. (2020), *Managing Intellectual Properties of Businesses (Quản trị Tài Sản Trí tuệ của Doanh Nghiệp)*, Vietnam Intellectual Property Research Institute, Ministry of Science and Technology, Hanoi, Vietnam. For the full publication (in Vietnamese) go to: <https://www.commercialisationplus.org/resources>*

## What is Intellectual Property (IP) Protection?

Intellectual Property (IP) is an intangible asset including “creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce”<sup>1</sup>. IP Protection is about the rights of the creator/inventor to safeguard how their new and existing idea is used by others. The development of an international IP protection system is governed by the World Intellectual Property Organization (WIPO), a specialised agency of the United Nations (UN) that was formed in 1967 with a current membership in 2021 of 193 states.

The goal of Intellectual Property Rights (IPR) is to protect creative investment results, promote innovation activities, prevent illegal use of the creative results of others, and reduce counterfeiting and piracy. The creation, protection, extraction of financial value from intellectual property and the enforcement of Intellectual Property rights is central to the Commercialisation PLUS process. Protecting your IP rights can reduce the risks of commercialisation by deterring competitors from using the protected IP of your technology solution.

### Note

*Viet Nam’s laws on intellectual property regulate the protection and use of intellectual property in the civil and economic sectors (i.e. investment, commerce, finance, customs), science technology, administration, and criminal affairs.*

*The two key guiding laws and associated guidelines in this system are:*

- *The Civil Code 2005/2015 (Part Six: "Intellectual Property Rights and Technology Transfer"), and*
- *The Intellectual Property Law 2005/2009.*

*For more information about these laws, see the Special focus: “What are the legal and regulatory considerations and obligations that guide a researcher’s Commercialisation PLUS journey?” at the end of this chapter.*

## What are the types of Intellectual Property rights?

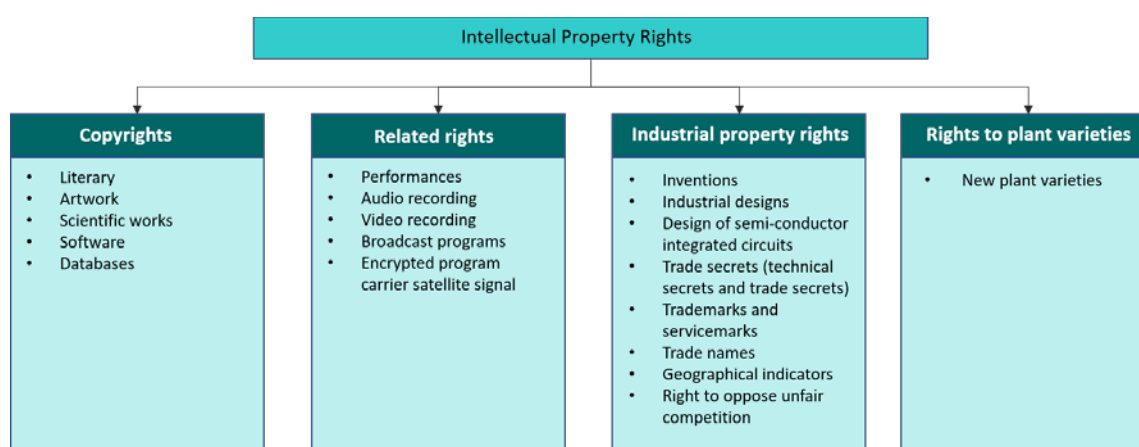
Intellectual Property Rights (IPR) are governed by international and national legal instruments and rules. These regulatory systems guarantee that the owners of intellectual property assets (IP assets) can govern how their Intellectual Property asset are used by a

In Viet Nam, Intellectual Property rights are defined as follows: “Organisations and individuals over intellectual property, including: copyrights and rights related to copyright, industrial property rights and rights to plant varieties”. This definition is found under the Civil Code 2005/2015 (indirectly) and the Intellectual Property Law 2005/2009 (directly). These Intellectual Property rights are then categorised under the following four types:

---

<sup>1</sup> <https://www.wipo.int/about-ip/en/>

- i. Copyright: the right of organisations or individuals to works that are created or owned by them.
- ii. Related rights (related to “copyrights”): the rights of organisations and individuals to performances, video recordings, broadcasts, satellite signals carrying encrypted programs.
- iii. Industrial property rights: the rights of organisations and individuals to inventions, industrial designs, layout designs of semiconductor integrated circuits, trademarks, trade names, geographical indications, and economic secrets, as well as a business created or owned by you and your right to oppose unfair competition, and
- iv. Rights to a plant variety: the right of an organisation or individual to a new plant variety that has been specifically selected to be created or developed. or that has been transferred from others.



