



The Riddle of the Exporter

Legal Aspects of Exporting

Topics We Will Cover

- Who Am I Gonna' Sell Through & To
- What Does an International Contract Look Like?
- How Do I Keep My Ideas Safe?

WHO WINS & HOW?



Alphabet of Acronyms

Session 4

- IP- Intellectual Property
- PCT-Patent Cooperation Treaty
- WIPO-World Intellectual Property Organization



Who Am I Gonna' Sell To & Through?



Direct

1. Sales Rep
2. Distributor
3. Employee



Indirect

1. EMC
2. ETC



| | PROs | CONs | Example of Countries: |
|---------------------------------|--|--|------------------------------|
| Commissioned Sales Rep or Agent | Paid in function of results Direct control of customers No payment risk/risk spread among customers | Less control of actions More likely to be subject to protective dealer laws Dealing with multiple buyers/customers | FRANCE UAE |
| Distributor | Buy / Sell Inventory is Distributor' s Dealing with single purchaser for the market Some liability transfer (warranty) for customer | No control of customers Risk of payment/collection, particularly in countries w/ currency exchange control | VENEZUELA |
| Local employee | Direct control of rep AND customers | Local laws on employment, Social taxes, hiring/firing process US company may be required to have an official local status | BRAZIL Most of EUROPE |

Employee & Dealer Laws



- Employee Laws
 - Require payment of taxes, social security and compensation.
- Dealer Laws:
 - Mandatory in some countries; cannot be waived contractually or as a result of choice of foreign law
 - Cannot terminate or refuse to renew without “just cause”
 - Definition of “dealer” may be broad and encompass all types of intermediaries
 - Termination or non-renewal without “just cause” gives right to statutory indemnification

Yes or No?

- Your product has great potential in France. You have been approached by a "friend of a friend" who reps several similar products. He will promote sales of the product to stores in his network. You decide to try it for six months, to see how things work, and then if both parties agree, a contract would be signed with him as a commissioned sales agent. Things do not go as well as expected and after six months you decide not to sign a contract and to find someone else to promote the products. Do you have a binding contractual relationship with this sales agent?

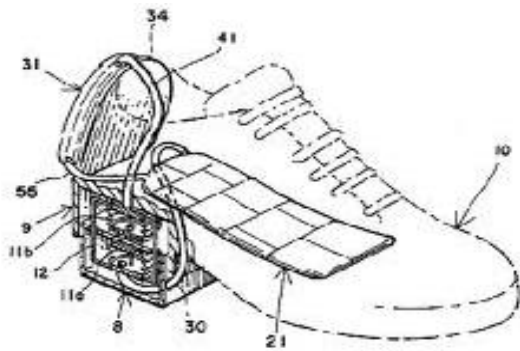
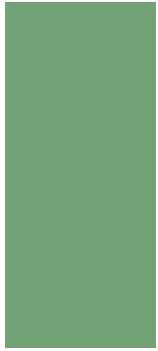
Contract Issues: The Right Questions to Ask?



- **Written Agreement?**
 - Not required for a binding (protected) relationship in most foreign countries
- **Exclusivity or Market Territory?**
- **Governing Law & Choice of Venue/Jurisdiction**
 - Arbitration generally enforceable and provides certain advantages
- **Payment/Exchange Controls**
 - Some countries still have them (Brazil, Argentina, Venezuela)
- **Consumer Protection/Warranties**
 - Minimum warranties and other remedies are public policy



Intellectual Property



Protecting Your Intellectual Property



■ #1 Patents

- New and non-obvious products and processes

1 year rule

■ #2 Trade Secrets

- Special knowledge, not known to others, that gives a business an advantage over its competitors

