

Global Diversity Initiative • Export Facts • E-ExpoUSA • Trade Events

EXPORT *America*

January 1999 Volume 1 Number 3
<http://exportamerica.doc.gov>

THE FEDERAL SOURCE FOR YOUR GLOBAL BUSINESS NEEDS

Inventors Go Global

Safely Sending Your
Inventions Abroad

Inside...

Capitalizing on Infrastructure Opportunities in Europe

Preparing for the Pre-Shipment Inspection

Utilizing the Trade & Development Agency



EXPORT America

THE FEDERAL SOURCE FOR YOUR GLOBAL BUSINESS NEEDS

January 2000 Volume 1 Number 3 <http://exportamerica.doc.gov>

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Prepared with the assistance of the U.S. & Foreign Commercial Service

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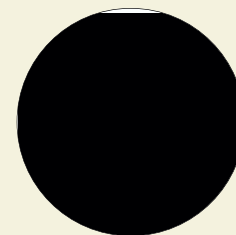
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On December 10, 1999, the U.S. Patent & Trademark Office (USPTO) announced its six millionth U.S. patent.

Yet, it only took eight years to go from five to six million patents. So, how does this increase in the numbers of patented inventions reflect changes in our society?

According to Don Kelly, from the USPTO, it reflects a recent revival in the importance or relevance of the small inventor, “[as] independent inventors currently enjoy the highest level of national appreciation and influence since their glory days at the turn of this century.” Moreover, it is clear that this renaissance is partially due to the explosion in the development of information technologies.

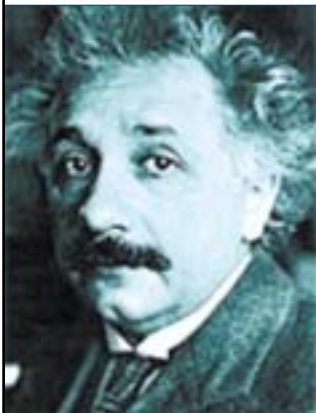
The Internet is both the blessing and the bane of the small inventor. While it allows start-up companies to easily market new products internationally, it also means that inventors must be steadfast about protecting their intellectual property. If the small inventor does not have a plan for patent protection in place at the moment they go online, then chances are that their great ideas will be transferred not only to customers, but also to anyone looking to profit from others’ inventions.

This month’s feature article addresses the issue of intellectual property protection for the small inventor. It provides a short

list of the “dos” and “don’ts” of patent protection for all those small businesses out there with great ideas, but with little understanding of how to safely market their products.

Our NEWS FROM DOC section this month highlights just a few ways that companies can get assistance from the International Trade Administration. The PEPPER program (see page 9) directs U.S. companies to infrastructure opportunities in the EU; the U.S. & Foreign Commercial Service offers export seminars and trade missions to help minority-owned exporters (see pages 10-11); and, the Office of Trade & Economic Analysis (see pages 12-13) provides a number of ways for small businesses to work together in export ventures.

We will see you next month with a feature article on Asian markets—that you may have overlooked in your strategic planning—and the first in a series of pieces tracking the experiences of small companies as they learn how to navigate in the global marketplace. Until then, good luck with your business. Let us know if you have any questions or comments (Export_America@ita.doc.gov).



Arrow Augerot
Editor

GLOBAL NEWS LINE

KOREA

The Korea Electric Power Corporation (KEPCO), which falls under the direction of Korea's Ministry of Commerce, Industry and Energy, is in the midst of a restructuring program that will **introduce competition in the Korean power market**. Specifically, KEPCO has announced its intention to spin off its power generation operations into six independent companies by the end of 1999. This decision represents the first major step the Korean government has made in implementing the privatization and restructuring plans outlined in 1998. KEPCO will initially retain a controlling stake in each of the companies, but plans to liquidate a portion of its holdings by the end of 2003. The nuclear power generation division will remain under government control due to safety and national security concerns. The restructuring and privatization of KEPCO has already attracted the attention of some of the world's largest energy companies.

HONG KONG

On November 2, 1999, the Hong Kong Government announced that it reached **an agreement with the Walt Disney Company to build a 126-hectare Hong Kong Disneyland on Lantau Island**. The new Disneyland will be the anchor for a major tourist and recreation center that will be built on reclaimed land on the island. Phase One of the Disneyland project is scheduled to open in 2005. When it is up and running, Disneyland is expected to attract five million visitors in its first year of operation.

The initial phase of the development will include a Disney theme park, three or four Disney theme resort hotels with up to 2,100 rooms, and a 28,000 square meter retail, dining and entertainment complex. The entire project is estimated to cost US\$1.8 billion. In addition to the reclamation work, the HKG will also supply extensive supporting infrastructure for the site,

including sewage works, highway networks, a rail extension to the existing Tung Chung Line, two public ferry or cruise terminals, and possibly, a water recreation center and irrigation reservoir.

CHILE

The **privatization of Chilean state-owned ports**, which consists of granting long term concessions for the operation and management of ports, is proceeding as projected. Concessions for the three most important state-owned ports—Puerto Valparaiso, Puerto San Antonia and Puerto San Vicente/Talcahuano—have already been granted. The ports of Arica and Iquique are undergoing the bidding process. The due date to present technical offers is January 27, 2000, and concessions will be awarded by February 2000. These five ports account for approximately 30 percent of the total cargo transferred in Chilean ports and almost 80 percent of the cargo transferred at state-owned ports.

