



HOW TO PROTECT YOUR INTELLECTUAL PROPERTY BEFORE YOU GO TO THE UNITED STATES

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More and more, your ability to offer a superior, novel or improved product or service depends on whether you can protect your intellectual property (“IP”) in the United States, and avoid the IP rights of others. These five steps may be the key to success:

#1: Stop and review your IP portfolio before selling into the USA. Identifying your key IP assets is a critical initial step. For each asset, consider the type of IP, whether you’ve secured rights from the inventor(s), and whether your business strategy includes steps for protecting the asset. Some assets may be patented or copyrighted, while others may be protected as trademarks. It’s likely that your IP will include valuable trade secrets—knowledge or information that has value because it is not known by your competitors, and that you keep confidential and protect. Important rights can be lost if you do not seek advice on identifying your IP and how it can be protected BEFORE you make that first offer of sale or execute that MOU or license agreement with your American customer.

#2: Due Diligence: Can my company’s IP be protected in the USA? Conduct an internal audit and get legal advice on how your IP in your home country can be protected in the United States, including under what conditions and for how long. **Do not assume that IP laws in the U.S. are the same as in your home country.** The U.S. Patent and Trademark Office (“USPTO”) will generally not grant a **Patent** on an application if the invention is already patented outside the United States, in public use or known, or already on sale. There are international

treaties that allow you to patent in multiple countries, provided that you comply with numerous timing and procedural requirements. It is critical to consult with your patent attorney early to avoid losing the right to obtain a U.S. patent. On the other hand, the Berne Convention protects copyrighted works made in other countries. Generally your **Copyrights** outside the U.S. will benefit from the same or similar prosecution in the U.S. Interestingly, whether a foreign IP asset qualifies as a **Trade Secret** in the U.S. may vary depending upon which State’s law applies (South Carolina, New

Five IP Steps to Complete Before It’s Too Late

1. Stop and review your IP portfolio before selling into the USA.
2. Do your due diligence. Conduct an internal audit and get legal advice on how your IP can be protected in the U.S.
3. Register important trademarks and make sure your marketing and branding reflect registered marks.
4. Avoid violating your competitors’ IP.
5. Enforce your rights in existing IP and protect your new developments.

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York, California, etc.) as, in general, there are no federal or national trade secret statutes. Although you may have registered your **Trademark** in your home country, U.S. law provides various benefits for registering the mark(s) in the U.S.

#3: Take Steps to Protect Your IP in the USA: After determining what IP assets you need to protect, take steps to ensure that those assets are protected. Important trademarks should be registered, and your marketing or branding strategy should reflect those registered marks. Consult with U.S. patent counsel on any potential new inventions to evaluate the costs and benefits of seeking a **U.S. Patent**. The application may be published (disclosed to the public) after 18 months, but the USPTO can still take anywhere from under 2 years to over 5 years to issue a patent. Generally you cannot exclude competitors from using the claimed invention until your patent issues (though sometimes you can seek damages for past infringement). An often overlooked but important step is to draft confidentiality and non-solicitation agreements for your key employees (U.S. and foreign) to protect your **Trade Secrets**—your confidential commercial and technical information.

#4. Avoid Your Competitors' IP. Too many foreign companies start selling in the U.S. and quickly receive **"Cease and Desist"**

letters from U.S. patent holders. Do your homework. Engage U.S. IP counsel to complete a **Freedom-to-Operate** assessment, and advise whether your products or services may violate third-party IP rights. U.S. companies are quick to file lawsuits for patent infringement, and your customers will require indemnification if they purchase or use your technology, leaving you to defend against expensive litigation. If you license software from a third party, find out if you need to modify the license to expand your business into the United States. Does your end-user agreement even permit the software's use in the U.S.? Will you be indemnified by your licensor if the software infringes other companies' IP? U.S. IP counsel can help you answer these and other important questions.

#5. Enforce your rights in existing IP, Protect your New Developments. Having spent time and money to innovate and capitalize on your IP, it is risky not to adopt an **IP Security Plan**. Train your employees on how to capture and process their R&D. Put in place an **IP Compliance Plan** to prevent leaks and unauthorized IP disclosures. Document **"Background IP"** and license agreements so your customers' cannot claim ownership or a license to use it. Inquire whether your cyber security protections are in place to guard your IT network and trade secrets. Monitor your competitors' technology for

infringement, as any failure to enforce your patents can result in a loss of your IP rights, your technology, and your market share. **Conclusion.** A well-defended IP portfolio is a key to success when entering the U.S. markets and establishing a competitive position. By following these **Five IP Steps**, you may ensure strong and secure IP security for both your existing and new technologies. Do not hesitate to get advice early so that you can set up your **IP Security Plan** to maximize your profits and growth in one of the world's most dynamic and advanced marketplaces.

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