

SECTION II: Country Reports

UKRAINE – REVIEW SUSPENDED

Ukraine was placed on the Priority Watch List in 2021. Despite the ongoing war, Ukraine has continued to engage meaningfully with the United States on long-standing areas of concern with Ukraine’s intellectual property regime, including: (1) the administration of the system for collective management organizations that are responsible for collecting and distributing copyright royalties to right holders; (2) the use of unlicensed software by government agencies; and (3) the implementation of effective means to combat widespread online copyright infringement. However, due to the ongoing war, the Special 301 review of Ukraine remains suspended.

PRIORITY FOREIGN COUNTRY

VIETNAM

As a result of the 2026 Special 301 Review, the U.S. Trade Representative (USTR) identifies Vietnam as a Priority Foreign Country (PFC). This identification follows extensive bilateral engagement between the United States and Vietnam that has failed to resolve long-standing concerns regarding IP protection and enforcement. Although Vietnam has taken some enforcement actions, these efforts are insufficient to address the full range of serious concerns.

The specific grounds for the USTR’s identification of Vietnam as a PFC are: (1) failure to provide persistent and effective enforcement to combat online piracy; (2) failure to provide sufficient enforcement against widespread counterfeiting; (3) lack of effective border enforcement; (4) lack of enforcement actions against unlicensed software use; and (5) lack of criminal measures against cable and satellite signal theft.

Failure to provide persistent and effective enforcement to combat online piracy

The United States has repeatedly raised strong concerns about Vietnam’s role in online piracy worldwide. Vietnam remains a significant source of online piracy and continues to host popular English-language copyright infringement sites and services that target a global audience. Some of these sites provide piracy services, including extensive libraries of pirated movies and TV shows. A locally popular cyberlocker offering such services also operates within Vietnam. The operators of these sites and services likely based themselves in Vietnam because enforcement efforts there historically lacked the follow-through and substantial penalties needed to deter infringement. For example, after the successful shutdown of Vietnam-based video hosting site Zembed in July 2023 after engagement from right holders, the domain MegaCloud replaced this site and continued its piracy operations in Vietnam. Stakeholders report that Vietnam has the highest incidence of online piracy in the Asia-Pacific region, has high levels of music piracy, and is ranked eighth in the world for piracy of certain mobile video games.

The 2025 *Notorious Markets List* provides illustrative examples of piracy sites or services reportedly operating from Vietnam. For example, as noted above, the hosting platform MegaCloud, which formerly operated under the pirate service site 2embed, reportedly acts as a backend hosting system delivering infringing video files, including more than 46,000 movies and 16,000 TV series, directly to more than 260 pirate streaming sites around the world. The sites using the MegaCloud network reportedly received over 600 million monthly visitors in July 2025. Additionally, MyFlixerz and its network of related streaming sites are one of the most popular pirate streaming networks in the world and reportedly received more than 622 million visits in August 2025.

Vietnam recently had an uptick in criminal prosecutions against piracy operators in collaboration with U.S. enforcement authorities and stakeholders, which the United States hopes will continue. However, despite having criminal laws that provide for substantial fines and years of incarceration for copyright infringement, the defendants in recent criminal prosecutions received suspended sentences and were only ordered to pay relatively low financial penalties. For example, in the case against the operators of Fmovies, one of the most popular piracy sites in the world, the court, over the objection of prosecutors, imposed suspended sentences on both defendants and only ordered them to pay around \$2,700 and \$770 in criminal fines, respectively, and around \$35,000 to compensate right holders. In order to have a greater deterrent effect, Vietnam enforcement authorities should bring more criminal cases against significant piracy sites and Vietnamese courts should impose prison sentences, monetary fines, and other criminal penalties at the higher levels that are available under Vietnamese law, to reflect the harm caused by such piracy operations. Other obstacles to effective criminal enforcement include the lack of clarity regarding the threshold for criminal enforcement under amendments to the 2015 Penal Code, including the proof required to meet that threshold, and regarding how to handle intangible evidence, such as digital assets and domain names.