ECUADOR

Gua Gua Pichincha, the volcano on the west side of Quito, erupted on October 7, 1999. Although the city was protected from any threat of lava or mudflows by a ridge running between it and Gua Gua, periodic ash rains have created quite a mess. In response, **the municipality of Quito will purchase approximately US\$1.5 million in clean-up equipment**. Road sweepers and backpack blowers are in high demand. All equipment must operate at over 9,000 feet above sea level. Since ash fall is still a new phenomenon in Quito, the municipality is open to suggestions regarding the best techniques and equipment for removing the ash. The contact for interested U.S. firms is Vicente Cadena, Technical Assistant Manager; MASEO, Briceno 605 y Guayaquil, Quito, Ecuador; Tel: (593 2) 955-278, 958-205; Fax: (593 2) 583-413; or Email: emaseol@ecuanex.net.ec.

CANADA

With offshore natural gas just beginning to flow through Nova Scotia and New Brunswick into the New England market, **opportunities will develop for equipment and technologies related to gas distribution and consumption**. With no prior system in place for either the residential or industrial utilization of natural gas, this region of Canada will require sources for consumer appliances, testing and monitoring equipment, and safety and control devices. For more information, U.S. companies are invited to contact the U.S. & Foreign Commercial Service in Halifax at Tel: (902) 429-2482; Fax: (902) 429-7960; or Email: halifax.office.box@mail.doc.gov

SAUDI ARABIA

Saudi Arabia's rapid emergence as an industrial nation and rising living standards have led to a need for more power. Existing electrical installations are now unable to cope with the demand, which is currently growing at an average annual rate of 10 percent. To meet this developing need, **the Saudi Government is currently upgrading and expanding capacity at a number of plants**, as well as focusing on the construction of new facilities, especially in the Central and Western provinces. Electric power companies are expected to spend close to US\$1.5 billion annually over the next five years on expansion and upgrading projects.

If you would like to receive further information on this sector and/or on doing business in Saudi Arabia, please feel free to contact Commercial Service Saudi Arabia at Riyadh.Office.Box@mail.doc.gov.

NEPAL

The Nepal Telecommunications (NTA) Authority has announced plans for issuing licenses for cellular services based on GSM technology and basic telephone services based on wireless

local loop technology. The licenses are open to, and offer potential for, outside investors. The process of preparing tender documents and inviting applications for licenses is currently underway. For further details regarding publication of the notice inviting applications, U.S. firms may wish to contact the Chairman of the NTA at Tel: (977 1) 221-944; Fax: (977 1) 260-400; or Email: brpandey@mos.com.np and ntra@mos.com.np.

UKRAINE

The Ukrainian State Committee for Standards and Certification (Derzhstandard) announced that beginning October 1, 1999, **certification of tourism facilities and restaurants, including hotels, motels, campgrounds, recreation centers, sanatoriums, summer camps, and hotel restaurants, bars and cafeterias, will be mandatory.**

In addition to a service rating, certification requires sanitary and fire safety compliance, but such compliance certificates will not necessarily free hotels from regular sanitary and fire safety inspections. Hotel proprietors, therefore, view the certification as another time- and resource-consuming burden. Experts feel the lack of transparency in the certification process will be harmful to small hotels.

Certification standards were borrowed from Russia with some Ukrainian input. Tourism professionals indicate the standards Derzhstandard is trying to establish are not on par with western requirements, i.e. a three star hotel in Ukraine and a three star hotel in Hungary will not be equal. According to Derzhstandard, international hotel chains will also be required to pass the Ukrainian certification process.

For additional information on this industry sector, please contact David Hunter or Yuri Prykhodko, Commercial Service Kiev, at Tel: (380 44) 246-8169; Fax: (380 44) 417-



Gua Gua Pichincha erupted on Oct. 7, 1999. Quito will need to purchase US\$ 1.5 million in equipment to clean up the ash.

1419; or Email: yuriy.prihodko@cs.doc.gov.

RUSSIA

The Russian legislature has overturned a presidential veto and adopted the federal law "On Leasing" long-awaited by both the foreign and Russian business communities. Since 1994, and especially after the 1998 financial crisis, scarce financing has made leasing increasingly popular, and local leasing companies consider the

new law to be a positive step. However, there are still impediments to cross-border leasing in Russia that the law does not resolve, including VAT and tariff burdens. ■

NEED MORE DETAIL?

Ask a Foreign Commercial Officer at one of the Department of Commerce's posts located around the globe. Contact information, including phone, fax and email, is available by calling the Trade Information Center at 1-800-USA-TRADE.

DIGITAL COMMUNICATION

VIASAT INC. FLOATS TO EXPORT SUCCESS WITH THE HELP OF THE USDOC

by Jake Bright

Office of Public Affairs

Are you thinking about going on a cruise, but don't know how you will stay in touch?

Thanks to new technology by ViaSat, Inc., your next vacation will get you on the high seas without putting you oceans away. Located in Carlsbad, California, ViaSat designs and produces advanced digital communication products, including satellite networks and wireless signal processing. In June of 1999, the company signed a contract with Star Cruises, a leading cruise line in the Asia-Pacific region, to install ship-to-shore and ship-to-ship voice, data and video communications systems onboard its fleet. The deal, which is valued in

excess of \$6 million, will connect passengers to services, such as closed circuit television, and will also improve communications between Star Cruises' fleet and its home base in Kuala Lumpur, Malaysia.

