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The legal liability of e-commerce platforms in trademark protection: A study of U.S. law and lessons for Vietnam

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Abstract
The global expansion of e-commerce has created vast opportunities for trade but also heightened risks of trademark infringement, as counterfeit goods increasingly reach consumers through online platforms. In Vietnam, the rise of digital commerce under Industry 4.0 has exposed gaps in the legal framework for regulating e-commerce intermediaries. While the 2022 amendment to the Law on Intellectual Property introduced a conditional exemption (safe harbor) for copyright, it did not extend this protection or corresponding duties to trademark enforcement. By contrast, U.S. law rooted in the Lanham Act and developed through cases such as Tiffany v. eBay and Ohio State University v. Redbubble distinguishes between direct and contributory liability, emphasizing actual knowledge and prompt response to infringement notices. Recent initiatives, including the INFORM Consumers Act (2022) and the proposed SHOP SAFE Act, further enhance transparency and platform accountability. For Vietnam, key lessons include codifying platform obligations, strengthening seller verification and notice-and-takedown procedures, and adopting a conditional safe-harbor model for trademarks. A coherent, enforceable framework combining proactive platform responsibility with transparent state oversight will be crucial to protecting brand integrity, consumer trust, and fair competition in Vietnam's rapidly expanding digital economy.

Keywords: Trademark protection, E-commerce platforms, Legal liability, Trademark infringement, Counterfeit goods

Introduction
The global boom in e-commerce has expanded online business opportunities but also intensified trademark infringement. According to a report by the U.S. Department of Homeland Security, e-commerce platforms are increasingly becoming an "ideal storefront" for counterfeit goods, allowing fake products to reach "a large number of consumers." Similarly, in the context of the Fourth Industrial Revolution, the demand for online shopping in Vietnam has surged, accompanied by increasingly sophisticated trademark violations. This raises an important question: beyond the trademark owners and direct infringers, should e-commerce platforms themselves bear legal liability when infringing products are sold on their marketplaces? This issue is pressing because Vietnam's Law on Intellectual Property (2005, as amended in 2009, 2019, and 2022) only refers to the general liability of "commercial intermediaries" without clearly addressing specific acts occurring on e-commerce platforms. A comparative study of U.S. experience will help guide the improvement of Vietnam's legal framework.

Overview of the Legal Liability of E-Commerce Platforms in Trademark Protection
Theoretical Basis for the Legal Liability of E-Commerce Platforms in Trademark Protection: Fundamentally, a trademark serves as a distinctive sign that identifies the origin of goods, while trademark infringement refers to the unauthorized use of a mark or a confusingly similar sign in relation to identical or similar goods or services. From a legal perspective, liability for trademark infringement can arise in two primary forms: direct infringement, where the seller or manufacturer of counterfeit goods themselves use the mark without authorization and indirect (or contributory) infringement, where a third party facilitates or enables such infringement. "Contributory trademark infringement" is generally defined as occurring when: (1) a party induces or encourages another to commit trademark infringement; or (2) continues to supply goods or services knowing, or having reasonable

grounds to know, that such goods or services infringe another's trademark. In simple terms, if an e-commerce platform is aware that a product sold on its marketplace is counterfeit but nevertheless allows it to remain available for sale, the platform may be deemed an accomplice to the infringement. Conversely, if the platform merely acts as a passive intermediary, providing only the technical environment for transactions without direct involvement, it is generally not considered a direct infringer [1].

The concept of the "safe harbor" in intellectual property (IP) law is also discussed in relation to online intermediaries such as e-commerce platforms. For instance, similar to the provisions of the U.S. Digital Millennium Copyright Act (DMCA), which grants liability exemptions to content-hosting services that comply with the notice-and-takedown procedure, Vietnam's Law on Intellectual Property (2022) has introduced a conditional exemption from liability for intermediary service providers concerning copyright-related activities. However, this safe harbor mechanism in Vietnam currently applies only to copyright matters, specifically to services such as transmission, hosting, and caching and does not yet extend to trademark protection. Consequently, the enforcement of e-commerce platforms' responsibilities regarding trademarks largely depends on other legal frameworks governing e-commerce management and the general handling of online violations. From a theoretical perspective, e-commerce platforms may bear two forms of liability: Direct liability, if the platform itself engages in infringing acts, such as producing or distributing counterfeit goods bearing a registered trademark; and Indirect (or contributory) liability, if the platform facilitates or enables third-party infringement, for example, by failing to remove listings that it knows (or should have known) are infringing.