Vietnam's continued reliance on administrative enforcement actions over civil or criminal enforcement has been another long-standing concern, particularly as administrative enforcement does not have the same deterrent effect as civil remedies and criminal penalties. Right holders face informal pressure from enforcement authorities to submit complaints for administrative enforcement proceedings instead of directly pursuing civil enforcement or obtaining a referral for criminal enforcement.

Online piracy in Vietnam has caused immense harm to U.S. copyright holders. Vietnam must provide effective enforcement and take persistent and effective enforcement actions to combat online piracy, including by bringing significantly more criminal prosecutions against online piracy operations; seeking deterrent-level prison sentences, monetary fines, and other criminal penalties; and addressing obstacles to pursuing effective enforcement.

Failure to provide sufficient enforcement against widespread counterfeiting

The United States has repeatedly conveyed its long-standing concerns about Vietnam's insufficient enforcement to combat widespread counterfeiting within Vietnam. Counterfeit goods—both locally manufactured and imported—remain widely available and openly sold in physical markets, which persist in major urban and tourist centers. Counterfeit goods are widespread and

increasingly sold through e-commerce platforms and through the use of livestream videos. Stakeholders report the dangerous spread of fraudulent listings on e-commerce platforms for counterfeit products with health and safety risks, such as counterfeit milk, food, and supplements.

In 2025, Vietnam underwent a significant reorganization of its government, which included restructuring of the Market Surveillance Agency (MSA) and transferring most enforcement work by the MSA to local authorities. Stakeholders report that this transition between enforcement authorities has resulted in gaps in enforcement that counterfeit sellers have exploited. Even with multiple enforcement campaigns, administrative enforcement in physical markets and online markets by the reorganized Ministry of Industry and Trade's Department for Domestic Market Management and Development (DMMD) decreased in 2025, with the number of violations involving IP-infringing goods and goods of unknown origin/inferior quality declining by 50% compared to 2024.

As with online piracy, Vietnam's continued reliance on administrative enforcement actions over civil or criminal enforcement has been a long-standing concern, particularly as administrative enforcement does not have the same deterrent effect as civil remedies and criminal penalties. Weak enforcement against counterfeiting has also been due to poor coordination among ministries and agencies responsible for enforcement, delays in initiating enforcement actions, and the lack of familiarity with trademark law among police, prosecutors, and judges.

Vietnam must provide sufficient enforcement against widespread counterfeiting, including by increasing enforcement actions in physical and online markets, improving coordination among enforcement authorities, and addressing other obstacles to effective enforcement.

Lack of effective border enforcement, including failure to utilize ex officio authority for IP seizures and lack of ex officio authority over in-transit goods

The United States has repeatedly raised concerns about the lack of effective border enforcement in Vietnam. Vietnam Customs has demonstrated a lack of consistency in enforcement at the border over the years, and some stakeholders report a lack of transparency and communication. Notably, Vietnam Customs has possessed *ex officio* authority to suspend customs procedures for suspected pirated and counterfeit goods at the border since the 2022 amendments to the *Intellectual Property Law*, but has rarely exercised that authority. Also, Vietnam's laws and decrees do not provide this authority with respect to in-transit goods.

Vietnam must provide effective border enforcement, including by utilizing Vietnam Customs' *ex officio* authority to increase seizures of pirated and counterfeit goods and providing *ex officio* authority with respect to in-transit goods.

Lack of enforcement actions against unlicensed software use

The United States has repeatedly raised long-standing concerns about the lack of enforcement against unlicensed software in Vietnam. Vietnam has been recognized by stakeholders as a rapidly growing technology hub in the region. At the same time, Vietnam authorities reportedly have not conducted significant enforcement against the use of unlicensed software by corporate end users

in the past three years. The lack of deterrence has resulted in widespread use of unlicensed software. Vietnam needs to increase enforcement actions against unlicensed software use.

