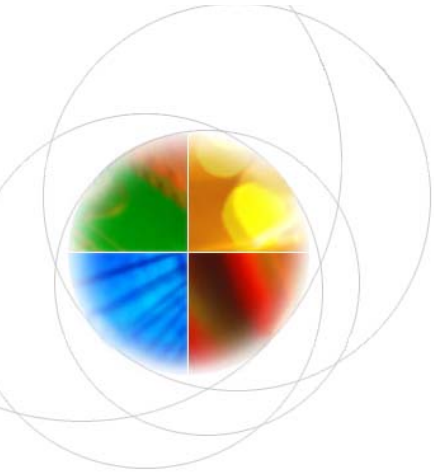


# **Intellectual Property and Export Plans / Strategies**

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World Intellectual Property Organization (WIPO)



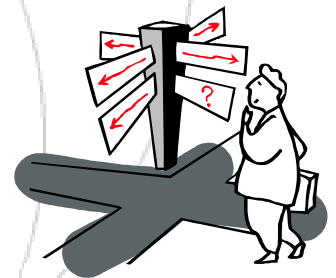
# Contents

1. Taking the Decision to Export
2. IP and Exports
3. Ten Points to Remember for Avoiding Common Pitfalls



# Taking the Decision to Export

- Exporting involves considerable investments in financial, managerial and production resources.
- Importance of an 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

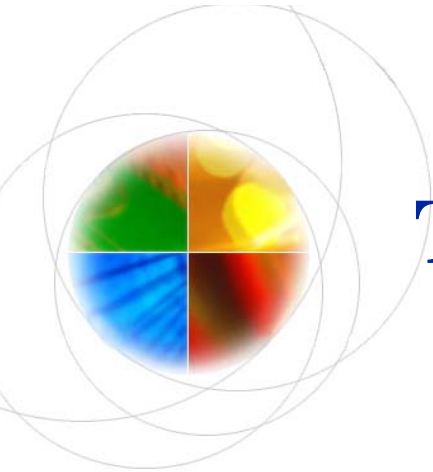




# Taking the Decision to Export

- 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





# **Taking the Decision to Export**

**WHAT ABOUT INTELLECTUAL  
PROPERTY?**



# IP and Exports

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

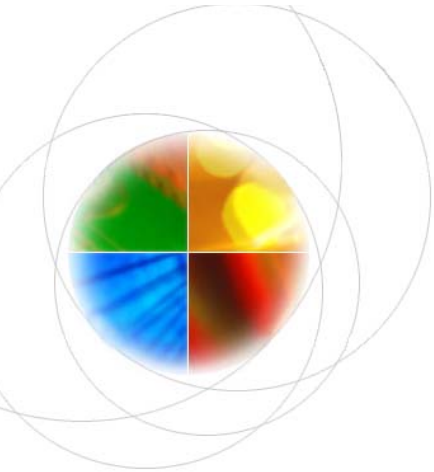
- **Pricing** of the product will partly depend on the extent to which the trademark is recognized and valued by consumers, and the extent to which product will face competition from rival products
- **Adaptation** of product / brand / design / packaging, will involve creative or inventive work that 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 use vs. registration*

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

*Example 3: software protection (copyright vs. patents)*

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



## 10 Points to Remember

- 3. Ensure that your product does not infringe IP rights of others: analyze your “freedom to operate”**

*Example 1: the same trademark may already exist in the export market*

*Example 2: it is possible that a given technology is not patented in your country but is patented elsewhere*

*Example 3: 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

**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\**



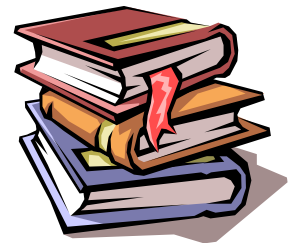
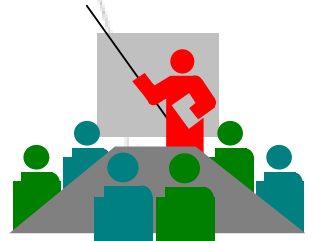




## 10 Points to Remember

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

*Example: if you are developing a 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