■ #3 Copyrights

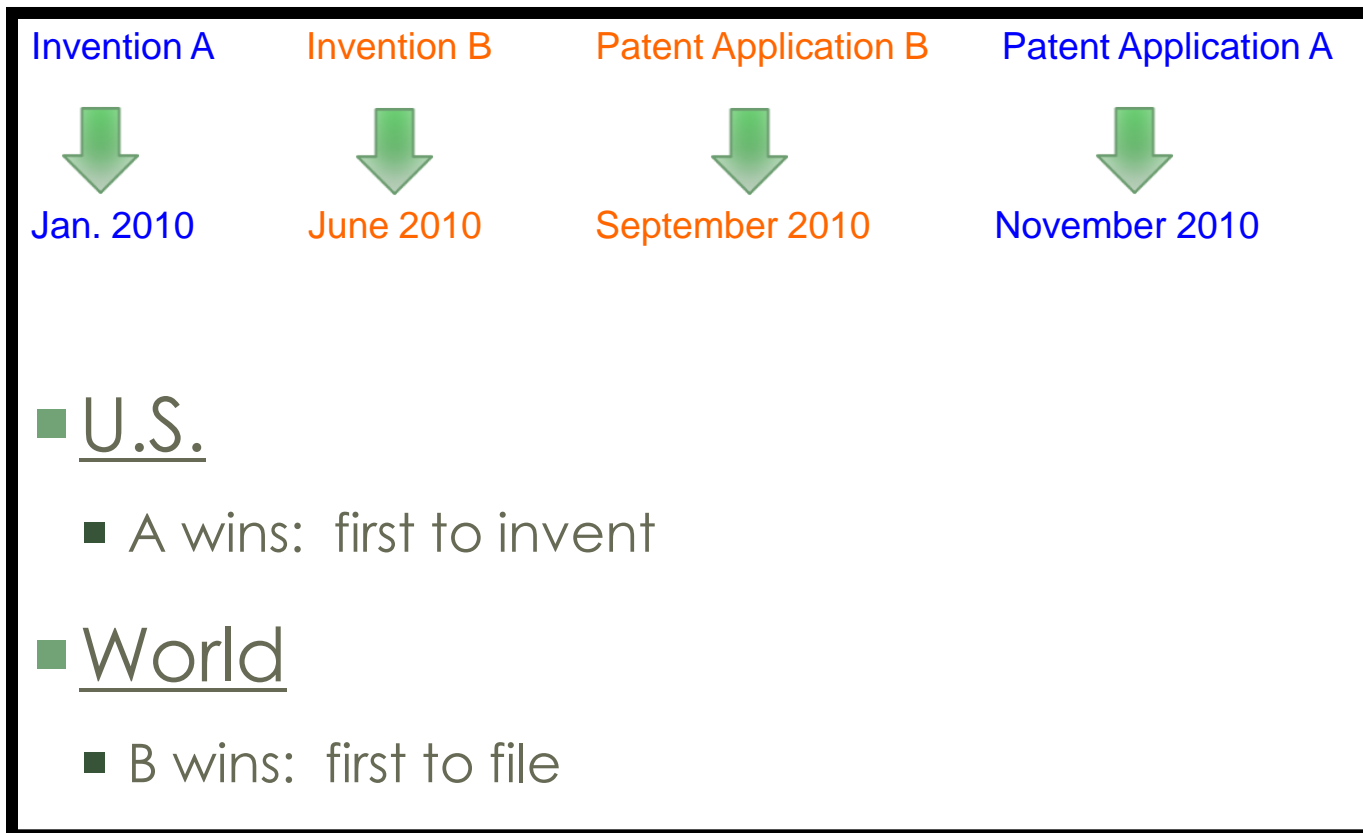
- Writings, drawings

■ #4 Trademarks

- Indications of source



Who Wins? Patents



How Do You Get It? Patents

Separate National vs. Supra National



Separate Nations



Supra National



How Do You Get It? Patents Supra-National



- PCT- Patent Cooperation Treaty
 - A filing procedure effective for over 100 countries
 - Delays national filings by approximately 18 months
 - Phase I – filing at U.S. Patent and Trademark Office in English
 - International Search Report
 - Phase II – “opinion” from World Intellectual Property Office on patentability
 - After Phase I or Phase II
 - Entry into national phase



Who Wins? Trademarks

A uses TM



Jan. 2010

B Registers TM



June 2010

A Registers TM



September 2010

B Uses TM



November 2010

■ U.S.

- A wins: first to use

■ World

- Common Law Countries: A wins
- Civil Law Countries: B Wins

How Do You Get It? Trademarks

Separate National vs. Supra National



Separate Nations



Supra National



How Do You Get It? Trademarks



- Supra-National: Madrid Convention
 - National Registration or Application
 - International “Registration” by WIPO
 - Acceptance/Rejection by national/regional trademark offices
 - Rejection as to specific country only
 - Central renewal and assignment



RESOURCES

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Trademarks Gateway



Protecting your Trademark Worldwide by using the Madrid System

 [Video, Transcript](#)

[Trademarks](#) are distinctive signs, used to differentiate between identical or similar goods and services offered by different producers or services providers. Trademarks are a type of [industrial property](#), protected by intellectual property rights.

WIPO works with Member States to develop international laws and standards for trademarks. See [Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications](#) (SCT).

The WIPO-administered [Madrid System](#) for the International Registration of Marks offers a route to trademark protection in multiple countries by filing a single [application](#). Please see the [International Application Simulator](#) for further information.

To search international trademark registrations, see the [ROMARIN](#) database. The Madrid Express database is discontinued as of January 1, 2011.

SHORTCUTS

- ▶ [Videos "What Users Say about the Madrid System"](#)
- ▶ [International Application Simulator](#)
- ▶ [Filing an international application and forms](#)
- ▶ [E-Renewal](#)
- ▶ [Fee Calculator](#)
- ▶ [E-Payment](#)
- ▶ [WIPO Gazette](#)
- ▶ [Seminars in 2009](#)

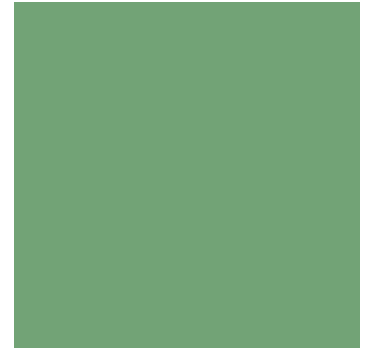
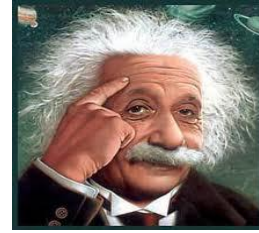


How To Keep It?

Patents
Annual Maintenance Fee

Trademark
Use Requirements-6 years





Skill

- What are the key points of this session?
- Name the acronyms or terms that are important to take away.
- What are the key questions to ask?
- What are the next steps?
- What are the red flags to watch out for?
- Any great tidbit of information?



Sources



- PCT Patent countries is at:
http://wipo.int/treaties/en/ShowResults.jsp?treaty_id=6
- The European Patent Application provides a route to national patents in 38 countries. A list of the member states is at:
<http://www.epo.org/>
- Madrid Arrangement and Protocol is at:
<http://www.wipo.int/trademarks/en/>
- Mr. John Cone, Attorney, Hitchcock Evertt, Dallas, TX
- Mr. Jorge Gonzalez, Attorney, Baker McKenzie, Dallas, TX