

Intellectual Property Protection Abroad: What You Don't Know **Can Hurt You**

~ Elizabeth M. Stamoulis

Every business has intellectual property, such as trademarks (words, phrases, or designs associated with a brand or product), copyrights (literary, pictorial, or musical works), or patents (processes, machines, or product designs). Infringement of these rights could cause lost profits, loss of customers, and damage to your company's reputation. With the rise of the Internet and the convergence of foreign markets, now, more than ever, it is important to think about protecting your intellectual property on a global scale. If you are an owner of intellectual property that has been, or will be, placed in the stream of international commerce, here are just a few of the questions to consider:

Q Will US intellectual property laws adequately protect my property against infringement in foreign countries?

A US courts will generally enforce trademarks in international markets if the infringer is an American citizen or if the infringing acts have had a "substantial effect" on US commerce. For US copyrights and patents, US laws will generally protect only against infringement that occurs within the United States. The only arguably "foreign" conduct protected against is the importation into the US of products that infringe a patent and the exportation of a patented invention's parts from the US to a foreign country for assembly.

Q Is my property something that is protected or protectable under the intellectual property laws of the other country?

A The concept of "intellectual property" is not the same throughout the world. Some works that would be protected under the copyright laws of one country may be protected under the so-called "neighboring rights laws" of another country. These categories are critical when determining the extent of the work's protection in that country.

When protecting patents internationally, many countries require that the invention be "novel." This can be a worldwide standard—therefore, even if something has not been patented in the country in which you file, if it has been patented or made public in any other country (even by you!), your patent registration may be denied if there is no grace period allowed under the laws of the country or a treaty.

Some countries will protect trademarks used, but not registered, as so-called "common law trademarks." This may preclude registration of a trademark in a particular country even if the other similar trademark has not been registered there. But note that the converse is also true—some

US trademarks may be protected as common law trademarks in other countries even though they have not been registered in that country. While this may provide US owners with some protection in other countries, typically this protection will be less than that of a registered trademark. Therefore, if a mark must receive protection in a particular country, it is always best to seek registration where possible.

Q What rights do I have in the property?

A The level of protection each country provides is also different. Certain countries provide copyright owners with "moral rights," which can include the right of attribution and the right to preserve the integrity of the work—rights that are not recognized in the United States. Moral rights in other countries may provide US intellectual property owners with stronger rights under international laws but also increase the likelihood that the rights of others may be infringed in another country.

Q Has the transfer of intellectual property rights been properly effected?

A In cross-border transfers or licenses of intellectual property, it is important to understand the extent to which rights may be transferred under a country's laws. Cross-border transfers may also raise questions relating to the law that governs the transfer. Attorneys often try to avoid these issues up front by including an agreement in the document concerning which country's laws will govern. Although courts will usually honor these provisions, a foreign court may determine that the choice of law violates public policy in the country and consequently refuse to apply the chosen law.

Using intellectual property in foreign markets can raise several complicated questions that require consideration of US law, foreign law, and treaties. If you are an owner of intellectual property rights who has not yet entered foreign markets, you should review the protections available under US and foreign law before deciding to place your intellectual property in the commerce stream of certain countries.

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