According to Nancy Linstead, Import/Export Manager at ViaSat, the initial stages of the contract went exceptionally well. But as the company quickly realized, signing the deal was only the first step of the export process; the next challenge became delivering the goods. "When it came to matching our products to their needs, the process was relatively easy. But afterward came complicated export-related questions: How to deal with customs risks and how to get the products into the destination countries. We realized we had little experience with many of the issues," notes Linstead.

That is when ViaSat contacted the San Diego U.S. Export Assistance Center (USEAC). Trade Specialist Carrie Brooks was quick to provide immediate individual export counseling. The first obstacles for ViaSat were telecommunications regulatory changes recently implemented in Malaysia. ViaSat needed to identify appropriate regulatory agencies in order to understand the process for telecom certification. It also needed to export the equipment to multiple countries since Star Cruises docks its fleet out of Taiwan, Hong Kong, Malaysia and Singapore.

Brooks immediately provided an International Market Insight (IMI) on Malaysia from the U.S. Government's *National Trade Data Bank*. IMIs are prepared by U.S. Commercial Specialists abroad and offer information on a variety of topics including foreign markets, trade laws and regulations, and market and industry profiles. A list of IMIs and other Commercial Service reports is available online from STAT-USA (www.stat-usa.gov). Trade Specialist Brooks then gave guidance on the certification process and how to work with local telecom vendors.

For ViaSat, one of the most complex aspects of completing the deal with Star Cruise was exporting their equipment to multiple countries, all with different regulations. For Star Cruise's ships in Taiwan and Hong Kong, Brooks advised ViaSat on import license requirements and trans-shipment permits. ViaSat learned how to obtain the necessary permit for the



Photo courtesy of ViaSat, Inc.

Ready to Cruise: ViaSat's digital communications equipment aboard Star Cruises' fleet.



Photo courtesy of ViaSat, Inc.

ViaSat's Aurora subscriber terminals set up to send and receive satellite signals.

equipment and other steps needed to clear customs. Nancy Linstead was grateful for Brooks' expertise: "She was extremely competent and incredibly knowledgeable about the private sector and the export process. Whenever we had a question, she provided an answer faster than we could turn around." With this assistance from the San Diego USEAC, the deal has gone forward. ViaSat has already completed installation of equipment on six ships and will have installed equipment on a total of nine by early this year.

Though its recent export achievement was a bit of a learning experience for ViaSat, success is nothing new to the company. Founded in 1986, the company started by manufacturing its high technology equipment on a contract basis for the U.S. Government. Today, ViaSat has 390 employees, is publicly traded on the NASDAQ-AMEX Stock Market, and has expanded its sales domestically and internationally to commercial markets. ViaSat has achieved 13 consecutive years of growth through a strategy of avoiding "big ticket" programs that are prone to budget cuts and developing "on demand" networking systems for business and government. As a result, for two consecu-

tive years, ViaSat has been named one of Business Week's "100 Best Small Corporations" and one of Forbes magazine's "200 Best Small Companies in America."

ViaSat believes the key to sustaining its growth is finding new markets for its products both domestically and abroad. That is one reason why the company has developed its export focus and capabilities. ViaSat went from a traditional sales arrangement based on ExWorks terms, to a turnkey arrangement whereby they are required to handle all shipping procedures of their equipment out of the U.S. and into the destination countries themselves. According to Linstead, "This is a lot more complex. In a sense, it becomes both importing and exporting your products and that is why the assistance of the Export Assistance Center was so important."

ViaSat plans to continue its export success in developing advanced communications products for a global market. When asked how the company will handle future export questions, Nancy Linstead simply referred to Brooks, and said, "If we need help, I know exactly where to go." ■

■ CAN INDIVIDUAL EXPORT COUNSELING HELP YOU?

Trade Specialists are available to assist you with your export needs at the U.S. & Foreign Commercial Service's 104 domestic Export Assistance Centers and 141 overseas commercial export-focused offices. Individual export counseling involves expert analysis and advice on any portion of the export process. This can include assistance with market analysis; export financing and insurance; using a freight forwarder; or, selecting an agent or distributor service. For more information, contact the USA Trade Center at 1-800-USA-TRAD(E) (1-800-872-8723) or call the nearest U.S. Export Assistance Center (contact information listed on back cover). ■

SUCCESS STORIES

ALLIGATOR PETIT FOURS

A Jeff Derouen doesn't wish to be a Crocodile Dundee.

Then again, why worry about fighting crocodiles when you've built a successful business exporting alligator meat to global markets?

As President of Prairie Cajun Wholesale Distributor, in Eunice, Louisiana, Derouen thrives on pleasing the palates of his worldwide customers. He started his company in 1982, after learning that alligator leather distributors were looking to make full use of harvested alligators.

"Our idea was to sell the meat to key markets like Asia where alligator is eaten, but is in short supply," says Derouen. "Overseas, alligator meat is bought in stores and is primarily used for alligator soup. Alligators are the cleanest farm-raised animals, and the white meat is tender and picks up the flavoring of the marinade very well. Grilled or sautéed, it's great, and most people who try alligator meat love it. The taste is somewhere between chicken and pork, sort of like dinosaur," he says half-jokingly. "It's an affordable exotic meat."

