RESOURCES

- Learn more about the following topics by visiting www.STOPfakes.gov
  - Madrid Protocol
  - Patent Cooperation Treaty
  - Hague – The International Design System
  - Trade Secrets
- The Foreign Commercial Service can help you find a local attorney knowledgeable about IP issues in your export market.
  Visit: http://www.trade.gov/cs/
- Exporters can find additional resources online.
  Visit: www.export.gov
- Learn about leading export markets.
  Visit: www.trade.gov/topmarkets/
- Find the electronic version of this brochure at:
  www.STOPfakes.gov

If you found this information useful please let us know!

Comments can be sent to ITA's Office of Intellectual Property Rights at IndustryIP@trade.gov

DEPARTMENT OF COMMERCE · UNITED STATES OF AMERICA

INTERNATIONAL TRADE ADMINISTRATION

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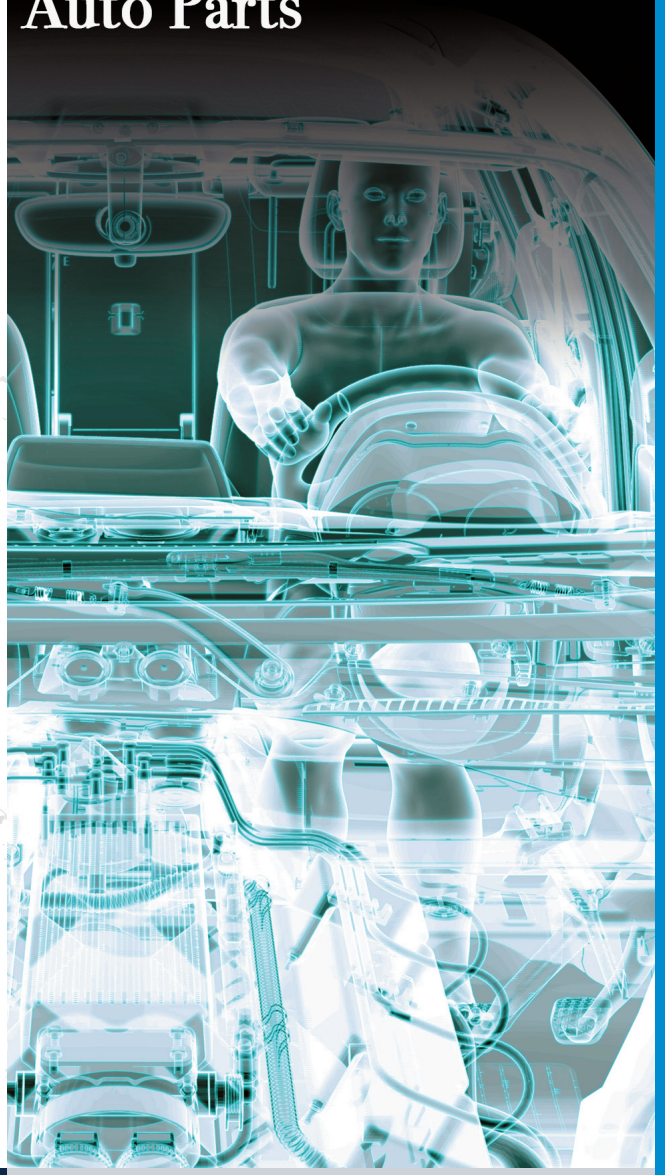
Protecting Intellectual Property in Export Markets

Auto Parts



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International markets supported more than $80 billion in exports for the U.S. auto parts sector in 2016. While export markets offer U.S. companies tremendous opportunities, these same markets pose potential challenges to the protection and enforcement of valuable intellectual property (IP). Intellectual property is a key foundation of the highly innovative U.S. auto parts export base, yet establishing IP protection in the United States does not trigger automatic global protection.

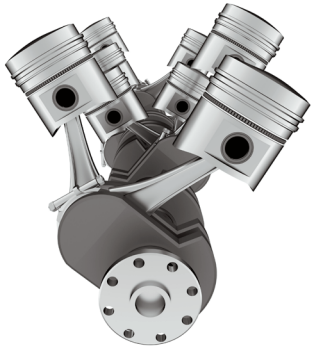
THE INTERNATIONAL TRADE ADMINISTRATION helps U.S. auto parts exporters identify their IP assets and proactively take steps to protect them. U.S. auto parts exporters enjoy a competitive advantage through high quality and innovative products, state-of-the-art manufacturing techniques, brand recognition, available warranties and aftersales service. The very core of these advantages is built around intangible assets known as intellectual property; in this sector primarily patents, trade secrets, trademarks, and designs.

TRADEMARKS - U.S. auto parts companies are recognized global leaders in quality, reliability, and innovation. The power of a U.S. company's brand provides a significant edge, allowing them to seize buyers' attention in highly competitive international markets. Protection for this asset through trademark registration should be a priority for all companies – particularly those who export. Trademarks must be registered in every country where the company wishes to have protection. The Madrid Protocol provides a mechanism for trademark owners to file one application with The United States Patent and Trademark Office (USPTO) and designate other countries where they wish to register their mark.

A major benefit of using the Madrid system is that once registered in the designated countries, the trademark owner can maintain all those registrations via a central filing mechanism at the World Intellectual Property Organization (WIPO).

PATENTS - Continuous innovation is at the heart of global competitiveness for U.S. auto parts manufacturers, from game-changing new technologies and break-through manufacturing techniques, to ever constant improvement of existing products. As innovation in automotive technology is moving at an increasingly rapid pace, the reliance on new products and emerging technologies will expand. For many small companies, patent protection prevents competitors from simply copying their innovations, and aids in attracting investor capital needed to grow, to build market share, and to create jobs. For U.S. small businesses trying to compete in global markets, securing patent protection overseas can be a critical precondition to successfully internationalizing and developing into the productivity powerhouses of tomorrow. The Patent Cooperation Treaty (PCT) allows U.S. businesses to file for a patent in 151 countries with one international patent application.

PRODUCT DESIGNS - Automotive product designs support the diversity of high quality, innovative, and practical products that are the hallmark of U.S. auto parts companies. Protecting a product's design requires registration in the country where protection is sought. The Hague System for the International Registration of Industrial Designs provides a practical business solution for registering up to 100 designs in over 65 territories through filing one single international application.



TAKE AWAYS

- A U.S. patent or trademark does not provide protection outside of the United States.
- Companies wishing to protect their patents in foreign markets should consider applying for patents using the Patent Cooperation Treaty.
- Companies wishing to protect their trade secret should take reasonable steps to protect it.
- Companies wishing to protect their trademarks in foreign markets should consider registering their trademarks utilizing the Madrid Protocol.
- Companies wishing to protect their designs in foreign markets should consider registering their designs using the Hague System for the International Registration of Industrial Designs.

TRADE SECRETS - Proprietary information with commercial value can help U.S. companies win sales in highly competitive global markets. Trade secrets are valuable intangible assets for U.S. auto parts manufacturers. These secrets might underpin technologies in the manufacturing process or support customer retention, advertising, or sales channel development strategies. Protection for trade secrets varies by country, but most countries have some form of protection (e.g., breach of contract, unfair competition, violation of fiduciary duty, criminal code). Where there is protection, three things are generally required of the owner. The information must be secret, have commercial value, and reasonable steps must be taken to protect it.