Source: Nguồn: tác giả tổng hợp 2

**Figure 2.1: The four categories of intellectual property rights in Viet Nam**

These four categories of rights are not mutually exclusive. Multiple types of IP protection can be applied to different aspects of one product or service. Each right serves a complementary, yet distinctive purpose. For example, a researcher may consider patentability for a technology solution that is designed to improve a fruit harvesting tool, while at the same time protecting an industrial design for the appearance of the tool, as well as a trademark protection of labels attached to such a tool.

Together, these different forms of IP protection aim to distinguish the origin of their IP from similar tools made by other producers in the market, thereby protecting copyrights of the design of this tool. In principle, the more that IP rights that are protected for a specific product or service, the more likely that it can be prevented from illegal imitation and reproduction.

To understand whether an intellectual property asset is eligible to be protected or not, you should consider: (i) whether or not the object is an IP asset; (ii) if it is an IP asset, then ascertain whether or not it has been protected by any Intellectual Property Rights (IPR) of others. Furthermore, researchers must consider the extent and restrictions of the various categories of

intellectual property rights with respect to their technology solution and commercialisation goals. Typical constraints include the following:

- Limit of the IP content: the protection of the IP rights is limited to the content of the registered IP;
- Spatial (territorial) restrictions: an intellectual property right exists only in the territory (most commonly at the national level) in which it is registered;
- Limited time (duration): most types of intellectual property rights –especially with IP contents– exist for a certain period of time, as there is a different legal regulation for each type of property.
- Other restrictions: such as restrictions by the rights of others, or for the benefit of the community, or the responsibility of IP owners.

Where possible define the exact limits of your IP to avoid disputes and potential conflicts of interest.

For more information about managing your IP go to the ‘How do I manage the protection of my IP’ section below.

## How do I protect my Intellectual Property (IP)?

Applying intellectual property rights is the key tool for projecting how your intellectual property is used. Protecting your IP means that the intellectual property legally belong to the owner (or the entity who registered it for protection). In general, there are two forms of protection: (a) Register to protect legal IP rights with the Intellectual Property Office, and (b) Keep intellectual property confidential.

### Note

*Not all IP assets are protected. For example, unregistered or expired patents, do not belong to anyone in particular and are therefore free for all to use.*

### *a) Register to protect legal IP rights with the Intellectual Property Office*

This protection brings many benefits for commercialisation purposes, because it provides the legal recognition and protection of your intellectual property rights, retains your legal ownership over the intellectual property, and helps prove your intellectual property rights upon commercialisation or in the case of disputes or infringements. However, depending on the type of IP right, the legal registration of protection has spatial and time limits, as mentioned above.

### *b) Keep intellectual property confidential*

IP protection can also come from keeping the intellectual property a secret. For example, Coca-Cola uses the category of right known as “trade secrets” to keep its formula from becoming public. However, attempting to keep your intellectual property a secret during the Commercialisation PLUS process may have some practical limitations. The owner of the intellectual property needs to put strict security measures in place, for example specific confidentiality arrangements are required when discussing or working with partners, potential customers, and even with team members or employees.

In Vietnam, your IP can be legally protected by filing a registration application with the following agencies:

- For establishing rights to industrial property (*for examples refer to Figure 2.1*), researchers need to register directly with the Vietnamese National Office of Intellectual Property under the Ministry of Science and Technology, at <http://www.noip.gov.vn/web/guest/home>.

The registration form is available at: <http://ipvietnam.gov.vn/web/guest/bo-to-khai-trong-linh-vuc-so-huu-cong-nghiep>

- For the recognition of copyrights and copyright-related rights (*for examples refer to Figure 2.1*), researchers need to apply directly with the Copyright Office under the Ministry of Culture, Sports and Tourism, at <http://www.cov.gov.vn>.

The registration form is available at: <http://www.cov.gov.vn/tin-tuc/to-khai-dang-ky-quyen-tac-gia>.

- For establishing rights to a plant variety (*for examples refer to Figure 2.1*), researchers need to contact directly with the New Plant Variety Protection Office, Department of Crop Production, under Ministry of Agriculture and Rural Development, at <http://pvpo.mard.gov.vn/Default.aspx>.

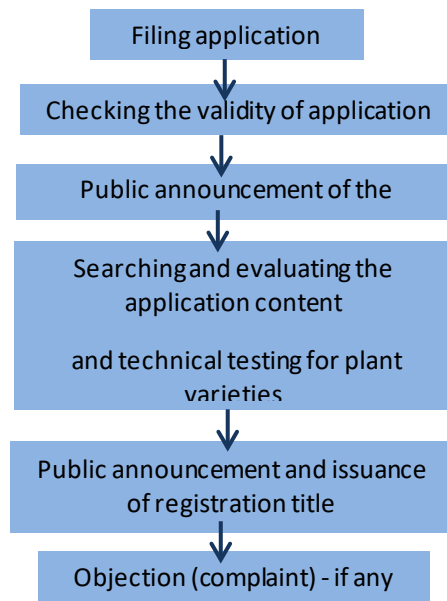
The registration form is available at:

<http://pvpo.mard.gov.vn/DetailInformation.aspx?InformationID=IN00000302>

The procedure of the registration is outlined in Figure 2.2.