Legal Liability of E-Commerce Platforms in Trademark Protection under U.S. Law

In the United States, the legal framework governing trademark infringement is primarily established under the Lanham Act and further developed through federal court precedents. Judicial practice shows that U.S. courts generally consider e-commerce platforms as intermediaries when their role is limited to connecting buyers and sellers without directly participating in the manufacturing, marketing, or distribution of goods. In Milo & Gabby v. Amazon (Fed. Cir., 2017), the Federal Circuit held that Amazon was not a direct infringer, as the platform merely provided a marketplace for transactions and did not exercise control over the infringing products. Similarly, in Tiffany v. eBay (2nd Cir., 2010), the Second Circuit concluded that eBay's general awareness of the existence of counterfeit goods on its platform was insufficient to establish direct trademark infringement. However, when a platform becomes more deeply involved in the supply chain or manufacturing process, courts may find it directly liable. A notable example is Ohio State University v. Redbubble (6th Cir., 2021), where the court determined that Redbubble had commissioned third parties to produce goods and affixed its own branding, thereby engaging in active participation and incurring direct liability for trademark infringement. This approach demonstrates the clear distinction in U.S. jurisprudence between the passive intermediary role of e-commerce platforms and active involvement constituting infringement within the American e-commerce model.

Regarding contributory liability, U.S. case law establishes the principle that an e-commerce platform can only be deemed an accomplice when it has actual knowledge of specific acts of trademark infringement. In Tiffany v. eBay (2nd Cir., 2010), the Second Circuit ruled that eBay's general awareness of counterfeit goods on its platform was insufficient to impose legal liability, unless the platform had clear knowledge of particular infringing instances and failed to take timely action. This position was reaffirmed in Y.Y.G.M.A. v. Redbubble (9th Cir., 2023), where the Ninth Circuit held that platforms are not obligated to proactively search for or monitor infringements. However, once they are notified or possess concrete evidence of an infringing activity, they must act diligently and promptly to remove and remedy the violation. From these precedents, it is evident that U.S. law maintains a boundary between passive responsibility and conditional duty to act: purely intermediary platforms are unlikely to face lawsuits, but once they acquire actual knowledge of an infringement, they are legally required to cooperate and address the issue. It is also noteworthy that the United States currently lacks a specific "safe harbor" mechanism for trademarks akin to the DMCA's protection for copyright. Consequently, many experts and lawmakers have proposed the SHOP SAFE Act, which would require e-commerce platforms to proactively verify sellers' identities, monitor product authenticity, and remove counterfeit listings, aiming to establish a more active and preventive liability framework for trademark protection [2].

From a governance perspective, the United States has been progressively improving its policy framework to enhance transparency and accountability of e-commerce platforms. A major milestone was the enactment of the INFORM Consumers Act in 2022 (effective in 2023), which requires e-commerce platforms to disclose and verify seller information, particularly for foreign sellers, to ensure traceability and control over product origins. However, this law does not impose direct obligations on platforms to verify the quality or authenticity of goods. Instead, its primary objective is to increase data transparency and strengthen corporate accountability. In practice, due to the limitations of federal law, which remains either insufficiently comprehensive or lacking in enforcement strength several U.S. states have taken the initiative to sue e-commerce platforms for allowing the proliferation of counterfeit and trademark-infringing goods, arguing that such practices harm local economies and commercial reputations. This trend reflects the strong decentralization of intellectual property enforcement in the U.S. and encourages platforms to cooperate more proactively with trademark owners and public authorities. Overall, the U.S. approach demonstrates a shift from passive regulation to cooperative governance, where government, businesses, and platforms jointly participate in protecting trademarks and combating online counterfeiting. This evolving model of shared responsibility and proactive enforcement is increasingly being studied and adopted by other countries in the context of the global digital economy [3].

