



# WIPO National Training of Trainers Program on Effective IP Asset Management by SMEs

## Managing IP Assets in International Business

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# Plan

1. Taking the Decision to Export

2. IP and Exports

3. Ten points for integrating IP in an export plan

# 1. Taking the Decision to Export

- ▶ Exporting involves considerable investments in financial, managerial and production resources.
- ▶ Thus the importance of an Export Plan where:
  - A clear export strategy is developed
  - We determine a product's readiness for export
  - We determine if there is a market for the product/service abroad
  - Try to obtain funds for exporting

# 1. Taking the Decision to Export

## Key issues when exporting:

- Identifying export markets
- Estimating the demand
- Find local partners and channels of distribution
- Adapting the product / design / brand / packaging
- Contractual agreements with export sales reps, distributors, licensees, local manufacturers, etc
- Determining the price
- Making transport arrangements
- Advertising and marketing the product
- **Take care of the IPRs**

## 2. IP and Exports

- ▶ On a first level:

IP is to take into consideration in some important decisions:

- **Pricing** of the product will partly depend on the extent to which the trademark is recognized and valued by consumers for instance, or the extent to which product will face competition from rival products

## 2. IP and Exports

- **Adaptation** of a product / a brand / a design / a packaging, will involve creative or inventive work that may be protected through the IP system

## 2. IP and Exports

- In raising funds, IPRs such as copyright, patent and trademark are important for convincing investors, venture capitalists, etc. as they constitute a collateral (كفالة)

## 2. IP and Exports

- **In agreements with local partners it will be important to clarify issues of ownership of IP rights (Audit/Due Diligence), particularly if the product will be manufactured, packaged or modified abroad**



## 2. IP and Exports

- **Marketing and advertising campaigns will rely strongly on the trademark which if unprotected would be much more difficult to enforce**

## 2. IP and Exports

- The timing of **participation in international fairs** may be affected by the timing of your applications for IP protection

## 2. IP and Exports

- ▶ On a second level:
- ▶ Protecting IP in export markets may help a company to prevent others from imitating or copying the product (or parts of it) without authorization.

## 2. IP and Exports

- ▶ On a third level:
- ▶ IP protection may enable a company to access new markets through **licensing, franchising, joint ventures** or other contractual agreements with other companies.

## 2. IP and Exports

- ▶ On a fourth level:
- ▶ 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.

# 3. Ten points for integrating IP in an export plan

# 1. IPRs are territorial rights

Example: if a company has applied for and obtained patent protection for an innovative product in its own country, it will NOT benefit from similar protection in other countries unless protection has also been obtained in those countries.

## 2. Important differences in IP laws world-wide

- Differences in legal requirements
- Differences in how legal requirements are interpreted
- Differences in what cannot be protected
- Differences in scope of rights
- Differences in how a specific product may be protected: e.g. software protected by copyright or by patent, works of applied art, new plant varieties



### 3. Important differences in IP procedures worldwide

- Differences in how applications are examined
- Differences in how IP rights or applications may be challenged by others
- Differences in how applications are to be drafted (e.g. claim drafting, definition of classes of goods and services)
- Differences in options available to applicants, e.g. provisional patent applications
- Most countries require foreign applicants to hire a local (resident) agent/attorney

**4. There may be different options for filing applications for IP protection abroad (national, regional or international routes) and companies may be in a position to choose their filing strategy based on issues such as:**

- Membership of international treaties
- Choice of countries in which protection is sought
- Convenience of delaying payment of national fees and translation fees
- Time taken to register/grant the right through different routes
- Type of examination conducted by different offices

## 5. Decision on where to seek patent protection may be based on:

- Where will the product be commercialized?
- What are the costs involved in patenting in each jurisdiction?
- What are the main markets for the product?
- In which markets can I expect benefits from protection?
- Where are the main competitors/potential licensees based?
- What are the chances that I will be able to enforce my IP in case of infringement?
- Size of the market

## 6. Timing of applications is key

- Priority period: case of patents and industrial designs
- Effect of 18 months publication of patent application
- Reasons for applying early: first-to-file, time to grant, important for licensing, etc.
- Reasons for applying late: costs, further modifications to the product, etc.
- Priority period: the case of trademarks

## 7. “Freedom to operate” analysis in relevant export markets to avoid future problems

- Same or confusingly similar trademark may already exist in the export market
- Technology not patented in one country may be patented elsewhere
- License to use a given technology in one country, but not in an export market

## 8. Clearly defining issues pertaining to IP ownership with partners

- For instance if developing a new product with another enterprise, establishing a joint venture, or modifying the design, package or trademark of a product, important to ensure that it is clear (preferably in a written contract) who will be the owner of any IP generated.

## 9. Ensuring there is no early disclosure

- For instance disclosure of product to trade partners (e.g. export sales representatives) without a non-disclosure agreement or inclusion in a catalogue, brochure, etc. prior to applying for protection may destroy novelty of the invention or design.

## 10. Adequate protection in foreign market as a pre-requisite to licensing/franchising 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 (i.e. protection has been obtained and has not expired)



# Conclusion

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

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