Tip

*Familiarise yourself with the different IP rights before you apply for a legal protection.  
Applying for the wrong protection can be costly!*



**Figure 2.2. Example of the procedure of filing for IP protection of a plant variety**

#### Note

*The protection of intellectual property assets is limited to the terms and scope that are governed by the respective intellectual property rights.*

*Consequently, the protection is only valid for the timeframe and scope outlined by the specific intellectual property rights that you select.*

- *For a standard patent the duration is a maximum of 20 years,*
- *For industrial designs the duration for 15 years, and*
- *For trademarks they are indefinite, provided renewal fees are paid every 10 years*

*Beyond these term or scope, there is no protection unless renewal fees are paid to ensure patents and designs remain valid for these time periods.*

### How do I extract value from my Intellectual Property (IP)?

Extracting value from your intellectual property is about selling your IP or the right to use your intellectual property. This is to generate income that can help recover costs incurred from the creation and development of that IP asset, including the fees to register for IP rights, and for reinvestment (capital) to continue to develop and create new intellectual property.

The goal of extracting financial returns from IP protection can be an incentive for commercialisation. IP protection creates the possibility of earning revenue from a technology solution and encourages industry to invest in new or novel technology solutions being introduced to the market.

In order to extract value from intellectual property, researchers can consider the following main options:

- Commercialise intellectual property directly: produce and distribute products or services containing the intellectual property for commercial purposes,
- Transfer (sell) the right to use (i.e. licensing) intellectual property rights to another person or business, or
- Collaborate with others, using the value of your intellectual property as capital to jointly exploit and use an IP asset.

To select and proceed with any of the above options, researchers need to know the value of their IP and how to manage it financially. According to Vietnamese regulations, there are three key activities in managing the economic value of your IP:

1. Determining the value of your intellectual property,
2. Tracking and verifying the value of your IP asset,
3. Determining the internal and external influences on the value of your IP asset, and

### *a) Determining the value of your intellectual property*

IP asset valuation aims to forecast, or estimate, the future economic value of the IP asset, which is determined at the present time and expressed as a price. It helps researchers determine the most cost-effective way to use, sell, protect, insure, raise prices or exchange IP assets in the market. Technology valuation also provides a basis to help researchers accurately determine which part of their technology solution is new and worth paying for.

It is important to note, an independent technology valuation by a certified valuer is compulsory for anyone who is undertaking commercialisation for intellectual property that receives more than 30% of its funding from the Vietnamese Government. If you are looking to commercialise a technology solution that does not meet this criterion, then an independent valuation that follows the steps outlined here is recommended as it can help inform your market negotiations.

#### Note

*An Intellectual Property “valuation” is an independent appraisal of the value of your Intellectual Property assets. It can be a useful tool to help intellectual property owners determine the most economically efficient path to market for their technology solution.*

General reasons to undertake a technology valuation include:

- *Undertaking technology transfer (ownership or the right to use):* by appraising the value of the intellectual property for the transfer contract.
- *Saving costs:* the maintenance of the IP assets brings benefits as well as costs, especially, the cost to maintain the effectiveness of IP rights. The valuation of an exact price can help determine which types of IP that should be kept for development and which should be removed as they no longer bring higher benefit than cost to business activities.
- *Contributing investment capital, joint venture or strategic alliance:* this is done by accurately determining the respective possession value (capital) of the business in an investment, joint venture project, or joint business association.
- *Undertaking equitisation, issue shares (shareholders):* by appraising the enterprise value and its assets when the business participates in equitisation or issuing shares to the public.
- *Utilising preferential tax from donating IP assets:* by appraising the IP assets that have been donated (usually to non-profit organisations) as a basis so that tax authorities can calculate preferential tax for the donors.
- *Undertaking mergers & acquisitions:* by appraising the enterprise value based on the proportion (contribution level) of the IP assets of the enterprise compared to the total market price.
- *Undertaking collateralisation and securitisation:* banks in some countries tend to accept IP assets as a collateral loan.

There are several intellectual property valuation methods (or approaches)<sup>3</sup>, however the following three are the most commonly used<sup>4</sup>:

- i. the cost methods,
- ii. the income methods, and
- iii. the market methods (comparison)<sup>5</sup>.

