

International IP Dispute Resolution

Your company has signed a nondisclosure agreement with a foreign-based entity. You and the foreign-based company intend to exchange critical confidential information and, ultimately, form a joint venture to profit from the collaboration, the contributed intellectual property (IP) and related investments.

Have you taken all the correct steps in each of the written agreements to protect your company's disclosures and to prevent a dispute from arising? Does your nondisclosure agreement facilitate the exchange of information and the formation of the joint venture? Should a dispute arise, will the nondisclosure agreement protect your company, its disclosed confidential information and related IP? Will your agreements provide the necessary protections under both U.S. and foreign laws?

These are specialized situations because the parties typically share information in the formative stage of the process, and then continue to share over several years of the venture. One party may be disclosing more of its secret sauce, while the other may have ongoing, internal projects that are similar to those disclosed. We call these hybrid agreements because the parties interact with each other, almost as if the joint venture were formed, i.e., the "hybrid" nature of the commercial relationship.

Here are some of things to consider for nondisclosure agreements, "hybrid joint venture" agreements and the related international IP dispute resolution issues that may arise:

For the nondisclosure agreement, you should:

- Weigh the risks and benefits of various laws, venues and dispute resolution strategies involved during the nondisclosure agreement drafting process.
- Craft contractual dispute resolution and other clauses that provide for favorable outcomes if disputes arise, including attorneys' fees and governing law provisions that take advantage of jurisdictional laws.
- Identify best practices for managing the risks associated with the active and ongoing exchange of information, including tracking, logging, isolating and protecting both parties' informational disclosures.
- Consider the impact any exclusions or exceptions might have on disclosure (e.g., public domain exclusions).
- Strategically file and prosecute patent applications not only before the U.S. Patent and Trademark Office but also in the European Union's (EU) Office for Harmonization in the Internal Market.

For any proposed joint venture agreements:

- Anticipate “clear path” IP issues that help each party resolve commercial points related to ownership and licensing.
- Include provisions that encourage member/manager and/or officer/director cooperation, and facilitate implementation of business plans and deliverables.
- Negotiate and draft dispute resolution provisions that facilitate resolution of board and management deadlocks, ownership of IP and confidentiality issues, and financial disputes.
- Consider foreign and U.S. tax-favorable structures and related operating agreement provisions.

For multiparty, multi-jurisdictional IP disputes:

- Do not blindly include a dispute resolution provision without first carefully vetting dispute scenarios.
- Do not assume that split clauses will allow you to seek an injunction in the U.S. or will be enforceable under applicable foreign laws.
- Utilize properly drafted dispute resolution procedures contained either in the applicable nondisclosure agreement or the joint venture operating agreement to efficiently resolve disputes and save money.
- Consider the nature and sensitivity of the IP when trade secrets, proprietary information, or research and development results are involved.
- Determine whether the dispute benefits from an international tribunal having a technical background or experience in deciding IP disputes.
- Consider whether to separate disputes exclusively related to patents from other types of IP disputes.
- Determine what rules and procedures will be implemented in resolving any dispute.

This practice area requires a special combination of interdisciplinary skills, including:

- Drafting and negotiating agreements that address and efficiently manage U.S. and foreign commercial relationships that focus on the exchange of IP and confidential information.
- Managing legal teams through the entire IP dispute resolution process in multinational, multiparty relationships (this includes special issues raised when engaging foreign counsel).
- Developing budgets, managing costs and presenting concise, efficient forms of information to key employees and the company’s Board of Directors.

We maintain a Northwest culture of service and responsiveness, with a global reach in this unique area. We are especially familiar with EU dispute resolution as it impacts U.S. companies and their technologies. Our experience in managing and resolving these types of IP and business disputes allows us to provide “big firm” advice at more efficient billing rates when compared with international and multi-national law firms.