**8. 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

**9. A country's policy on parallel importing may affect a company's export and pricing strategy**

*Parallel importing relates to whether a product bought by another company may be introduced into a different country (where its IP is protected) without the authorization of the right holder. This may, for example, affect a company's pricing strategy in foreign markets.*



## 10 Points to Remember

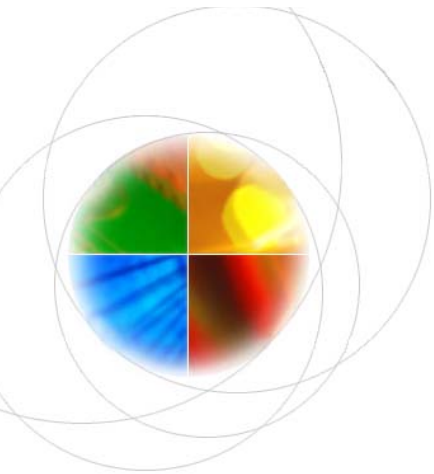
**10. Prior to launching a product with a given trademark it is important to check whether the mark has undesired connotations or is likely to be rejected in that country.**

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



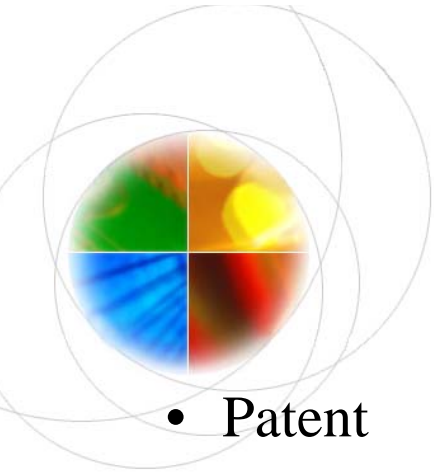
## Conclusion

- 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 your firm's inventiveness and creativity



Visit the website of WIPO's  
SMEs Division at:

<http://www.wipo.int/sme>



- Patent

## Patents: The other side of the medal

? 1. “deed securing to a person an exclusive right granted for an invention”

? 2. “open, evident, manifest”; “open to public perusal” < Latin *patens*

(Collins Dictionary)





## Patent Information

- All patents are published (generally 18 months after the application is filed) and are in the public domain
- A patent is an exchange between the inventor and society



## Using Patent Information

- The entire set of patent documents worldwide includes approximately 40 million items.
- Every year approximately 1 million patent applications are published.
- About two-thirds of the technical information revealed in patents is never published elsewhere.



## Using Patent Information

- Most of the inventions are disclosed to the public for the first time when the patent is being published.
- The information contained in the patent documents **IS NOT SECRET!**
- Example: PLIVA

