A PLAIN-LANGUAGE REFERENCE FROM OUTSOURCE2VIETNAM.COM

WORK-FOR-HIRE & IP OWNERSHIP

What Vietnamese Subcontractors and Buyers Should Know Before Signing

> Not legal advice. This document is a general reference, not a substitute for qualified legal counsel.

This issue comes up constantly in outsourcing relationships between international buyers and Vietnamese vendors: who actually owns the work once it's delivered? It's rarely addressed clearly, and it's one of the most common sources of disputes we see. This isn't legal advice — O2VN is a directory platform, not a law firm — but here is the practical shape of the issue, and why it matters more for contractor relationships than most people realize.

THE CORE DISTINCTION

Ownership of work product depends entirely on who created it and under what relationship.

Employees

IP created within job duties automatically belongs to the employer. No extra paperwork needed — this is baked into standard employment law. What matters is having job descriptions and employment contracts that clearly define scope.

Contractors (including outsourced vendors)

Ownership does not transfer automatically. Without an explicit written agreement assigning rights, a contractor can retain claim to their own output. This is the gap that causes disputes.

WHY THIS MATTERS SPECIFICALLY FOR VIETNAMESE OUTSOURCING

Most Vietnamese subcontractor relationships — software development, manufacturing, design, BPO — are structured as independent contractor engagements, not employment. That means the automatic employer-ownership rule does not apply by default. If a buyer commissions work from a Vietnamese vendor and there is no explicit IP assignment clause in the contract, the vendor may retain rights to what they built — even after full payment.

PRACTICAL TAKEAWAY

Any buyer working with a Vietnamese subcontractor needs a signed agreement establishing IP ownership before work starts, not after. Any Vietnamese vendor should understand exactly what they are signing away — or retaining — since this affects whether they can reuse components, templates, or code across other client projects.

WHAT A SOLID WORK-FOR-HIRE AGREEMENT SHOULD LOCK DOWN

Five functional buckets, not just a flat checklist:

01 Who owns what

- Work is explicitly labeled “work for hire”
- All rights, drafts, and preliminary versions transfer to the hiring party
- Contractor gives up resale/reuse rights without permission

02 What's being delivered

- Defined tasks, deliverables, milestones, deadlines
- Payment amount, schedule, and handling of expenses

03 Risk protection

- Confidentiality terms, with a defined duration
- Indemnification if a third party disputes ownership
- Liability limits for both sides
- Insurance requirements, where relevant
- A warranty that the work is original and does not infringe on anyone else's rights

04 Ending the relationship

- Termination conditions and notice periods
- What happens to materials and access on exit
- Non-solicitation of clients or staff post-termination

05 The fine print

- Governing law and jurisdiction — specify which country's law applies in cross-border deals
- Dispute resolution method (mediation, arbitration, etc.)
- Force majeure
- Written-amendment-only clause
- Signatures from both sides (digital is fine)

BOTTOM LINE

Employees are covered by default; contractors are not — and virtually all Vietnamese outsourcing engagements fall into the contractor category. Every engagement needs its own explicit, signed IP assignment. This is a starting structure, not legal advice; have any actual agreement reviewed by qualified counsel in the relevant jurisdiction before signing.