

Fitch, Even, Tabin & Flannery

FITCH EVEN TABIN & FLANNERY
INTELLECTUAL PROPERTY LAW | EST. IN 1859

**Global Intellectual Property Rights (IPR):
Transference and Exportation Issues**

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OK, What's the Worst That Can Happen?

- You invest resources in developing an export partner. After becoming educated regarding your product, the partner develops a valid improvement and successfully sells it throughout the world, decimating your sales in the process. Not only can you not stop this activity, but your lawyer informs you that you are no longer able to offer your products outside the U.S. under your own brand name.

RISK

- Every business opportunity or venture necessarily entails risk
- Risk of:
 - “Fair” competition
 - “Unfair” competition
 - “Bad” deals, partnerships, and relationships
- Proper management of your IPR involves, when done correctly, managing your risks

Where We're Going

- IPR refresher
- Exporting
- Technology Transfers
- Wrap-up

There are many issues that relate to IPRs that correspond to the export and technology transfer context; this presentation will primarily address the points of potential difference

IPR Refresher

- “Intellectual Property Rights”
- A collection of various legal mechanisms that each provide limited protection for a specified category of subject matter that constitutes a product of the intellect

IPR Refresher

- **Patent**
 - Prevent others from making, using, or selling an invention as claimed
 - 20 years from filing
- **Trade Secret**
 - Prevent others from unfairly obtaining or disclosing a secret
 - Forever . . .
- **Copyright**
 - Prevent others from copying or publishing tangible expressions of works of authorship or artistry
 - 72+ years
- **Trademark**
 - Anything that denotes the source of goods
 - Forever . . .

Patents

- Complicated, potentially time consuming, and relatively expensive acquisition and maintenance process (attorney intensive activity)
- Use it or lose it

1. A wooden pencil having a circular cross-section and having graphite axially disposed therein, wherein the pencil has an eraser attached at one end thereof.

1. A handheld writing instrument having an eraser attached at one end thereof.

Trade Secret

- Cheap to expensive
- Provides protection for information that has potential value to competitors *provided* the owner takes reasonable efforts to preserve the secrecy of the information
- Access control
- Publication control
- Non-disclosure agreements

Copyright

- Relatively cheap protection
- Prevents copying
- Does not prevent legitimate reverse engineering or “clean room” designs

Trademarks

- Protects the goodwill that accompanies the marks used to provide goods and services to a consuming audience
- Country by country registration (\$)
 - First to file
- Lose by abandonment or by generic attrition
 - Cellophane, Aspirin, & Walkie-Talkie

IPR Refresher

- IPRs are not mutually exclusive of one another
 - Example: software is often protected with all 4 major IPR categories.
- IPRs typically serve to control what other people do
- IPRs sometimes serve to protect your right to do what you want to do

Exporting

- Some basics
 - Your U.S. patent will not prevent third parties from copying your inventions outside the U.S.
 - . . . unless they import the infringing product
 - Copyrights are, for the most part, recognized globally
 - Your trademark is at risk unless registered in countries of concern

Exporting

- Some basics
 - Exporting opens lines of communication
 - You can lose your secrets unless due care is constantly maintained
 - IPRs as trading cards

Exporting

- Some specifics
 - If you file a patent application outside the U.S. before you file a corresponding U.S. patent application, you can lose your right to having a U.S. patent for that invention
 - When exporting to Latin American countries, use “All Rights Reserved” with your standard copyright notice

Exporting

- Some specifics
 - When possible, mark your products with corresponding patent numbers
 - Will your product infringe any overseas rights?
 - Patents and the costs of conducting a defensive study
 - Europe Vs Japan

Technology Transfers

- Export regulations regarding munitions that can apply as knowledge is an export commodity within the scope of relevant regulations
 - Encryption

Technology Transfers

- Ownership of newly developed rights
 - Trademarks: Without appropriate steps being taken, the third party using your trademark in another country may be considered the owner of the trademark with rights superior to yours
 - Patents: Improvements to products or processes will ordinarily lay with the third party
 - This can be altered with appropriate contract language

Technology Transfers

- Ownership of newly developed rights
 - Copyrights: A translation of a work of authorship is often considered an independently copyrightable work in and of itself
 - Rights to translated owners manuals, website materials, and so forth as translated by an overseas third party can therefore be owned by the third party

Technology Transfers

- Royalties
 - Imputed tax consequences based on inconsistent royalty rate returns
- Government approval
 - Export limitations
- Scope of license
 - Carefully circumscribed field of use
 - Claim by claim

Technology Transfers

- Grantback of rights
 - Preserves your right to pursue your business goals
- Training
 - Be very specific
 - Training venue, face-to-face hours, telephone hours, material content, translations, cost of travel and materials, training window, and so forth

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