By 1987, Prairie Cajun had scored its first export success in Taiwan. Shortly thereafter, Derouen took his business savvy to the U.S. Department of Commerce's Export Assistance Center (USEAC) in New Orleans, where he received export counseling and marketing information. With the help of these services and the State of Louisiana, his firm gradually increased its exports to Asia as well as to Belgium, Canada, Mexico and the United Kingdom.

"About 85 percent of our exports go to China, and the rest to Japan, Hong Kong and the Philippines," says Derouen. "We market through distributors in each of our export markets, including trade fairs and shows."

In one of its more recent successes, the company sold \$400,000 worth of alligator meat to a Japanese restaurant chain.

"While alligator meat is a staple in many of these countries, there's really not much of a market here in the United States, where it is used mainly as an appetizer," says Derouen.

According to Derouen, about 200,000 to 300,000 alligators are farm-raised in the southern United States each year, with each generating about five to seven lbs. of meat—totaling some two million lbs. annually. The alligators, which are about four and one-half to five feet long, are harvested from numerous alligator farms by meat processors like Prairie Cajun, which number about a dozen in Louisiana.

To ensure quality standards, the firm is fully inspected by the U.S. Department of Agriculture. Today, Prairie Cajun earns revenues of \$2.5 million per year.

Prairie Cajun employs a staff of 10 that grows to 120 from February to June during the peak crawfish harvest season. That's because the firm markets cooked crawfish in the United States, Belgium and the United Kingdom. Not exotic enough? Well, keep your eye on the menu: Prairie Cajun is also looking into marketing meat from a water rodent known as nutria that is prevalent in Louisiana.

"People around the world are always waiting for new things to eat, sometimes they just haven't discovered it yet," says Derouen, whose own Louisiana-style Cajun cooking pleases the palates of local dinner guests. "We don't have chefs down here, just good old cooks," he says. "Hey, our gator wings (alligator legs) are pretty good, you should try them sometime..." ■

Curt Cultice is a Public Affairs Specialist in the International Trade Administration.



SPICE UP YOUR BUSINESS PLAN WITH PEPPER

PROJECT EXPORT POSITIONING & PROMOTION IN THE EUROPEAN REGION

by Paul Bucher

U.S. & Foreign Commercial Service

Between now and the middle of 2000, great opportunities exist for companies willing to work with European counterparts to win con-

tracts in the EU. The PEPPER program, organized by the U.S. Department of Commerce, is designed to help U.S. small- and medium-sized suppliers and subcontractors identify and capitalize on these opportunities.

WHAT IS PEPPER?

PEPPER stands for Project Export Positioning and Promotion in the European Region. This is a transatlantic business development strategy that the U.S. & Foreign Commercial Service offers U.S. based project developers and their European affiliates. This initiative, which targets small- and medium-sized suppliers and subcontractors, began in fall 1999 and will run through summer 2000.

WHY SHOULD MY COMPANY ACT NOW?

By the end of August 2000 the EU will have finished approving \$230 billion (EURO 218 billion) in economic development grants for projects that will be built between 2000 and 2006. These grants may be combined with long-term, concessional loans from the EU. The winning bids for this massive outlay of European public sector resources will come from project development consortia that are currently in the

process of being established. The submission of general project proposals to local and national authorities in the EU is currently taking place, so American firms must act quickly to seize these unprecedented opportunities.

In order to be successful, proposals must be sound business ventures; they must contribute to local, national and EU objectives; and they should include mechanisms for local job creation, environmental protection and technological enhancements. U.S.-based firms are eligible to participate, along with their European affiliates or partners, in any consortium. Proposals do not require EU financial support to be implemented. Instead, consortia may propose public-private partnerships, concessions, turnkey projects, joint ventures, privatizations or private investments as alternate forms of project implementation.

WHAT OPPORTUNITIES DOES PEPPER PRESENT TO MY COMPANY?

Great opportunities exist in 2000 to develop major infrastructure and industrial projects in the EU. The Commercial Service sees the greatest potential for U.S. companies in Finland, Germany, Greece, Ireland, Italy, Portugal, Spain, Sweden and the United Kingdom. All projects selected within the PEPPER initiative are in sectors where U.S. firms are particularly competitive. These include energy, environment, healthcare, information and communication technologies, transportation, and tourism infrastructure. Some examples of projects included in PEPPER in which U.S. participation would be welcome, are airport expansions, gas pipelines and storage

facilities, waste treatment plants, hospitals, telecom networks, a city subway, science parks, tourist centers and marinas, and power plants.

HOW CAN THE COMMERCIAL SERVICE HELP MY COMPANY WITH PROCUREMENT?

The Commercial Service wants to ensure the consortium in which your company participates can compete freely, fairly and effectively in all financial and other approvals that your project may need from public authorities in the EU. We are ready to help your company identify project opportunities, source financial support, form consortia, present proposals, obtain approvals and implement projects.

