

TO: William Fisher
FROM: **PHAM Thi Thanh Loan, SERRAPEDE Sumanta**
DATE: December 12, 2022
Re: Business Memorandum

Business Memorandum
Of
CASSO VIETNAM

Company Description. Casso Vietnam is a SaaS Fintech company headquartered in Ho Chi Minh City, Vietnam. It was founded in 2020 as a limited liability company, owned by three shareholders who are IT engineers.

The company was founded to leverage technology, reduce human labor time, and save customers' resources, because time is, ultimately, money. Specifically, it provides accounting and banking solutions to individuals and businesses. The application connects bank accounts with accounting systems through APIs and automates cash-flow tasks, financial reports, and tax returns. Application scalability is unlimited, both in terms of sectors and locations, due to its ability to integrate, secure, and automate, which is the primary function, as well as its strength.

Currently, our clients are individuals and SMEs, mostly based in Asia.

Since its launch two years ago, it has grown tremendously and now has a revenue of one million dollars. To scale up in the next few years, the company has received funding from VIISA venture capital in Vietnam.

Profitable business model. The number of small and medium-sized enterprises and self-employed individuals (hereafter called SMEs) account for a large proportion of the global economies and contribute a major proportion to job creation as well as developing economies. Particularly in Vietnam, the proportion of SMEs accounts for 98% of the total number of enterprises in Vietnam¹. The business activities of SMEs are small, however, still require financial, accounting, and banking management activities involved, and this is a burden for them. The common situation is that businesses, even SMEs, still have many bank accounts at different banks, and use many application softwares to manage their business such as accounting software, invoices, project management software, human resource management software, and sales management software. We understand that these softwares often work independently but it is interdependent and necessary for each other. These softwares are popular in companies with about 10 employees or more and they support quite well for businesses. However, there are still many limitations because most of these softwares are operating independently with other supporting platforms, as well as depending on data entered by humans manually, it works

¹ Vu Long, doanh nghiệp nhỏ và vừa đóng góp lớn cho nền kinh tế, Laodong Online Journal, 2022, <https://laodong.vn>

more like databases where crucial activities still need humans to perform. This consumes a great number of resources while the resources of SMEs are limited. As mentioned in the previous part of the Introduction, the Application's main function "ability to integrate, secure, and automate" is all a business needs.

Casso Vietnam provides services through the Application in the form of granting use rights to users by subscription, the users pay for the packages before their use. Subscriptions are different from industries, features, business sizes, and package terms. In addition, initialization and training costs are depending on the needs of each user. These revenues are used to maintain the team as well as for investment in research and development. Calculating the proportion of SMEs in Vietnam at the present stage, the market has a largely untapped market share that Casso Vietnam can deploy its business model. Therefore, this business model is viable and profitable.

Market Research and Preliminary plan for re-launching in the EU. Unlike the US and Asia, due to its historical factors, Europe is often behind in accepting new things, especially new technological solutions, so the European market is considered as having the potential for Casso Vietnam to exploit. There was a period of three years from 2015 to 2018 when Europe emerged with a project and policy to support and attract companies that have left Europe to markets with abundant and cheap labor resources², such as China, Bangladesh, and Vietnam This project, in addition, to meeting the economic needs, also supports its stability in politics, security, and national defense. Later in 2021 and 2022, suffering from the energy crisis due to dependence on Russia for gas, European countries were forced to rethink the implementation of the project above to achieve economic independence and economic development, and at the same time achieve the goals of politics, security, and national defense³. In particular, the legal framework of Europe, especially Italy, allows and encourages innovative businesses, like Casso Vietnam's business as a supporting means for business growth.