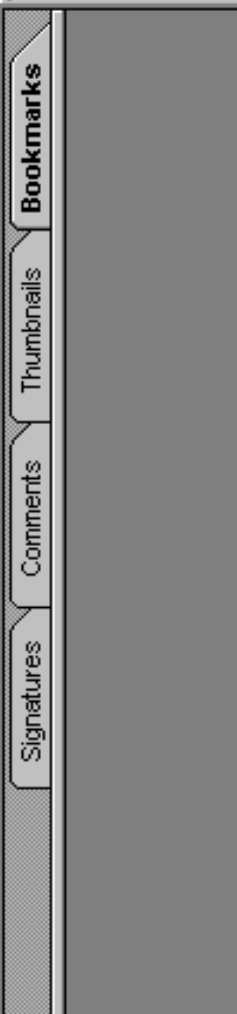


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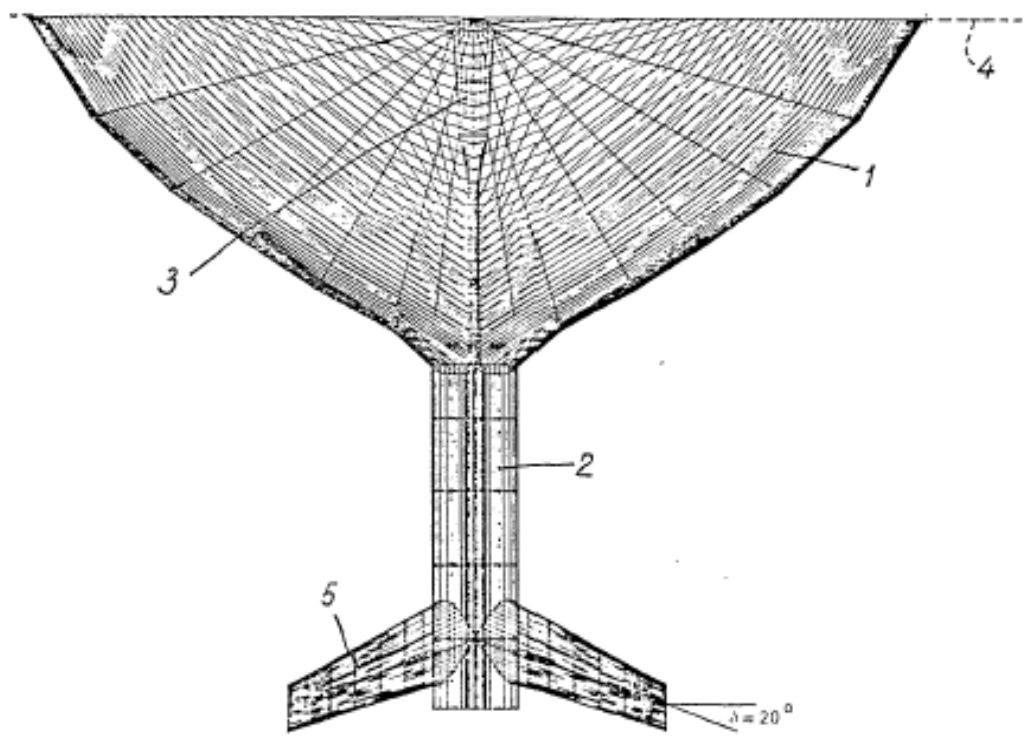
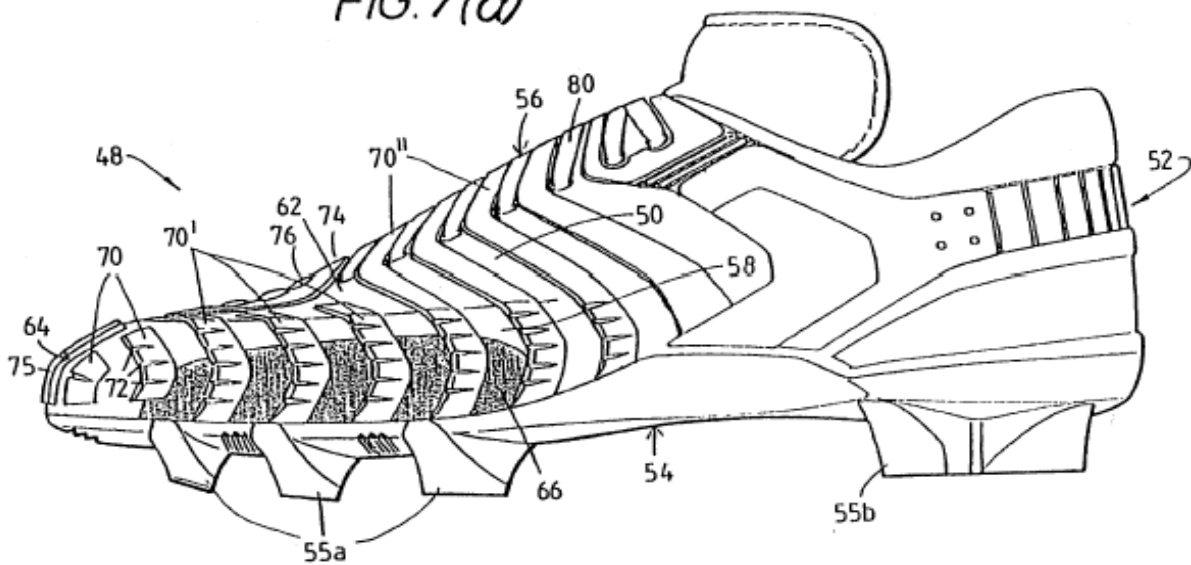
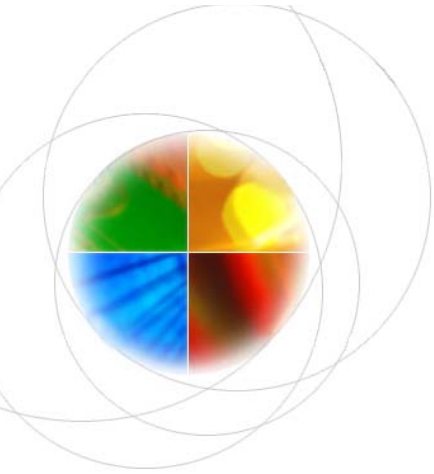