The best way to get more information about PEPPER and opportunities to win contracts in the EU, is to attend the Washington Conference (January 13, 2000) sponsored by the Business Council for International Understanding. Experts and Senior U.S. Commercial Officers will be on hand to assist companies with the application process, and to inform them about sources of financing and U.S. Government support. ■

For more information, please contact Moira Jacobs in the U.S. Department of Commerce Triangle Export Assistance Center in Raleigh, North Carolina at Tel: (704) 333-4886; Fax: (704) 322-2681; or Email: Moira.Jacobs@mail.doc.gov, Ken Moorefield at the U.S. Mission to the EU in Brussels, Belgium at Tel: (322) 508-2746; Fax: (322) 513-1228; or Email: Kenneth.Moorefield@mail.doc.gov.

THE GLOBAL DIVERSITY INITIATIVE

A NEW PROGRAM HELPS MINORITY FIRMS WITH EXPORT BASICS

by Doug Barry

U.S. & Foreign Commercial Service

The number of small minority-owned companies exporting for the first time is growing, but we can do better. The Global Diversity Initiative, sponsored and managed by the U.S. Department of Commerce, is designed to assist minority-owned firms start exporting.

Although the number of U.S. small businesses who are involved in international trade went up 95 percent between 1992 and 1997, there are many more companies around the

country, especially minority-owned firms, that are not yet trading. In fact, it is estimated that minority firms export at half the rate of non-minority firms.

So, why aren't they participating in global trade? There are many reasons businesses hesitate to go global. Many are happy filling orders in today's booming domestic economy. Others hesitate because they perceive higher risks, or they think that the rules of international commerce are too complex for the smaller firm to navigate.

It is clear that not every company can or should expand internationally, but for

the 100,000 companies that exported for the first time during the past few years, international markets have been, for the most part, very profitable. Some of the new to export companies simply followed their domestic customers overseas. Others were able to find new customers and sell excess inventory. Still others discovered that significant new markets exist for their products, just over our own borders, north and south.

The Internet has also played an important role. Leaps in technology have allowed small companies to setup websites and start taking online orders from customers in other countries. Clearly, distance and cultural differ-



Global Diversity Program Sites.



ences are not the barriers they once were. Still, developing international sales takes more than a nifty homepage. Most successful global traders need specialized, yet affordable export assistance in order to get started.

WANTED: MINORITY BUSINESS OWNERS

The Commercial Service has been around for nearly 20 years, has 105 domestic offices, operates in 87 countries, and prides itself in helping thousands of companies make international sales. Of particular interest is a new effort to help minority firms. The Global Diversity Initiative (GDI) and its Outreach Specialists recruit minority business owners and top managers to attend a series of training seminars, which culminate in trade missions to Mexico or Canada. These countries are selected because of geographical proximity, lack of language barriers and ease of entry into their markets, resulting from NAFTA.

Minority firms who apply to the program must have a two-year track record in business, maintain a positive cash flow, have marketing materials such as brochures, and deal in a product or service capable of export to Canada or Mexico, as determined by Commercial Service specialists. GDI provides classes on different export topics including market research, cultural considerations, packaging, financing and e-commerce strategies. In addition to the classes, participants network with lawyers, investors, customs brokers,

other trade professionals, who make presentations during the program, and each other. Strong peer networks can provide informal mentoring and moral support when the going gets tough. GDI outreach specialists continue to counsel participants throughout the process.

One happy GDI graduate is Pedro Gomez, owner of PG&E Distributors, a maker of water filtration systems in Spring, Texas. "The GDI program helped us a lot," said Gomez. "We are a small company but we feel we now have access to the same information as big companies." He said that he found information on sources of financing and on setting up a website of particular value.

ONLINE MARKET GROWING

Participants of the GDI program will receive an introduction to a number of new Commercial Service products designed to help small- and medium-sized U.S. exporters enter the digital world of commerce. In an effort to increase U.S. access to markets that already exist, and to create new specialized markets online, the Commercial Service operates a virtual trade show where the goods of a U.S. firm can be viewed online by thousands of companies worldwide.

Gomez also used this program to his company's benefit. "We received two good prospects—one from Japan and one from Taiwan—within a short time via our website," he said. "We've sold some samples but expect to generate \$200,000-\$300,000 in sales during the next few months." He agrees it is ironic to be pursuing business in Asia when geographically and linguistically his natural market is Mexico. "Mexico is next," he says with a laugh. "But the Japanese and Taiwanese contacted me first."

During the coming year, GDI will operate in 18 cities across the country (see chart), including smaller towns, such as Albuquerque and Phoenix, which have had the biggest increases in first time exporters.

The Commercial Service encourages minority entrepreneurs to take full advantage of the Global Diversity Initiative. Due to their strong business creation track record and cultural knowledge, they have a big role to play in the future prosperity of our country. ■

For more information on the GDI programs, contact Leticia Arias, GDI Coordinator, at the U.S. Export Assistance Center in Long Beach, California at Tel: (562) 980-4550 or Fax: (562) 980-4561; or visit the Commercial Service website (www.ita.doc.gov/fcs/uscs.htm).

■ ENCOURAGING COOPERATION AT HOME TO INCREASE COMPETITIVENESS ABROAD

by Morton Schnabel

Office of Export Trading Company Affairs, Trade Development

The Office of Export Trading Company Affairs (OETCA) works to reduce the unit costs of exporting for small- to medium-sized enterprises (SMEs). We accomplish this mission, in part, by encouraging firms to cooperate with each other for the pur-

export trade intermediaries. We facilitate this activity by producing a print and electronic directory of firms interested in exporting with a separate section devoted to trade intermediaries.

