

# **Intellectual Property and Exports**

SMEs Division

World Intellectual Property Organization (WIPO)



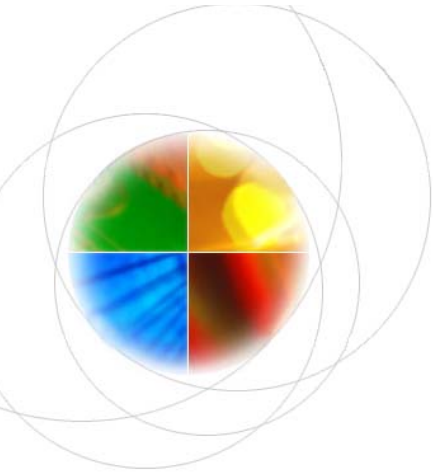
# Decision to Export

- Exporting involves considerable investments in financial, managerial and production resources.
- Importance of a Export Plan:
  - to develop a a clear export strategy
  - to determine a product's readiness for export
  - to determine if there is a market for the product/service abroad
  - help to obtain funds for exporting



# Decision to Export

- Key issues when exporting:
  - identifying export markets
  - estimating demand
  - finding local partners and channels of distribution
  - adapting the product / design / brand / packaging
  - contractual agreements with export sales reps, distributors, licensees, local manufacturers, etc
  - determining price
  - making transport arrangements
  - advertising and marketing the product



# **Decision to Export**

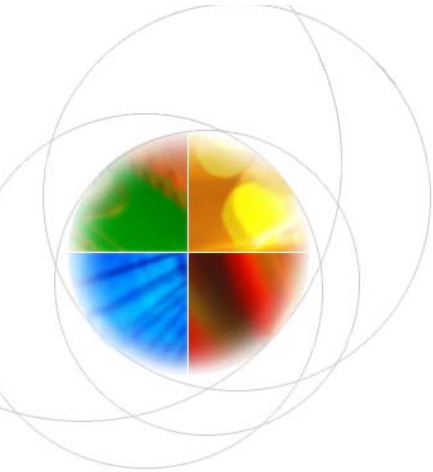
**WHAT ABOUT INTELLECTUAL  
PROPERTY?**



# IP and Exports

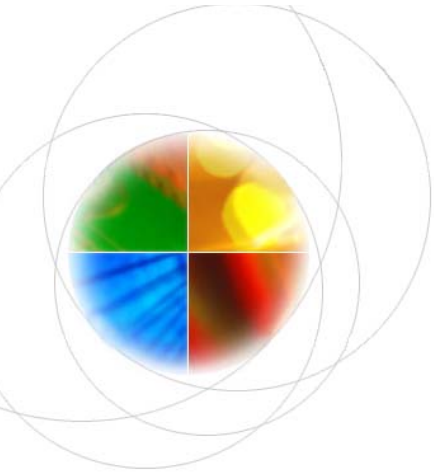
Firstly, IP is an important consideration in some of the above points:

- **Pricing** of the product will partly depend on the extent to which the trademark is recognized and valued by consumers, and the extent to which product will face competition from rival products
- **Adaptation** of product / brand / design / packaging, will involve creative or inventive work that may be protected through the IP system



# IP and Exports

- In **raising funds**, patents, but also trademarks may be important for convincing investors, venture capitalists, etc.
- In **agreements with local partners** it will be important to clarify issues of ownership of IP rights, particularly if the product will be manufactured, packaged or modified abroad



# IP and Exports

- **Marketing and advertising** campaigns will rely strongly on the trademark which if unprotected would be much more difficult to enforce
- The timing of **participation in fairs** may be affected by the timing of your applications for IP protection



## IP and Exports

- Secondly, protecting IP in export markets may help a company to **prevent others from imitating or copying** the product (or parts of it) without authorization.
- Thirdly, IP protection may enable a company to access new markets through **licensing, franchising, joint ventures** or other contractual agreements with other companies.