Note

*In principle, a valuation of intellectual property assets can only be made if the assets are clearly identified and separated from others.*

i) Cost Method

This method is based on the cost to reproduce or recreate something of a similar nature. The value is based on the cost to acquire or construct a suitable asset of comparable utility. It is usually only applied to IP assets with uncertain future economic benefits. It also does not account for wasted costs<sup>6</sup>, nor does it consider any unique or novel characteristics of the asset.

The recommended formula for this method is:

$$\begin{aligned} & \text{Reproduction cost (or replacement cost)} \\ & - (\text{minus}) \text{ accumulated depreciation} \\ & + (\text{plus}) \text{ profit of the producer} \\ & = \text{IP asset value} \end{aligned}$$

The two types of costs are:

- *Reproduction costs* are based on an estimation of the actual costs spent on creating and developing the IP asset (also known as historical costs), including the capital fund and the interest rate. This method is often used to appraise the IP asset in the research and development (R&D) stage.
- *Replacement costs* are based on an estimation of the cost spent on replacing the IP asset or developing other equivalent assets, including capital funds and the interest rate on the basis of the reasonable risk premium, in the case where the IP asset (i.e. technology solution) becomes outdated. During the negotiation of IP asset

<sup>3</sup> Other complementary methods such as the option-based method, the stock market-based method, the method based on the patent renewal databased method, method and apparatus for patent valuation.

<sup>4</sup> [https://www.wipo.int/sme/en/value\\_ip\\_assets/](https://www.wipo.int/sme/en/value_ip_assets/)

<sup>5</sup> See the Circular 39/2014 / TTLT BKHCB-BTC dated December 17, 2014, and Circular 06/2014 / TT-BTC dated January 7, 2014.

<sup>6</sup> For example, assets that exist but are not well utilised or used at all.



trade, this method is often used to appraise the IP asset by comparing it to other assets which possess a similar nature so that parties can compare the options.

## ii) Income Methods

This method values your intellectual property assets based on an estimate of expected future income streams. It is the most common valuation method used for intellectual property because it takes into account the potential income of the IP asset to determine the estimated economic benefit (or income) over its economic life cycle (note that the economic life cycle of IP asset may be shorter or equivalent to the period of protection of intellectual property rights). This method is often considered the easiest for those whose cash flows can be estimated with some degree of reliability for future periods.

The most common Income methods used in Viet Nam are as follows:

- *Relief of Royalty* is based on an assumed license fee for an intellectual property asset based on market experience for equivalent assets. This method is commonly used in intellectual property transactions.  
The rule of 25% is frequently applied to determine profit sharing between the owners of intellectual property (i.e. the licensor) and organisations or individuals who have the right to use the technology (i.e. the licensee). For example, the licensor receives 25% of the profits from the branded or patented technology solution and the licensee receives 75% of the profits to cover the risks and costs of product development, manufacturing, and distribution.
- *Incremental Income or Premium Profit method* is based on the idea that the value can be measured by incremental earnings achieved by the asset evaluated against a comparable product that does not include the intellectual property.

## iii) Market Methods

The Market Methods values your intellectual property by analysing the sale of equivalent intellectual property assets on the market. To use this method, public, active market and price information needs to be available for comparison. The price information commonly used in this method is data on the royalty rate for comparable intellectual property assets that have been declared by relevant industries or businesses.

This particular method is based on available market information, so it is often used to establish approximate values to determine royalty rates, tax, and inputs for the income method<sup>7</sup>.

---

<sup>7</sup> [https://www.wipo.int/sme/en/value\\_ip\\_assets/](https://www.wipo.int/sme/en/value_ip_assets/)

### *b) Tracking and verifying the worth of an IP asset*

There are several different approaches to track and monitor the value of your intellectual property. Common approaches include:

- *Financial indicators*, e.g. current and future revenue, rate of return in the respective markets, cash flows converted to present values, and other financial metrics.
- *Customer surveys and distribution channels*, e.g. customer interest or customer awareness surveys, the “images” of the IP asset in customers' minds, and distribution channel coverage.
- *Future growth potential assessments*, e.g. the ability to expand products, increase market share/number of customers, increase productivity, revenue, cost savings, etc.), and
- *Time-trend analysis*, e.g. charts and graphs that compare the value of intellectual property over time to assess development trends.

### *c) Determining the internal and external influences on the value of the IP asset*

There are a number of different factors that can influence the value of IP assets, including:

#### a) Internal factors

- Position of a business in the market, e.g. monopoly, etc.
- Market potential of the technology solution
- Reputation of the business
- Scale of supply/distribution of products to the market
- Intellectual resources

#### b) External factors

- Bank interest
- Inflation rate
- Exchange rate
- Availability of alternative IP assets
- Consumer preferences
- Market/sector demand related to IP assets
- Government consumption policy, etc.

Understanding which factors influence the value of your intellectual property is important to ensure that any necessary adjustment can be made to your Commercialisation PLUS strategy.

