

Conference on **Green** Technologies - IP, Technology Transfer and Dispute Resolution in the Energy Sector

Technology Transfer & IP Risk Protection



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SCHJØDT

TOPICS

- Cross Border IP-related activities
- Dispute Prevention
- Impact of Conventions/Treaties
- New Trends



INTELLECTUAL PROPERTY

- Inventions
- Know-how
- Trade **Secrets**
- Copyrighted Works
- Trademarks
- Domain names
- Goodwill
- Design
- Circuit boards
- Etc



TYPICAL CONFLICT SETTINGS

Internal Conflicts

- Defining ownership
- Transfer of ownership
- Compensation

External Conflicts

- Infringement 3.p IP
- 3.p Infringing
- Defective Title
- Licensing issues

Example Background/case

- Newco
- Employee transitions
- Employee production
- Sale of business/project
- Sale of technology
- Joint Ventures
- NDA situations (explore, give/take)
- License Agreements
- Defective Title (typically IT development)
- Using third party material
- Others using your material



THE IMPORTANCE OF "ALARM BELLS"

Learn to recognize situations where IP conflicts arise

Case Example:

- Client to withdraw from facility in Sweden
- Competitor takes over offices and group of employees
- In interim period, employees approached by new owner and asked to work on bids and development
- Client learns more than 100.000 documents downloaded by employees
- Client performs home raids and searches against employees
- Trade secret case against competitor and employees
- Client had implemented measures to monitor use/abuse
- Competitor could have taken steps to avoid situation

WHY AVOID IP CONFLICTS

Cost/Time

Inherent dynamics and risk mitigation. "Digital outcome"

Case example – patent infringement (offshore/energy)

- A has one main asset: the patent. A sues B for infringement.
- B exposed for previous delivery – several million USD. B files nullity action against A
- A is acquired for 130 MEURO
- Shortly before main hearing, B lands major delivery of infringing product
- Market now also demands product, decisive for growth and position
- Patent found invalid

COOPERATION/ JOINT VENTURE

- Entry into new market often through JV
- Rationale
 - limitations on ownership
 - mitigate commercial risk
 - distribution channels
 - local market insight
 - positioning public tenders

Typical example

- Outsourcing of production
 - reduced cost of production
 - challenges routines and quality
 - technology protection



Problem: In a new geographical market you are giving a potential competitor the means to compete with you – knowing he has lower cost levels on both production and development

SAMPLE ISSUES FOR NEGOTIATIONS



- Clearly define IP from each party
- Rights to modifications and developments
- Audit rights – access to offices, production, R&D, documents etc
- Due Diligence – avoid defective title (cap)
- Confidentiality and protection of underlying information/technology (e.g. production processes)
- (non) exclusivity for commercial use
- Local rules: E.g. Chinese patentlaw opens for both owners to exploit or license out the invention unless otherwise stated
- Ownership and rights to models, moulds, test results etc.
- Duty to register rights
- Competition law considerations (e.g. EU black list)
- Responsibilities and restrictions vis a vis consultants, suppliers and third parties
- Dispute resolution
- Contract stipulations on breach of contract

PLAY TIGHT – BOTH WAYS

- Need to know – predefine elements
- Beware of knowledge presented or learned from the other side of the table

Case example – NDA conflict

- Meetings and discussions in 2001/2002 – NDA
- 2011/2012 Claims vs 3 German corporations 3,5 BEURO
- Alleged breach of NDA, exploitation of technology
- Fact finding difficult
- Formal issues abound



PRACTICAL APPROACH

- Thorough pre-studies (self and FTO)
- Check official registrations
- Register IP actively
- Send in lists of protected material to customs authorities
- Due Diligence
- Local presence– cultural understanding
- Consider splitting up production elements
- Playing tight
- Market intelligence
- Monitor trade shows/fairs/seminars
- Educate employees



CONFLICTS – BASIC READINESS

- Fact finding
- Internal roles and authority
- Information
 - employees
 - owners
 - partners/vendors
 - official channels
 - market
- Choose adequate means of resolving conflict



NEW TRENDS: TRADE SECRETS

- Customer lists
- Production processes
- Routines and manuals
- Market strategy
- Price information

Complicated cases

- With good planning – steer clear of these disputes
- NDAs and personal confidentiality. Training
- Information control
- IT-security and routines



IMPACT CONVENTIONS/TREATIES

- **Example:** China updated IP-legislation after WTO membership
- China an increasing part of total global yearly patent applications
- TRIPS-modifications
- Part of global system: WIPO, Berne and Paris conventions
- Cross Border litigation
– experience/predictability