After the preliminary market research and assessment, Casso Vietnam plans to improve, upgrade and

² Europe Foundation for the Improvement of Living and Working Conditions, <https://reshoring.eurofound.europa.eu/>

³ Rachel Sanderson, Europe wants its supply chains close to home but it's complicated, Bloomberg, 2022, <https://www.bloomberg.com/>

re-launch the Application in Italy with the preliminary plan as follows:

Timing (Year)	Goals	Cost
1/2022	Discussing the business and the operational and strategic needs	Not defined yet
6/2022	Negotiating contracts with developers of complements	Not defined yet
6/ 2023	Set up a representative office in Milan, Italy	2,200 Euro
6/2023- 5/2024	Maintain the office with 2 local staffs Collect detailed market information for adaptation and improvements	Monthly (rent, salary, all other government fees): 9,500 Euro
1-5/2024	Complete the adaptation and testing and amendment if required.	Testing campaign in Italy: 4,30 Euro
6/2024	Set up a company in Italy (affiliated with Casso Vietnam)	3,000 Euro
7/2024	Launching the application	Launching campaign (press release, advertising on media, and others): 24,000 Euro
6/2025	The first 1 million Euro revenue, ROI: 20%	
6/2027	100 million Euro revenue, ROI: 22%	

Expanding to the Italian market, Casso Vietnam has many advantages: Firstly, Casso Vietnam has a team of founders who come from the information technology industry, and are passionate, creative, and keen to learn, but they are unable to think like entrepreneurs. Second, the current staffs are long-term-engaged, right from the day the business was established. Labor cost in Vietnam market is 50% lower than in the European market while building, improving, and maintaining the Application can be done mostly with the team in Vietnam, Casso Vietnam only needs to maintain a sales team and a technical support team in Italy. In addition, the fact that the average service price in the European market is 3

times higher than the original market in Vietnam, combined with cheap labor costs, will be a great advantage for the Company.

However, it must also be acknowledged that the disadvantage is that Casso Vietnam does not have a good understanding of the Italian market personalities, but soon it is necessary to close the gap before officially launching the Application in Italy.

IPR: Trademark of the company. Acknowledging that intellectual property rights are significant assets of businesses and that it brings benefits to businesses, right from the very beginning of launching services, Casso Vietnam has taken the necessary steps for the registration of copyright of the Application, and it was granted a Copyright Registration Certificate in 2020. Besides, Casso Vietnam also filed its trademark application in 2020 and was granted a Protection Title for the following trademark in 2022 for 10 years:



(Description: *green mask with brackets placed upside down under the mask resembling a mustache, next to the mark is the text “Casso” in black*).

Forms of IP protection. Our mark is intended to identify our services as satisfactory, thus stimulating further purchases by the consuming public⁴. In light of this, the primary economic role of the trademark is not to enable competitors to guard against unfair trading or competition.

We conducted investigations on European trademark law and found out that it is replete with provisions that operate to protect the marketplace, including the rights of the other market traders vis-à-vis a trademark owner, rather than being solely concerned with protecting the trademark owner against diminution of goodwill caused by confusion. Our company is in line with this perspective, as we are looking for a way to establish an equilibrium of creative tension between the following interests: trademark owners (us), competitors and other non-competing market players, and finally consumers of both the trade-marked goods and other consumers.

⁴ Schechter.

To the extent of the present memorandum, we can refer to the notion of the trademark under article 15, TRIPS Agreement:

Any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings, shall be capable of constituting a trademark. Such signs, in particular words including personal names, letters, numerals, figurative elements, and combinations of colours as well as any combination of such signs, shall be eligible for registration as trademarks [...].⁵

We will now try to enter into more detail on the requirements and objectives a trademark must fulfill in EU trademark law: distinctive character, novelty, and lawfulness.

It must be, firstly noted that under EU trademark law the abovementioned sign must be capable – as Casso’s is – of being represented graphically.

As mentioned, the sign must have a “distinctive character”⁶. We choose a unique sign as a strong distinctive character means wider protection. We can be sure about the distinctiveness of our trademark as we assessed all the following circumstances, where TM stands for “trademark” (please find attached the detailed result of the investigation, Annex A⁷):

⁵ The given definition merely has an illustrative value.

⁶ As interpreted, *inter alia*, by the European Court of Justice, trademarks must be capable of “identifying the product as originating from a particular undertaking and thus distinguishing it from other undertakings”.

The requirement of the distinctive function ensures the attribution of merits and demerits of the services to the actual business source of such services, allowing informed market choices. It also ensures that certain signs remain available and that no undertaking can get an exclusive right to them.