Researchers can consult and seek assistance from appraisers if they need to commercialise and manage their intellectual property. Currently, there are more than 200 enterprises providing technology/IP valuation services in Vietnam with more than 1,000 appraisers<sup>8</sup>. In particular, the Institute of Intellectual Property Science (under the Ministry of Science and Technology) also has an intellectual property valuation function (see also <http://vipri.gov.vn/dinh-gia/quy-dinh-ve-hoat-dong-dinh-gia>).

---

<sup>8</sup> To access the list of appraisers go to the Ministry of Finance (<https://www.mof.gov.vn/webcenter/portal/btc/r/dn/ttdvtc/ttdvtq;jsessionid=52rdcRGZz>).

## What are my options in the case of a breach of Intellectual Property Rights (IPR)?

In the case of infringement of intellectual property rights, researchers should seek the assistance from the appropriate law enforcement agencies<sup>9</sup>. These agencies act as powerful authorities to protect intellectual property through the enforcement of penalties due to infringements of intellectual property rights (see Figure 2.3). Specifically, when an infringement of intellectual property rights occur, a researcher can:

1. Request the organisations and individuals that have committed infringement of your intellectual property rights to immediately stop the infringing acts, apologise publicly, and compensate for damage, or
2. Request the authorised state agencies to handle infringements of intellectual property rights in accordance with the law.

If you choose to request help from an authorised state agency you can utilise:

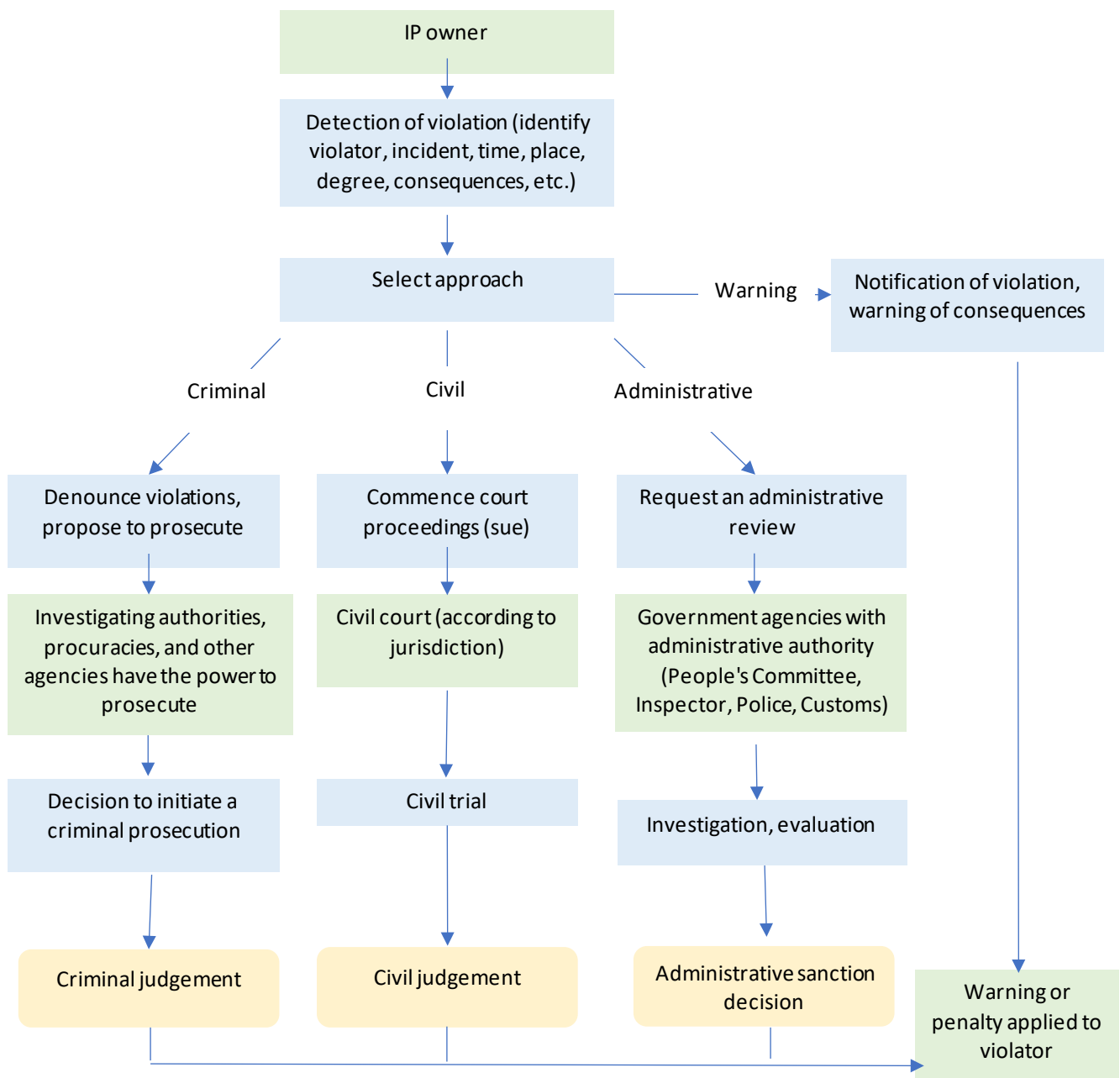
- a) the Peoples Committee inspectors: who help resolve disputes or conflicts of intellectual property rights by subjecting the infringer to deterrent and preventive sanctions. The People's Committee have inspectors that specialised in science and technology, culture-sports-tourism, agriculture and rural development; market management; economic police (handling intellectual property violations occurring in the country); and, customs (handling of intellectual property infringement of import and export goods), or
- b) The court system: to help resolve disputes or conflicts of intellectual property rights by civil (or even criminal) procedures. This option is most relevant when seeking compensation for civil damages incurred by the owner of the intellectual property due to IP rights infringements. In the Vietnamese judiciary system, the courts are the key agency that resolves intellectual property disputes (according to the Civil Procedure Code) and also carry out the enforcement measures to handle crimes related to intellectual property.