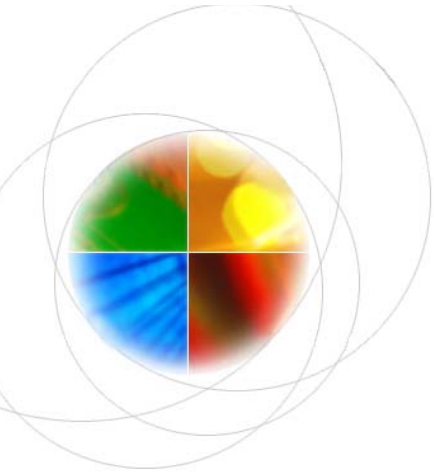
FIG. 7(a)





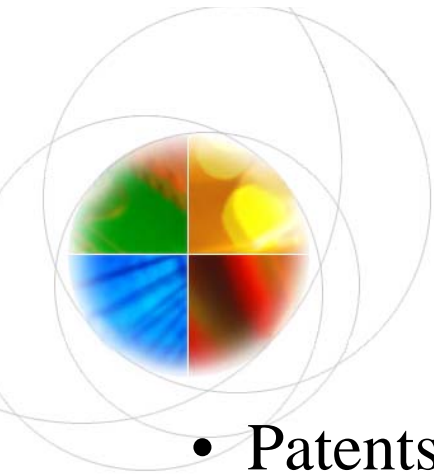
Thomas Edison:

*“I start where the last man stopped”*



Albert Szent-Györgyi von Nagrapolt  
(Nobel Laureate in Medicine):

***“Discovery consists in seeing what everybody  
has seen, and thinking what nobody has  
thought”***



- Patents expire: in Europe only about 20% of patents are maintained for 20 years
- Patents have territorial limits. What is not patented in Spain is in the public domain (in Spain)
- Patents have limits of scope. Patents only protect what is contained in the patent claims