Legal Liability of E-Commerce Platforms in Trademark Protection under Vietnamese Law

In Vietnam, the Law on Intellectual Property (2005, as amended in 2009, 2019, and 2022) provides relatively detailed regulations on acts constituting trademark

infringement, such as the unauthorized use of a trademark without the owner's consent. However, the current legal system does not yet include specific provisions that clearly define the legal liability of e-commerce platforms in cases of online trademark infringement. Instead, the relevant regulations are dispersed across the broader legal framework governing e-commerce, most notably in Decree No. 85/2021/NĐ-CP, which amends and supplements Decree No. 52/2013/NĐ-CP on e-commerce activities. This decree outlines general obligations for e-commerce service providers, including requirements related to information disclosure, prevention of prohibited goods trading, and cooperation with competent authorities in handling violations. Nevertheless, these provisions lack a clear delineation of liability between sellers and platform operators in relation to trademark-infringing goods. As a result, determining the extent of responsibility of e-commerce platforms remains challenging, particularly when balancing their intermediary role with their obligations to monitor and prevent intellectual property violations in the digital marketplace.

According to this Decree, e-commerce trading platforms are obligated to implement specific measures to address violations. When discovering or receiving reports of infringing activities, platforms must immediately prevent and remove any information related to the trading of prohibited goods or services. In particular, they are required to take down trademark-infringing content within 24 hours upon receiving a request from a competent authority. In addition, e-commerce platforms must cooperate with rights holders (trademark owners) to review, verify, and handle infringing products. They may issue warnings, suspend or terminate accounts, or refuse to provide services to repeat offenders. Notably, Clause 11, Article 36 of Decree No. 85/2021/NĐ-CP stipulates that an e-commerce platform may bear joint liability for damages if it fails to properly monitor, remove, or handle violations, resulting in losses to the rights holder or consumers. This provision marks an important development in Vietnamese law, signaling a gradual shift toward holding e-commerce platforms accountable for their role in trademark protection, particularly in cases where negligence or inaction contributes to continued infringement.

Vietnamese law currently adopts a "dual sanction mechanism", combining both proactive empowerment and legal accountability for e-commerce platforms. Specifically, e-commerce marketplaces are granted the authority to detect, prevent, and promptly remove trademark-infringing activities, while simultaneously bearing legal responsibility, including liability for damages, if they fail to perform these duties adequately or effectively. This approach reflects Vietnam's effort to balance two objectives: on the one hand, to promote the growth of e-commerce and technological innovation, and on the other, to ensure an effective mechanism for intellectual property protection in line with international best practices. However, to achieve greater consistency and efficiency, Vietnam must continue to refine its legal framework, particularly by clarifying the liability of e-commerce platforms in cases of online trademark infringement. Doing so will establish a solid legal foundation for a more transparent, equitable, and sustainable e-commerce environment [4].

The current regulations on the liability of e-commerce platforms in handling trademark infringements remain at the level of governmental decrees and have not yet been codified into the Law on Intellectual Property (IP Law). Specifically, the 2022 amendment to the IP Law introduced a conditional exemption mechanism (Article 198b) for intermediary service providers, but only in the field of copyright, without extending this framework to trademark protection.

At present, the regulation of trademark infringement in the digital environment continues to rely on sub-law instruments, such as:

Decree No. 85/2021/NĐ-CP on e-commerce management;

Decree No. 98/2020/NĐ-CP on administrative sanctions for violations in e-commerce; and

Decree No. 65/2023/NĐ-CP detailing the elements constituting trademark infringement.

This fragmented regulatory system creates a significant legal gap, as the liability of e-commerce platforms for trademark-infringing goods has not been clearly or uniformly defined. As a result, the enforcement of IP law lacks coherence and binding force, thereby reducing the effectiveness of industrial property protection amid the rapid growth of e-commerce activities in Vietnam [5].

