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[www.regulations.gov](http://www.regulations.gov), docket number ITA-2010-0006

November 30, 2010

Office of Intellectual Property Rights  
International Trade Administration  
U.S. Department of Commerce  
Washington, DC

Re: Comments in Response to Request for Input on Government Programs to Assist  
Businesses in Protecting Their Intellectual Property Rights in Foreign Markets

Dear IPR Assistance Review:

I am writing on behalf of the American Bar Association Section of Intellectual Property Law (the "Section") to provide comments in response to the request the Office of Intellectual Property Rights, International Trade Administration, U.S. Department of Commerce (the "Office") on Government Programs to Assist Businesses in Protecting Their Intellectual Property Rights in Foreign Markets.

The views expressed in the attached commentary are those of the Section. They have not been submitted to or approved by the ABA House of Delegates or Board of Governors, and should not be construed as views of the Association as a whole. These technical comments are within the Section's primary and special expertise, and were approved by the Section Council on November 23, 2010.

The Section appreciates the Office asking for input on this issue. If you have any questions on our comments or would wish for us to further explain any of our comments, please feel free to contact me. Either I or another member of the leadership of the Section will respond to any inquiry.

Very truly yours,



Marylee Jenkins  
Section Chairperson  
American Bar Association  
Section of Intellectual Property Law

**Government Programs to Assist Businesses in Protecting their Intellectual  
Property Rights in Foreign Markets: Comments in Response to the Request for Input by  
the Office of Intellectual Property Rights, International  
Trade Administration, U.S. Department of Commerce**

The views expressed in the attached commentary are those of the Section of Intellectual Property Law of the American Bar Association. They have not been submitted to or approved by the ABA House of Delegates or Board of Governors, and should not be construed as views of the Association as a whole.

The ABA Section of Intellectual Property Law (“ABA IPL Section”) is the largest intellectual property organization in the world and the oldest substantive Section of the ABA. Since 1894, we have advanced the development and improvement of intellectual property laws and their fair and just administration. As the forum for rich perspectives and balanced insight on the full spectrum of intellectual property law, the ABA IPL Section serves as the ABA voice of intellectual property law—within the profession, before policy makers, and with the public.

## **I. Introduction**

This commentary is in response to a call from the Department of Commerce, via the Office of Intellectual Property Rights in the International Trade Administration (ITA), for public participation in and input as to the shaping of government programs designed to aid the protection of intellectual property rights for U.S. businesses, including Small- and Medium-Sized Enterprises (SMEs), in foreign markets. The initiative is part of a comprehensive effort on the part of the Department of Commerce to review and improve upon U.S. Government efforts to aid U.S. businesses seeking to protect and/or enforce intellectual property rights in foreign markets.

The ITA request included 14 questions for consideration by participants. Our comments reflect, where possible, specific answers to those questions as provided by ABA members with relevant experience. These answers are placed within a general response to the welcomed efforts of the Department of Commerce that befits the early stage of those efforts. We look forward to further collaboration and input on this key undertaking by the Department of Commerce.

## **II. Comments**

As noted throughout, the ABA SIPL supports the efforts of the Department of Commerce in establishing, maintaining and growing programs designed to aid U.S. businesses in the procurement, protection and enforcement of IPRs. We appreciate the opportunity to provide these comments.

- 1. Describe your level of familiarity with intellectual property rights in general and intellectual property rights in foreign markets in particular.**

The ABA members responding to this inquiry have decades of U.S. and international intellectual property experience between them, in the areas of trademark, copyright, patent, and software law. Responders come from positions in-house, in private firms, and academia, and are well represented geographically.

## **2. Identify specific challenges businesses, including SMEs, face in protecting their intellectual property rights abroad.**

We commend the Department of Commerce for its efforts in cataloguing and responding to the challenges facing U.S. businesses as they commence and expand protection of their intellectual property rights in foreign markets. We note four major areas in which our respondents found particular reason for concern:

### Resources

A principal challenge in protecting IPRs in foreign markets lies in the necessity to amass significant resources and capital to do so, particularly in the patent realm. In addition to the resources needed to fund R&D and other inventive activity—sometimes prohibitive for smaller companies or start-ups—it is, in many markets, a practicable necessity to engage legal assistance in that market in order to properly and efficiently navigate the extant system of IPR protection and enforcement.

### Knowledge

Engaging in new IP systems requires a particular effort in learning the intricacies of each system. While universal applications do aid in reducing paperwork, considerable time (and, correspondingly, expense) is required to manage intricacies of various jurisdictions. Further, understanding of states' approaches to enforcement is desirable, but may be difficult to achieve for SMEs.

### Corruption

A corollary to the cost of expanding one's SME to foreign markets is the presence of corruption and the pressure placed on some to engage in corrupt practices, notably bribery. Respondents noted concerns about agents paying bribes without clients' knowledge and the occurrence of bribe demands by personnel in law enforcement, administration, and the courts for purposes of, for example, accelerate application times or enforce IPRs.