⁷ *Fictional*.

AN OVERALL ASSESSMENT OF THE EVIDENCE THAT THE TM HAS COME TO IDENTIFY THE PRODUCT/SERVICE CONCERNED AS ORIGINATING FROM A PARTICULAR UNDERTAKING:

- the market share held by the mark;
- how intensive, geographically widespread and long-standing use of the mark has been;
- the amount invested by the undertaking in promoting the mark;
- the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking;

Our trademark is a unique identification mark, associated with businesses as well as services, to some extent, it is a symbol that guarantees the quality of the service and reputation of the business, although not 100%. Therefore, the trademark should be protected.

Moving to the second requirement, the novelty one: our trademark is new as it has not been anticipated by prior distinctive signs of third parties.

Finally, our trademark is lawful as well as it fulfills validity requirements, and it has been filed in good faith.

Once assessed the validity and lawfulness of our trademark, we considered several ways to protect it, in light of a comprehensive legal framework:

LEGISLATION

EU LAW:

EU Regulation no. 2017/1001 (TM REGULATION)

EU Directive no. 2015/2436 (TM DIRECTIVE)

Directive no. 2008/95, as amended by Dir. UE n. 2015/2436 to approximate the laws of the Member States relating to trade marks (recast) (Text with EEA relevance)

NATIONAL LAW:

e.g., in Italy, Legislative Decree 10 February 2005 no. 30 (c.d. Codice della proprietà industriale: «Italian IP Code»)

INTERNATIONAL LAW:

Madrid Agreement (1891); Nice Agreement (1957); Paris Convention (1883)

Firstly, it needs to be registered with IP Office for protection in potential business markets. With plans to expand in Italy, we have plans to register the copyrights for the above-mentioned computer software and trademarks in Italy. Through our research, we found that by 2022, both Italy and Vietnam are members of the WIPO Copyright Treaty, the Madrid Agreement, and the Madrid Protocol. Therefore,

the above trademark and copyright registration will be done through these international treaties. Notably, the European Union is an internal market therefore we also consider that protection of such copyright and trademark should be done not only in Italy but also in other potential markets of the European Union. However, as a new startup, we also have to weigh the benefits and costs as well as the ability to utilize it in the future, so deciding which markets to protect intellectual property rights in needs to be considered. examined, evaluated, and justified in a blueprint.

Secondly, we should use the trademark continuously in commerce. This genuine use in some markets is considered imperative and this creates priority right to the trademark.

IP strategy (offensive, defensive). Building an intellectual property strategy is a must to both protect assets and optimize asset use in the best behaviors to bring about the highest profits.

In particular, trademark protection for a fintech emerging business like Casso is highly valuable for innovators, other than easy to obtain. For the same reasons, we minimized reliance on copyright as well as trade-secret because the former is not so valuable for innovators while the latter is only modestly helpful to them. Moreover, trade secret rights may be difficult to establish or enforce, and enforcement may be practically ineffective against third parties who obtain the mark indirectly from an unauthorised discloser. Trade secrets also do not protect against the independent development of secret innovation by third parties.

We then choose a partial offensive strategy, first of all by selecting a fanciful mark and registering in most of the plausible jurisdictions as soon as possible.

Casso is now weighing also possible ways to exercise market power. To this end, we are looking for opportunities to increase the size of our market through collaborations with suppliers, customers, and developers of complements and complementing services. About the latter-mentioned category, we are negotiating contracts to create an environment in which complements for our services are numerous, readily available, and accessible. In these contacts, we are addressing the following terms: *i)* the obligations of each party and what resources they will bring to the arrangement; *ii)* ownership and use of pre-existing technology; *iii)* ownership of and rights to use new technology; *iv)* responsibilities for filing and maintaining patents and other forms of registered IP rights; *v)* enforcement of IP rights.

Ultimately, our strategy is intended to monetizing assets, where monetization involves more than just getting products to market faster with exclusionary rights. This operation, in long run, will also help us

identify opportunities in adjacent markets - or new markets altogether - for new services or cross-licensing deals⁸.

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⁸ <https://ip.com/blog/3-core-elements-intellectual-property-strategy/>