In addition, researchers can seek advice and support services from the following agencies:

- Intellectual property agency network <http://www.noip.gov.vn/web/guest/-ai-dien-so-huu-cong-nghiep>
- Alliances for protection of intellectual property rights, such as the Intellectual Property Association, the Vietnam Invention Association <http://www.vipa.com.vn/>
- Institute of Intellectual Property Science, under the Ministry of Science and Technology, <http://vipri.gov.vn/>

---

<sup>9</sup> Intellectual Property Law 2005/2009, Article 200.



**Figure 2.3. Official procedures to resolve dispute and infringement of IP rights**

### What is Technology Transfer?

The Commercialisation PLUS process is underpinned by the concept of technology transfer. For the purposes of this guide, technology transfer can be described as the movement of your intellectual property (including data, designs, patents, materials, software, technical knowledge, trade secrets, etc.) from one organisation to another, based on a financial transaction.

The 2017 Law on Technology Transfer in Viet Nam, states that the “*transfer of technology ownership or the transfer of the right to use technology from the party having the right to transfer the technology to the technology transferee*”.

Technology transfer is an important process in the context of globalisation. No single country in the world has all the resources to create all of the needed technology in an economic and efficient Capacity. Therefore, countries often consider importing technology or developing it through research to meet the need of innovation for economic and social development. Thus, to be able to successfully transfer technology, it is necessary to study the aspects of "ownership", "right to use", and the origin and forms of expression of a technology solution through technology transfer.

What is technology transfer?

UNCTAD (2001) describes technology transfer as the systematic transfer of the knowledge required to successfully and consistently create and deliver a product, apply a process, or perform a service.

<https://unctad.org/system/files/official-document/psiteiitd28.en.pdf>

Technology transfer is how an IP owner gives permission to use their intellectual property to another person or business within certain conditions, such as use for a limited timeframe, for a financial return, and in a certain territory. There are two types of technology transfer:

a) Transfer of intellectual property rights:

The owner of an IP asset sells the IP ownership to a recipient, who then becomes the owner of the intellectual property.

A researcher should carefully consider the decision to transfer intellectual property rights. In general, this is not a recommended commercialisation solution because the owner of the IP only benefits once, i.e. only at the time of selling your intellectual property and is no longer able to continue reaping the potential future financial benefits from that IP asset.

b) Transfer of the right to use the IP:

The transfer or licensing of the permission to use the IP by another. This means that the owner of the IP permits another organisation or individual to use the IP under certain contractual conditions.

In general, there are three common types of license agreements:

1. Exclusive license: entitles the licensee to exclusively use the intellectual property within agreed scope and terms of a contract, and restricts the licensor (i.e. the IP owner) from permitting others to use that IP within the scope and terms of the contract with any third party, and they also may not use the IP without the licensee's permission
2. Sole license: similar to the exclusive license above, but the licensor still has the right to use the intellectual property
3. Non-exclusive license: there are no limitations on the number of licensees. Under the scope and terms of the contract, the licensor has the right to enter into a contract to use the IP with one or more parties

Importantly, under current Vietnamese law, the transfer of intellectual property must be made through a written contract and registered with the Intellectual Property Office of Vietnam to be legally valid<sup>10</sup>.

### What are the market regulations you need to consider?

In addition to the above foundational laws that govern the Commercialisation PLUS process, before any individual technology solutions are launched into the market, they need to comply with additional market regulations that govern what is, and is not, allowed in the marketplace for different industries in Viet Nam.