COOPERATING TO EXPORT

Cooperation for the purpose of exporting can make SMEs more competitive in global markets. SMEs are currently collaborating under Certificates of Review to develop export businesses,

firms in the geothermal energy industry have collaborated on export bids and have successfully won overseas contracts; and, members of the aerospace industry are pooling their purchasing power to buy trade show exhibition space in prime sites and at desirable rates.

By exporting together, SMEs can take advantage of economies of scale that have traditionally only been accessible to larger firms. Scale economies often reduce the unit costs for joint exporters

“BY EXPORTING TOGETHER, SMES CAN TAKE ADVANTAGE OF ECONOMIES OF SCALE THAT HAVE TRADITIONALLY ONLY BEEN ACCESSIBLE TO LARGER FIRMS.”

pose of exporting. We offer an antitrust insurance policy and an Export Trade Certificate of Review for cooperative activities in export markets that have no anti-competitive spillover effects in the U.S. market. Another major part of OETCA's program is to provide U.S. firms a low-cost means to promote their businesses and locate international trading partners, including U.S. export management firms, export trading companies and other

reduce export costs, and negotiate effectively with foreign government decision-makers and large overseas buyers. For example, independent film distributors are working together to eliminate foreign trade barriers, such as unreasonable taxes and foreign content quotas; fresh fruit suppliers have formed a shippers' association to negotiate favorable export-related shipping rates; members of the machine tool industry share export marketing information;

in many stages of the export process, including in shipping the product, buying insurance, warehousing the product abroad, hiring foreign representation and conducting market research. In addition, it is possible for smaller firms to bid on larger contracts and offer a fuller line of complementary products when they cooperate with one another. Collaboration among exporters can also easily extend beyond activities involving scale economies.

For example, a common price may be set in export markets or the cooperating firms may themselves divide the export markets.

CERTIFICATE OF REVIEW

It can be difficult to judge whether a cooperative activity has anti-competitive spillover effects in the U.S. market. This makes it especially useful to obtain an Export Certificate of Review to cover joint export activities and protect the cooperating firms against antitrust actions. A Certificate of Review assures the holder that the U.S. Government will not sue them for anti-trust violations. In addition, the holder's liability in private sector suits is limited to single rather than triple damages. Furthermore, if the holder is sued and wins, it can recover its legal fees. The U.S. Department of Commerce with the concurrence of the U.S. Department of Justice can issue a Certificate to an individual firm or to a cooperating group of firms.

U.S. firms sometimes face barriers to entry into an export market that have been erected by foreign governments or by firms operating in the export market who control some bottleneck, separating U.S. firms from their customers. Such barriers exist whenever businesses must negotiate with a foreign government to gain entry into a market or for a suspension agreement to end a dumping case. Other examples of barriers are when there is only one distributor in an export market or the distribution system is organized to disadvantage U.S. firms. In such instances, collaboration by small- and medium-sized exporters under a Certificate of Review will offset existing market power and make the market more competitive.

Applications for Export Certificates of Review can be found on the OETCA website (www.ita.doc.gov/oetca) or by contacting OETCA staff (see contact box below); they are available to answer prospective applicants' questions. All materials sent to us in connection with

an application are exempt from the Freedom of Information Act (FOIA), and there is no application fee.

USING TRADE INTERMEDIARIES

Since most SMEs do not have departments exclusively devoted to export, many of them rely on trade intermediaries to perform the same functions. Essentially, trade intermediaries can be relied on to get the product from the U.S. to the foreign buyer for not much more than the business would pay to do it themselves.

The biggest problem for many small businesses, however, is in finding the names of trade intermediaries who can help them either singularly or in combination with other SMEs. In response to the lack of a central source for this kind of information, the OETCA formed a public-private partnership with Global Publishers, Inc. to produce a print and electronic directory of U.S. firms interested in exporting directory (found at <http://myexports.com>TM). Both directories include a separate section on U.S. export trade intermediaries. U.S. firms can register for a free listing in both directories at www.doc-export.com. Display ads and a range of other export promotion services can be purchased at relatively low cost. If a firm has not yet geared up for the world of electronic commerce, Global can provide it with these right tools for a modest fee. For example, a hyperlink from myexports.com to a firm's home page costs \$75. Call Global toll free at 1-877-390-2629. ■

Photo courtesy of OETCA

Myexports.com helps small businesses find trade intermediaries.

The author is the director of the Office of Export Trading Company Affairs. He can be reached at Tel: (202) 482-5131 or Email: morton_schnabel@ita.doc.gov.



ASK THE TIC

PRE-SHIPMENT INSPECTION EXPORTER RIGHTS AND RESPONSIBILITIES

by JoAnn Queen

Trade Information Center, Trade Development



WHEN IS PRE-SHIPMENT INSPECTION REQUIRED?

Pre-shipment inspections are required when mandated by the government of the importing country. These governments argue that pre-shipment inspections are necessary in order to ensure that the price charged by the exporter reflects the true value of the goods, to prevent substandard goods from entering their country and to deflect attempts to avoid the payment of customs duties.