### Counterfeiting/Piracy

As will be evident throughout these comments, a common theme in considering the questions posed is the concern about rampant counterfeiting, infringement, and piracy. Not surprisingly, the most significant concern is centered around China, Russia, and India, all of which are on the 'Priority Watch List' of the U.S. Trade Representative's 2010 Special 301 Report (available at [http://www.ustr.gov/webfm\\_send/1906](http://www.ustr.gov/webfm_send/1906))(Note: .pdf format).

**3. In what countries or regions do businesses need the most assistance protecting their intellectual property rights? In responding please prioritize any countries identified.**

It is imperative to address the failure of some states to adequately pursue and implement systems for IPR protection and enforcement, and we commend this effort on the part of the Department.

The economic progress made by China in particular, as well as by India, Russia, and Brazil, means these states are contributing heavily to the growth of the world's GDP. Being key participants in the global economy also brings responsibility, however, and these states have to significant degree faltered in maintaining a positive track record of IPR enforcement. Further, our respondents noted that the ability to obtain, for example, enforcement of patent rights in China can be quite low for a foreign entity.

Also of note is the fact that even in 'friendly' jurisdictions (such as the EU and Japan), differences in legal and cultural norms can cause difficulty for would-be U.S. applicants for IPR protection. This, again, relates to the cost barrier described above.

**4. Which specific types of intellectual property (copyrights, trademarks, patents, trade secrets) present the most challenges to SMEs? Should U.S. government programs focus on specific areas of intellectual property protection?**

We believe it would be unwise to focus on specific areas of intellectual property protection to the detriment of other areas, as each area noted presents its own set of circumstances worthy of consideration and attention. As one respondent based in India stated: "[A]ll types of intellectual property...present challenges to SMEs. The U.S. Government policies and programmes should implement means for providing support for SMEs, [in] a market driven global economy, [to] facilitate equal access to global resources and to sustain the growth of SME sector especially in the long run."

Of course, certain areas of IPR protection may present more urgent challenges than others, or may be seen to provide greater benefits for recipients in certain industries; these areas should be addressed accordingly, but not at the expense of other types of IP.

This issue also relates to the cultural norms and challenges presented in combating corruption while ensuring the ability to secure IPRs. In this vein, attention should be paid to providing the means to secure protection without intentionally or unintentionally violating the U.S. FCPA.

**5. Suggest particular outreach, programs or assistance that the government can provide that would help U.S. businesses overcome those challenges.**

The Department's effort to enhance SMEs' ability and experience in seeking and procuring IPRs in this manner is commendable. We recommend the following avenues:

Outreach

Communicating and exchanging ideas and information with similarly situated government agencies in foreign markets may serve to enhance cooperation in the IPR procurement and enforcement fields.

Outreach should also involve sister USG agencies and seek to incorporate useful methods gleaned from their efforts (i.e., Customs). Further, efforts to encourage states to improve their IP laws should grow and continue.

Working with NGOs, trade associations, and the like would be another form of outreach that could serve to pool resources and reach as many SMEs and their representatives as possible.

### Programs and Assistance

The key here seems to be education. The path for SMEs in IPR procurement, protection and enforcement will be clearer with a solid effort on the part of the USG to provide these businesses with as much information as possible about the processes, procedures, regulations, and challenges they will face in foreign markets. While comprehensive education about all such markets is likely not possible, efforts should be made with states known to be challenging, as listed above.

Education efforts should include the provision and dissemination of information to allow for strategic decisions about IPR procurement in various jurisdictions as well as information to allow for the efficient and cost-effective traversing of IPR procurement systems those jurisdictions. To the extent possible, perhaps work to accommodate SMEs via the USPTO, with respect to filing costs and other fees processed through that Office.

Another means of offering assistance is to educate SMEs about new markets by facilitating visits, advertising, and trade fair attendance where applicable and appropriate.

#### **6. Describe your familiarity with or use of current U.S. Government services and tools related to IPR protection and enforcement in foreign markets, and assess their usefulness and/or gaps.**

The International Trade Commission and the U.S. Trade Representative each offer some benefit to SMEs concerning IPRs in foreign markets. The ITC, while effective, is quite costly for smaller enterprises. The USTR, while informative, does not provide sufficient assistance to overcome the challenges faced by SMEs seeking IPR protection or enforcement in foreign markets.

The DOC, working with the ABA's Section on International Law and the Coalition Against Counterfeiting and Piracy, has established an IPR Advisory Program granting SMEs advise and assistance in protecting IPRs abroad, particularly in the BRITEC countries, Kenya, Ghana, Mozambique, Angola, Senegal, Nigeria, Colombia, Mexico, Indonesia, Vietnam, Turkey, Saudi Arabia, Argentina, and South Africa.

**7. Assess the adequacy of the intellectual property resources, tools, services and programs that the U.S. government currently provides to SMEs.**

The USG provides a wealth of information and opportunity to SMEs seeking IPR protection and enforcement domestically. Continued efforts should be made to promote the benefits of seeking IPR protection, and to ensure cost-effective, streamlined mechanisms for doing so. In particular, we recommend efforts in informing SMEs of the options available to them (1) in various jurisdictions and (2) presented in a manner that allows these businesses to make strategic informed decisions and to capitalize on their assets, talent, and business models. We note that, with respect to efforts to encourage businesses to protect themselves via IPRs, periodic surveys and follow-up would be useful to note the progress resulting from the efforts.