As an example, to transfer to market the value adding technology that creates jam and wine from dragon fruit, the following market regulation relating to food safety needed to be complied with:

- Food Safety Law 2010
- Decree 15/2018/ND-CP, and
- Decree 105/2017/ND-CP on wine production

Another example, from the field of pharmaceuticals, agrochemical (agricultural), researchers need to pay attention to a special type of intellectual property, namely experimental data. Under current Vietnamese law, test data is not a separate object of intellectual property rights, but can be protected as a trade secret, or under the contents of an invention. Following the regulations<sup>11</sup>, for pharmaceuticals and agrochemicals to be sold legally on the market, researchers need to request permits from the relevant authorities, such as:

- Drug Administration under the Ministry of Health, <https://dav.gov.vn/dang-ki-thuoc-cong-bo-nguyen-lieu-c311.html>, and
- Plant Protection Department under the Ministry of Agriculture and Rural Development, <https://www.ppd.gov.vn/thuoc-bao-ve-thuc-vat-67.html>

Understanding the specific regulatory obligations relevant to your technology solution, will help inform the market requirements that need to be addressed, including but *not* limited to costs, timing for releasing of the product or service into the market, and the ability to legally sell certain products or services. If these obligations are not considered, regulatory hurdles can be expensive barriers for your technology to be adopted and, ultimately, delay achieving the desired impact. Therefore, depending on the technology solution to be commercialised, you may need to consider numerous regulations and engage with multiple regulatory authorities at the same time.

Apart from complying with the regulations of Viet Nam, when you wish to bring your technology or product to a global market, you must consider the relevant international regulations. Furthermore, it is also important to be aware if your customers/clients are considering exporting or selling it to international companies, as many countries have their own standards, rules and compliance mechanisms.

---

<sup>10</sup> Term 47 Circular No. 01/2007/TT-BKHCHN dated 14/02/2007 Amendment

<sup>11</sup> Circular 05/2010/TT-BYT, dated 01/3/2010.

# Special focus: What are the legal and regulatory considerations and obligations that guide a researcher’s Commercialisation PLUS journey?

The Government of Viet Nam has established a systematic set of laws and regulations to guide the transfer of technology from research to market. These laws and regulations are in line with the prevailing international treaties. The Commercialisation PLUS process recognises all relevant laws and regulations both domestically in Viet Nam and internationally.

To date, Viet Nam has established a system of laws and regulations to facilitate commercialisation of research results. In particular, three Vietnamese laws provide the overarching framework for relevant laws and regulations (see the table below). Supporting these laws are several decrees and circulars, which provide more tailored guidance around specific aspects of the three laws. A link to these legal documents can be found below the laws in the table.

2005/2015	Civil Code Law	<p>Stipulates legal status and legal standards for the conduct of individuals, legal entities, and other subjects; rights and obligations of subjects regarding personal identities and property in civil, marriage and family, business, commercial and labour relations (hereinafter referred to as civil relations).</p> <p>Protects the legitimate rights and interests of individuals and organisations, the interests of the State and the public interests; ensures equality and legal safety in civil relations, contributes to creating conditions to meet the people's material and spiritual needs, and promote socio-economic development.</p> <p>Part 6 “IP and technology transfer rights” defines general principles in civil relations, considering intellectual property rights as a kind of civil right and protected according to the principle of civil rights protection.</p>
07/2017 /QH14 Law	Law on Technology Transfer	<p>Provides for technology transfer activities with in Viet Nam, from abroad into Viet Nam, and from Viet Nam to abroad; rights and obligations of organisations and individuals participating in technology transfer activities; technology appraisal of investment projects; technology transfer contracts; measures to encourage technology transfer and develop a science and technology market; state management of technology transfer.</p>
2005/2009/2019 Law	Intellectual Property Law	<p>Provides for copyrights, copyright-related rights, industrial property rights, rights to plant varieties and the protection of such rights.</p>

Other legal documents related to IP and Technology Transfer can be found here:

<http://www.noip.gov.vn/van-ban-phap-luat-quy-che>

[http://vbpl.vn/pages/vbpg-](http://vbpl.vn/pages/vbpg-timkiem.aspx?type=0&s=1&SearchIn=Title,Title1&Keyword=s%E1)

[timkiem.aspx?type=0&s=1&SearchIn=Title,Title1&Keyword=s%E1%BB%9F%20h%E1%BB%AFu%20tr%C3%AD%20tu%E1%BB%87](http://vbpl.vn/pages/vbpg-timkiem.aspx?type=0&s=1&SearchIn=Title,Title1&Keyword=s%E1%BB%9F%20h%E1%BB%AFu%20tr%C3%AD%20tu%E1%BB%87)

*(Vietnam - domestic)*

<https://wipolex.wipo.int/en/main/legislation> *(international)*.