The following countries currently require or request pre-shipment inspections:

Angola	Djibouti	Niger
Argentina	Ecuador	Nigeria
Bangladesh	Equatorial	Paraguay
Benin	Guinea	Peru
Bolivia	Ethiopia	Philippines
Burkina Faso	Ghana	Rwanda
Burundi	Guinea	Senegal
Cambodia	Ivory Coast	Sierra Leone
Cameroon	India	Somalia
Central African Republic	Indonesia	Suriname
Colombia	Kenya	Tanzania
Comoros	Liberia	Togo
Republic of Congo	Madagascar	Uganda
Democratic Republic of Congo	Malawi	Uzbekistan
	Mali	Zambia
	Mauritania	Zanzibar
	Mexico	Zimbabwe
	Mozambique	

Most countries on this list request inspections for all imported products, regardless of value. In some instances, however, inspections are only necessary for shipments over a certain value. For example, in the Philippines, they are not required of loads under US\$500.



WHO CARRIES OUT THE PRE-SHIPMENT INSPECTION AND WHO PAYS?

Pre-shipment inspections are performed by contracted private organizations. In most cases, importers can select from a short list of organizations when planning inspections. However, it is important to note that in certain cases only one company is sanctioned to carry out inspections for that country. The following is a list of the most widely used private inspection companies:

Bureau Veritas, Miami, FL

Tel: (305) 593-7878

Countries: Paraguay, Colombia, Benin, Madagascar, Sierra Leone & Argentina

SGS, New York, NY

Tel: (212) 482-8700

Countries: Sengal, Cambodia, Ethiopia, Mauritania, Burkina Faso & Philippines

Intertek, Miami, FL

Tel: (305) 513-3000

Countries: Uganda, Ghana & Mozambique

Cotecna, Miami, FL

Tel: (305) 828-8141

Countries: Tanzania & Nigeria

The exporter is not required to pay for inspections. In some countries, such as Ecuador and Peru, the importer pays, while in other markets, such as Argentina, the government absorbs all costs.



WHO IS RESPONSIBLE FOR ARRANGING THE PRE-SHIPMENT INSPECTION AND WHAT IS THE PROCESS?

Although the importer is responsible for arranging the pre-shipment inspection, the exporter must make the goods available for inspection in the country of origin. Delays in the process can lead to problems with the shipment and/or increased costs for the exporter. Therefore, it is in the best interest of the exporter to work with their freight forwarder to ensure that all information is accurate and is provided to the inspection company immediately after notification of the requested inspection. Requirements for pre-shipment inspections are sometimes spelled out in Letters of Credit or other documents.

Generally, the inspection company starts the inspection process once it receives a copy of the inspection order from the importing country. An inspection order states the value of the goods, the name and address of the importer and the exporter, the country of supply, and the importer's declaration of customs code. The inspection company then contacts the exporter to arrange an inspection site and time.

The steps of the inspection process are usually as follows:

- 1.) The importer opens an import license.
- 2.) The importer informs the inspection service in the country of import of a pending shipment and then either pays for the inspection up front or pays a percentage based on the value of the commercial invoice, depending on the terms of the importing country's inspection contract.
- 3.) An inspection order is forwarded to the inspection company office in the country of export.
- 4.) The inspection company contacts the exporter to arrange date, time and location for inspection.
- 5.) The inspection is carried out, and a "Clean Report of Findings," is issued confirming the shipment's value, customs classification and that it can be cleared.
- 6.) The goods are shipped onward to the importing country, and the importer uses the inspection report to get goods released from customs.

If the goods should reach the border of the importing country without inspection, they usually have to be re-exported to a nearby country where the inspection takes place prior to re-entry.



WHAT SHOULD I DO IF A PROBLEM OR DISAGREEMENT ARISES WITH THE PRE-SHIPMENT INSPECTION?

If a disagreement arises on the findings of the pre-shipment inspection, discuss the discrepancy with the inspection company. If exporting to a World Trade Organization (WTO) member country, the *WTO Agreement on Pre-shipment Inspection* spells out the responsibilities of the exporter and the conduct of the inspection company. The Agreement requires the inspection company to appoint an appeals official and comply with the Agreement guidelines when carrying out their pre-shipment inspection services for signatory countries. Detailed information on the Agreement is available online (www.mac.doc.gov/tcc) or

by contacting the Office of Multilateral Affairs at Tel: (202) 482-0603.



ARE THERE ADDITIONAL CERTIFICATION INSPECTIONS THAT DEAL WITH AGRICULTURAL AND FOOD PRODUCTS?

Several agencies within the U.S. Department of Agriculture provide inspection services when certificates are required to clear imported agricultural and food products through overseas customs. Sanitary and phytosanitary certificates for animal, plant and food products, which are normally issued to protect U.S. consumers, can be used for international trade purposes.

The Federal Grain Inspection Service (FGIS) conducts mandatory inspections of rice, peas, beans, lentils, all grains and grain-based processed products. Please note that inspections are mandatory for all exported grain products. For more information, please contact FGIS at Tel: (301) 734-8537.

The Animal and Plant Health Inspection Service (APHIS) conducts inspections to certify that no pests or mites are present in certain products, such as fruits, vegetables, plants, seeds, lumber and logs. For additional information or questions, APHIS can be reached at Tel: (202) 720-0252.