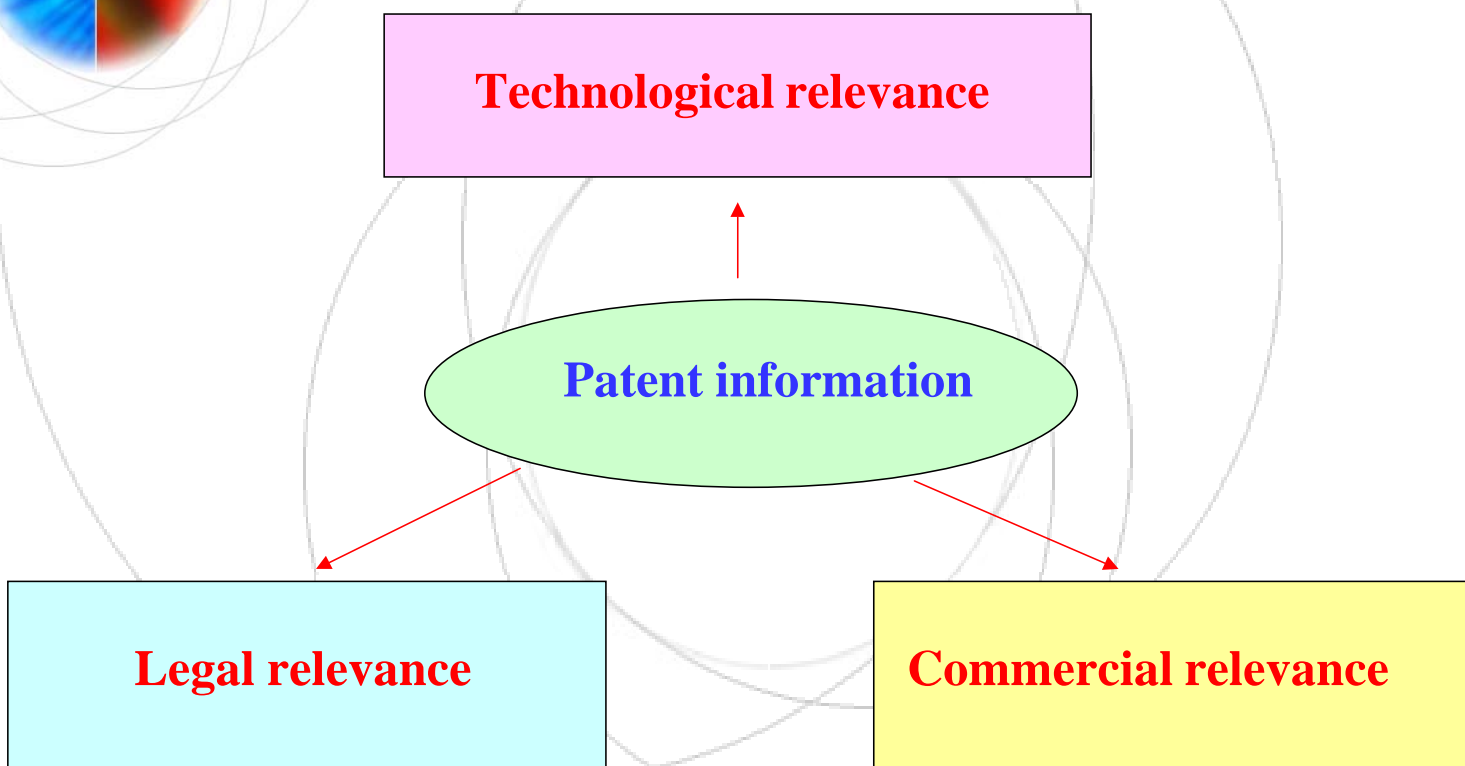


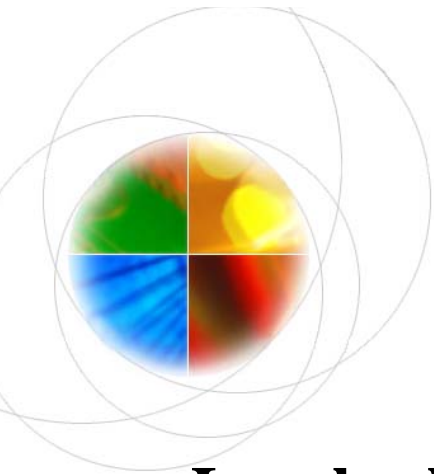


## Using Patent Information

- “Patent information” is the technical and legal information contained in patent documents that are published periodically by patent offices.
- A patent document includes the full description of how a patented invention works and the claims which determine the scope of protection as well as details on who patented the invention, when it was patented and reference to relevant literature.

# Relevance of patent documents





## Using patent information

### Legal relevance:

- Avoid possible infringement problems
- Assess patentability of your own inventions
- Oppose grant of patents wherever they conflict with your own patent



## Using patent information

### **Technological relevance:**

- Keep abreast with latest technologies in your field of expertise
- Avoid unnecessary expenses in researching what is already known
  - In Europe, more than US\$ 30 mill. per year is wasted in unnecessary research - 30% of the total investment in R&D
- Identify and evaluate technology for technology transfer
- Get ideas for further innovation
- Identify alternative technologies



## Using patent information

### Commercial Relevance

- Locate business partners
- Locate suppliers and materials
- Monitor activities of real and potential competitors
- Identify niche markets

# Where can we find patent documents?