Part Six of the 2005/2015 Civil Code Law defines intellectual property rights as a civil right. While the 2005/2009/2019 Intellectual Property Law formalises the above principles and complements other aspects (economic, commercial, administrative, etc.). In addition to these two laws, there are also specialised laws, such as trade, customs, health, science-technology, which form part of the legal system that govern the Commercialisation PLUS process.

Apart from the aforementioned national legal documents, the protection of intellectual property in Viet Nam is also based on international treaties that Viet Nam has ratified (reflected in the above legal regulations), such as the Paris Convention (1883, 1967) on the protection of industrial property, the Berne Convention (1886, 1971) on the protection of literary and artistic works, and the Agreement on Trade-Related Aspects of Intellectual property rights (TRIPS Agreement) of the World Trade Organisation (WTO). The above documents establish a legal basis for activities related to IP and the protection of intellectual property for Vietnamese researchers.



## Special Focus: Freedom to operate and third parties' rights

A Freedom to Operate (FTO) search is an important part of your due diligence for your Commercialisation PLUS process. It helps you determine if the intellectual property within your technology solution is free to commercialise. The results of this search aim to reduce the possibility of legal action against you if existing IP rights owned by someone else are infringed upon. Other common name for this search is a patent infringement search or a right-to-use search.

An FTO search is designed to uncover any existing, thus enforceable, patents that may act as roadblocks to your Commercialisation PLUS process.

This search determines how likely you might infringe upon existing intellectual property by identifying any similar intellectual property found in your technology solution. The results will have implications for the commercialisation opportunities of your technology solution.

While the ideal outcome from an FTO search is “no infringement found”, if infringements are found, then the most common options for response include:

- abandoning the commercialisation process for the technology solution,
- engaging in a redesign to bypass the intellectual property that is being infringed upon, or
- approaching the patent holder for possible licensing negotiations.

Conducting a Freedom to Operate search before you execute your Commercialisation PLUS strategy (i.e. during your planning phase) is an important way of minimising the risk of a patent infringing upon the patents owned by others.

It is recommended that a patent attorney be commissioned to undertake your Freedom to Operate (FTO) search. An FTO search can involve reviewing and assessing hundreds to thousands of documents and patent attorneys have the most appropriate expertise to interpret the results of this search and provide assurance, or not, about any potential infringements. If there is a potential infringement, they are also the best person to provide advice on what this means and any strategies that can resolve it.

Investing in comprehensive patent searches, like Freedom to Operate searches can uncover important insights that helps increase the value of your technology solution to potential customers/clients.

For more information on how Freedom to Operate can influence your path to market, refer to the following two scenarios.

### Scenario 1:

Imagine that you have invented a unique technology, in this example it is a special type of domestic waste collection machine which automatically sorts household waste into metal, paper, plastic etc., and packages it for recycling.

You immediately see an international market for this technology. However, you are also aware that eTrash PLC has patents for an identical technology.

As part of your commercialisation planning process for this invention, you undertake an FTO search.

Unfortunately, you find that eTrash PLC has valid patents for the invention in all European countries and the USA, but nowhere else. By elimination, you see that you have FTO in other countries such as Australia, Canada, South America and even Asia.

Consequently, you could consider establishing production, sales and distribution in those countries because eTrash PLC does not have any patents there. However, you must also make sure that no other companies have patent rights for your product in these countries!

If the biggest markets for you are actually Europe and the USA, your FTO search must also be directed at identifying when eTrash's patents will expire (or have expired). This can be complicated as a patent may appear to be invalid (because of failure to pay fees) but can be reinstated later in which case if you have prematurely moved into the market, you could face fines or other penalties.

In principle, patents have a maximum finite life, but in some cases the patent term can be extended. Again, if you've moved too soon bring your product to market you could be held liable.

*Source: Clarke, N. (2018) The basics of patent searching. World Patent Information Vol 54 Supplement September 2018 pages S4-S10. DOI: <http://doi.org/10.1016/j.wpi.2017.02.006>*

## Scenario 2:

Imagine that you have patented your intellectual property, a device which automatically compensates for eccentric loads in rotating machinery. Examples could include a washing machine or spin drier with a heavy wet bed cover inside, or a food mixer with solid and liquid ingredients in its bowl, or a vehicle tyre and wheel which need to be balanced.

Your device is an improvement to existing inventions, yet your device is essentially useless on its own. You cannot unilaterally embed your device in food mixers, washing machines and spin driers made by other companies if protected by patents. Therefore, you do not have FTO. You will have to come to some sort of cross-licensing agreement, based on the respective patent ownerships.

This is more complicated situation occurs when the implementation of the invention depends on another.

*Source: Clarke, N. (2018) The basics of patent searching. World Patent Information Vol 54 Supplement September 2018 pages S4-S10. DOI: <http://doi.org/10.1016/j.wpi.2017.02.006>*