Lack of criminal measures against cable and satellite signal theft

The United States has repeatedly raised concerns about the continued lack of criminal laws or decrees against cable and satellite signal theft. Although Article 35 of the *Intellectual Property Law* was amended in 2022 to define infringement of related rights with respect to the unauthorized decoding of encrypted program-carrying satellite signals, the corresponding provision in the *Criminal Law* has not been amended to provide criminal penalties with respect to such signals. The *Intellectual Property Law* and *Criminal Law* also do not expressly address cable signal theft. Vietnam must provide criminal measures against cable and satellite signal theft, such as by amending the *Criminal Law* or issuing a decree.

Other IP Concerns

The United States remains concerned about other long-standing IP issues described in previous Special 301 Reports. Persistent concerns include overly broad exceptions to copyright and related rights and the need for effective implementation of the World Intellectual Property Organization (WIPO) Performances and Phonograms Treaty (WPPT) and WIPO Copyright Treaty (WCT), including protections against circumvention of technological protection measures and certain acts affecting rights management information. In addition, right holders have raised concerns about bad faith trademark registrations by counterfeiters who exploit delays in trademark examination. Furthermore, Vietnam lacks an effective system for protecting against the unfair commercial use, as well as the unauthorized disclosure, of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products.

The United States is also monitoring the implementation of IP provisions pursuant to Vietnam's commitments under trade agreements with third parties. The European Union-Vietnam Free Trade Agreement (EVFTA) grandfathered prior users of certain cheese terms from the restrictions in the geographical indications (GIs) provisions of the EVFTA, and it is important that Vietnam ensures market access for prior users of those terms who were in the Vietnamese market before the grandfathering date of January 1, 2017.

The United States acknowledges enforcement actions to shut down Fmovies and associated piracy sites in 2024, Y2Mate and 11 other stream-ripping websites in 2025, and piracy platforms Xoilac TV and R*phim in 2026, including collaboration between the Ministry of Public Security (MPS), the Supreme People's Procuratorate, and U.S. enforcement authorities and stakeholders in the Fmovies case. In March 2026, after MPS sought feedback on a draft decree on piracy of printed publications in electronic formats, major Vietnamese pirated e-book sharing platforms, including TVE-4U, VCTVEGroup, and Ebookvie, ceased operations or stopped the sharing of copyrighted materials. In April 2026, Vietnam-based HiAnime.to, which was one of the most popular pirate sites in the world and listed in the 2025 *Notorious Market List*, shut down, along with related mirror sites. Continued efforts by Vietnam to investigate and prosecute criminal copyright offenses will make the country a less hospitable host for sites that profit from infringement and will deter piracy operations, increasing the rate of voluntary closure of such sites.

The United States continues to engage with Vietnam on efforts to establish specialized IP courts in Hanoi and Ho Chi Minh City. As the judges assigned to these courts also handle non-IP cases concurrently, the specialized IP courts have completed a limited number of IP cases.

With the passage of the amended *Intellectual Property Law* and the *Law on E-Commerce* in December 2025, stakeholders raised concerns about short public comment periods for the draft legislation and draft implementing decrees, with one comment period being only 24 hours. Vietnam should provide all interested stakeholders with a meaningful opportunity to provide input on draft measures.

The United States will continue to engage Vietnam bilaterally on these and other matters, outside of a Section 301 investigation.

Priority Foreign Country Identification

The acts, policies, and practices described as the grounds for PFC have cumulatively resulted in significant financial damage to U.S. copyright-related industries and U.S. brands, including the foregone revenue and market opportunities and the impact on the markets in other countries. Intensive bilateral engagement by the United States has not resulted in sufficient efforts by Vietnam to resolve these long-standing issues.

As a consequence of this PFC identification, the USTR will determine pursuant to Section 302 of the Trade Act of 1974 whether to initiate an investigation of Vietnam's acts, policies, and practices that are the basis for its identification as a PFC.