The views and needs of SMEs in foreign markets could be better addressed with the participation of their representatives in strategic sessions for the development and expansion of international agreements pertaining to IPRs.

**8. What specific outreach formats (e.g., conferences, webinars, publications, podcasts) work best for educating U.S. businesses on how to protect their IPR abroad?**

All of the suggested formats would work; the most effective would likely be webinars and publications, particularly if the latter may be accessed online. It may be useful to collect data on the use of the USPTO website; this is likely to indicate that the site is trafficked frequently by owners and principals of SMEs.

Conferences offer the opportunity to combine efforts with the private sector while providing information to U.S. business personnel.

Podcasts may be useful, but should be part of a (free) subscription or ongoing series so as to attract followers.

**9. Identify specific existing programs provided by the U.S. Government or governments of other countries that have been particularly effective at assisting U.S. businesses with protecting their intellectual property rights in foreign markets (including, if possible, specific examples illustrating the effectiveness of those methods).**

In our collective experience, there are few existing programs meeting these criteria. We note that the DOC has made a significant effort by pairing with the ABA and the CACP in the Advisory Program described in response no. 6.

We submit that any such programs that are created may wish to focus, in addition to the above-noted areas, on assisting SMEs in establishing a presence in other markets (by virtue of, for example, acquiring patent rights, establishing a trade name, and engaging in branding practices). On another note, another area in which the Department could establish programs for SMEs would be to facilitate partnerships with extant entities abroad in order to provide another means for market entry and access to 'local' avenues for IPR protection and enforcement.

**10. Identify specific existing programs involving cooperation between stakeholders and the U.S. Government (or between stakeholders and other governments) that have been particularly effective at assisting SMEs with the protection of their IP in foreign markets.**

Our collective experience indicates a lack of such programs apart from the DOC-ABA-CACP program.

We support the creation of cooperative programs that seek to benefit SMEs by combining resources and offering helpful information and access to SMEs. For example, these programs could provide market reports to interested SMEs; access to places in which to conduct business abroad, where appropriate; and assistance in developing export projects, with knowledge of rules and regulations in various markets.

**11. What additional role(s) should the government play in assisting businesses with the protection of their intellectual property rights abroad?**

At the USG level, working in host countries using the talent in our Embassies and Consulates may be helpful in, for example, conducting due diligence efforts and ensuring healthy anti-corruption practices.

In terms of working with stakeholders and others, combined efforts may be put to use in, for example, identifying successful mechanisms for making a robust IPR portfolio within the reach of SMEs; educating SMEs about customs/export rules in foreign markets (i.e., technical specifications, regulations, quality requirements); and developing better mechanisms for global Internet-based businesses.

**12. Identify additional resources and tools the U.S. Government could provide to support SMEs as they enforce their intellectual property rights in foreign markets.**

The USG should expand its offerings of webinars and other programming, creating an easily accessible platform from which to offer information to SMEs. This programming should provide SMEs with a comprehensive look at the challenges and efforts involved in the procurement, protection and enforcement of IPRs in foreign markets (including, for example, secondary effects such as dealing with corrupt practices and the laws established to abolish them).

Assistance in criminal prosecutions and infringement-related lawsuits would be particularly helpful. We note that the Department of Justice has made effective efforts in terms of criminal enforcement, which is most welcomed.

True assistance from the USG would be in the form of managing costs to SMEs, to the extent possible.

**13. Identify the most effective and efficient ways to inform U.S. businesses of new and existing government offerings that support U.S. businesses in their efforts to protect their intellectual property abroad.**

Maintaining an updated, user-friendly website that offers ‘one-stop shopping’ under the IPEC would be the most effective and efficient way to provide information. Other potential options and opportunities to provide support include: facilitating the adoption of product quality standards (to aid in brand protection); offering webinars and other programs providing information as to the procurement, protection and enforcement of IPRs in foreign markets; and educating the domestic intellectual property bar re: IPR issues abroad.

**14. In a recent report by the International Trade Commission, combining resources through trade associations or through less formal groups was one strategy SMEs suggested to reduce trade barriers. Describe ways the government can support SMEs as they pool resources to combat infringement abroad.**

We appreciate the Department’s efforts to find new, resourceful means to combat infringement. We suggest that, to the extent possible, the following initiatives may be considered: (1) creating means for SME consortia to establish a market presence abroad; (2) establish networks to identify situations in which risk of infringement is high, and maintain broad, open lines of communications with SMEs and SME consortia; (3) assisting in bringing prosecutions and collective lawsuits; and (4) maintaining and disseminating lists of those parties and websites/domain names identified as encouraging or being engaged in infringing activities.

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**III. Conclusions**

The Section fully supports the goal of aiding U.S. businesses, including SMEs, in the protection and enforcement of IPRs in foreign markets. We encourage the continued efforts by the Department of Commerce in this vein and look forward to further collaboration and participation as these efforts progress.

November 23, 2010