# IP and Exports

- Fourthly, failure to consider IP issues may result in fatal losses if your products are considered to be infringing the rights of others

Exporters often realize the importance of protecting their IP once it is too late: e.g. once they have missed the deadlines for application or once their product or brand has been copied.



# 10 Points to Remember for Avoiding Common Pitfalls

## 1. IP protection is territorial

*Example: if you have applied for and obtained patent protection for your innovative product in your own country, you will NOT benefit from similar protection in other countries unless you have also obtained protection in those countries.*

### **Exceptions:**

- Copyright and related rights: automatic protection in over 150 countries
- Trade secrets: no formal registration.



## 10 Points to Remember

### 2. IP laws and procedures are not identical world-wide

*Example 1: trademark protection through use in some countries*

*Example 2: first-to-file system for patents vs. first-to-invent system*

*Example 3: software protection (copyright vs. industrial designs)*

*Example 4: designs or works of applied art (copyright vs. industrial design protection)*



## 10 Points to Remember

### **3. The same trademark may already exist in the export market**

*Example: if you launch your trademarked product in a new market without having conducted a trademark search you may soon find that an identical or similar TM already exists for marketing identical or similar products causing a fatal blow to your entire export strategy.*



## 10 Points to Remember

**4. There are regional and international protection systems** *that may be useful for saving time and money and simplifying procedures for applying for protection in various countries.*

International protection:

- Patents: The Patent Cooperation Treaty or **PCT**
- Trademarks: The Madrid System
- Industrial Designs: The Hague System



## 10 Points to Remember

Regional protection systems (may also be used by applicants from outside the regions)

- African Regional Industrial Property Office
- Benelux Designs and Benelux Trademarks Offices
- Eurasian Patent Office
- European Patent Office
- Office for the Harmonization of the Internal Market (TMs and IDs in EU)
- *Organisation Africaine de la Propriété Intellectuelle*
- Patent Office of the Cooperation Council for the Arab States of the Gulf



## 10 Points to Remember

### **5. There are deadlines for applying for IP protection abroad**

*Once you have applied for patent or design protection in your home country you have a limited period of time (called the “priority period”) to apply for the protection abroad. Once the priority period has lapsed, if you have not filed an application, it will be too late.*

*Patents: 12 months*

*Designs: 6 months*

*Trademarks: 6 months (though you may still apply afterwards)*



## 10 Points to Remember

### **6. Early disclosure of your product without protection is risky**

*Example: if you disclose your product to trade partners (e.g. export sales representatives) without a non-disclosure agreement or you publish your new product in a catalogue, brochure, etc. prior to applying for protection you may lose your invention or design to others or find you may no longer protect it.*





## 10 Points to Remember

**7. Ensure that your product does not infringe IP rights of others**

*Example 1: it is possible that a given technology is not patented in your country but is patented elsewhere*

*Example 2: you may have a license to use a given technology in your own country, but you do not have the right to use it in an export market*



## 10 Points to Remember

### **8. Clearly define issues pertaining to IP ownership with partners**

*Example: if you are developing a joint new product with another enterprise, establishing a joint venture, or modifying the design, package or trademark of a product, ensure that it is clear (preferably in the written contract) who will be the owner of any IP generated.*



## 10 Points to Remember

**9. To license IP in a foreign market, the IP needs to be protected in that market**

*Companies seeking to license the manufacturing of their product in a number of markets, should ensure that their IP is protected and is not in the public domain in those markets (e.g. protection has been obtained and has not expired)*



## 10 Points to Remember

**10. Prior to launching a product with a given trademark it is important to check whether the mark has undesired connotations or is likely to be rejected in that country.**

*Example: Ford NOVA, in Spanish means does not work*

*Example 2: The TM Bin Laden for a building company was rejected by the Swiss IP office on the grounds that it offended public morality.*



## Conclusion

- There are ample reasons to make sure that intellectual property issues are duly taken into consideration while developing your export plan and that you take sufficient measures to ensure that:
  - you are not caught off-guard infringing on the IP rights of others;
  - limit the opportunities for competitors to free-ride on you firm's inventiveness and