Lessons for Vietnam

From the experience of the United States, several lessons can be drawn for Vietnam in improving the legal framework and enforcement of trademark protection on e-commerce platforms:

Firstly: legalizing the obligations of e-commerce platforms. One of the most urgent requirements in managing digital trademarks is to clearly define the legal responsibilities of e-commerce platforms. The U.S. experience shows that if the regulations are merely advisory or lack binding force, trademark owners will face difficulties in requesting the removal of counterfeit goods, as courts often require specific evidence that the platform "knew" about the infringement. Therefore, Vietnam should consider supplementing detailed legal provisions on the liability of e-commerce platforms for trademark-infringing goods, similar to the proposal under the U.S. *SHOP SAFE Act*, which obliges platforms to conduct inspection, verification, and removal of counterfeit products. This could be stipulated in the Intellectual Property Law or a specialized decree, accompanied by administrative or civil sanctions for non-compliance with monitoring and removal obligations.

Secondly: ensuring transparency of seller information. Transparency in e-commerce operations is a key condition to enhance accountability and traceability in trademark infringement cases. Similar to the U.S. *INFORM Consumers Act*, Vietnam should require e-commerce platforms to disclose and verify seller information, especially for foreign sellers. Obligations for platforms to store, verify, and update transaction data and seller identities, as initially prescribed under Decree No. 85/2021/NĐ-CP should be expanded and regularly supervised. The State may encourage platforms to establish automated registration and verification systems, similar to the "recordation" mechanism used in many countries, to support regulatory authorities and trademark owners in effectively tracing and addressing infringements.

Thirdly: tightening the "notice-and-takedown" process and strengthening inter-agency cooperation. To enhance enforcement efficiency, it is necessary to standardize and

shorten the time frame for handling trademark infringement removal requests. The U.S. requires action "as soon as practicable" after the platform becomes aware of the violation, whereas Vietnamese law currently provides a 24-hour period from the time an official request is received. Vietnam should further shorten this time limit while reinforcing cooperation among e-commerce platforms, the National Office of Intellectual Property, and the Ministry of Industry and Trade in reviewing, sharing data, and creating a "blacklist" of infringing keywords. Additionally, the adoption of data-filtering technologies and automated alert systems should be promoted to proactively detect counterfeit goods, consistent with international practices on intellectual property rights enforcement.

Fourthly: adopting a conditional "Safe Harbor" mechanism for trademarks. Vietnam currently applies the Safe Harbor mechanism only for copyright, while many countries are extending this model to trademarks. Establishing a "conditional exemption from liability" mechanism for e-commerce platforms could incentivize voluntary compliance if they meet certain criteria, such as: (i) establishing a system to detect and handle infringements similar to the DMCA mechanism; (ii) periodically reporting the number of resolved infringement cases; (iii) maintaining transparency in responding to complaints. In this way, e-commerce platforms would only benefit from exemption if they demonstrate full compliance with management and removal measures; otherwise, they would face compensation or penalties for systemic violations.

Fifthly: integrating international experience and promoting multilateral cooperation. In addition to improving domestic legislation, Vietnam can learn from international experience to develop a trademark management mechanism suited to the global digital context. The European Union's *Digital Services Act (DSA)* requires platforms to conduct risk assessments, disclose information, and ensure transparency in handling counterfeit goods. China implements a whistleblowing mechanism and imposes heavy fines on platforms that fail to remove infringing content. Vietnam could strengthen international cooperation, especially in information exchange, investigation support, and enforcement against cross-border infringements, thereby establishing an effective, transparent, and integrated trademark protection ecosystem in the era of global e-commerce.

Conclusion

The legal responsibility of e-commerce platforms in trademark protection is a complex issue that requires a delicate balance between safeguarding intellectual property rights and maintaining a free, innovative business environment. Experience from the United States demonstrates that only when platforms proactively implement the "notice-and-takedown" mechanism and strictly comply with content control procedures can the problem of counterfeit and trademark-infringing goods be effectively mitigated. For Vietnam, the initial establishment of obligations related to infringement handling and verification support marks a commendable step forward. However, the legal framework still needs further clarification, particularly within the Intellectual Property Law and its implementing decrees to explicitly define the roles, scope, and responsibilities of e-commerce platforms in preventing, removing, and reporting infringements. When the legal system becomes transparent, binding, and rigorously enforced, platform accountability will be effectively promoted. This, in turn, will help protect business reputation, strengthen consumer trust, and enhance the global standing of Vietnamese brands in the digital economy.

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