WHERE CAN I GO FOR MORE INFORMATION ON PRE-SHIPMENT INSPECTIONS?

For updated information on the pre-inspection requirements by country, contact the Trade Information Center at 1-800-USA-TRAD(E) or visit the TIC's website (<http://tradeinfo.doc.gov>). More specific information about the pre-shipment inspection companies and their procedures is available online: Bureau Veritas (www.bureauveritas.com/anglais/welcome.htm); SGS (www.sgsgroup.com/sgsgroup.nsf/pages/home.html); Intertek (www.itsglobal.com); Cotecna (www.cotecna.com). ■

The Trade Information Center (TIC) is operated by the International Trade Administration of the U.S. Department of Commerce for the 20 federal agencies comprising the Trade Promotion Coordinating Committee. These agencies are responsible for managing the U.S. Government's export promotion programs and activities. You, too, can "Ask the TIC" by calling 1-800-USA-TRAD(E) toll free, Monday through Friday, 8:30-5:30. Or visit the TIC's web site at <http://tradeinfo.doc.gov>.



United States Patent Jenso

Patent Number 29478597
Registration 5268557

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Innovations of America's independent inventors—individuals working on their own and without benefit of major corporate or university support, and those representing small- to medium-sized business concerns—have significantly contributed to today's vibrant economy. Ever struggling against the odds, independent inventors currently enjoy the highest level of national appreciation and influence since their glory days at the turn of this century. With potential markets for new ideas expanding daily around the globe, they now face what may be their most daunting challenge ever. With the grit and determination that defines this bunch, they'll succeed. But, they'd do well to take advantage of the wealth of advice and assistance that is available to them.

INDEPENDENT INVENTORS GO GLOBAL

KEYS TO SUCCESSFULLY EXPLOITING YOUR INVENTIONS ABROAD

by Donald Grant Kelly

*Office of the Assistant Secretary of Commerce
and Commissioner of Patents and Trademarks*

If you've ever had doubts about the enduring nature of American ingenuity, you can cast them aside. Entrepreneurial individuals and small businesses are key drivers for today's booming American economy. Widely referred to as the "independent inventor community", this unique and remarkable source of innovative technology has always been the envy of our global trading partners. If their U.S. patent filing activity is any sign—and surely it is—there is ample evidence that this creative community is operating at full tilt.

Despite the costs and other challenges of an extraordinarily complex system, our nation's independent inventors and

small business concerns manage to submit as many as 50,000 U.S. patent applications every year. All of these inventions, of course, won't be winners; but a good many are certain to generate sparks in the volatile economy. Some of these ideas may well have an immense impact on how we live, and even on how long we live. A quick glance through the history books tells us that the mammoth global corporations in no way represent the sole source of innovative technologies. A recent study by the Small Business Administration (SBA) focuses on innovations in more than 360 industries. The study concludes that small firms were responsible for as much as 55 percent of innovations monitored.

Still, an inventor's life has never been easy. Struggling to bring ideas from

workbench to market, they must cope with challenges at every turn. Only the more tenacious, and perhaps most lucky, of these prevailed. If independent inventors find it difficult to access America's own competitive marketplace, what is to be said of their prospects for taking that invention to the far corners of the world?





10 TIPS ON NAVIGATING THE PATENT PROCESS:

1. Keep good records.
2. Avoid premature public disclosure and public use.
3. Access local and national sources of assistance.
4. Perform preliminary patent searches at your local PTO depository library or on the Internet.
5. Develop a business plan.
6. Get professional advice.
7. Avoid bogus invention marketing firms.
8. Engage a registered patent attorney or agent
9. Be aware of timing in the patent procurement process
10. Take good advantage of the Patent Cooperation Treaty.

CHALLENGES ABROAD

Independent inventors, who are bent on expanding sales into foreign markets, find quickly that it's no piece of cake. It's not enough that they must deal with customs barriers, government procurement rules, investment barriers, tariff and nontariff barriers, administrative regulations, and even corruption and bribery situations; but, when they attempt to protect their intellectual property abroad, they must face many hurdles that don't exist here in the U.S.

Getting patent grants in many foreign countries can be a real learning experience for would-be global entrepreneurs. They can face a remarkable variety of unexpected challenges, from woefully inadequate protection and restrictive administrative practices, to domestic manufacturing requirements, to even nationalization demands for the entrepreneurs' precious creations.

Here are some tips for gaining patent protection in other countries, for independent inventors who anticipate going global with their inventions. These approaches may not guarantee a win, but they can take some of the sting out of the process.

KEYS TO SUCCESS

GENERATING THE THOROUGH PLAN

The decision to pursue domestic and foreign patent grants, especially in the case of a small business start-up, must be based on a sound and comprehensive business plan. Patents, after all, are business tools. By ensuring a degree of market exclusivity, patents offer a measure of investment security. The bottom line of such a business plan should, of course, cover the cost of patent procurement.

All too often in the frenetic race to market, the first step out of the starting box is to leap into the patent procurement track, without any realistic plan in hand. The goal, it would seem, is

just to get the patents, with the expectation being that the world will beat a path to the patentee. It's not so simple, of course. Besides, in some instances, a marketing analysis can reveal that intellectual property protection may not even be the best strategy.

Patents aren't always the best bet. There are other ways to corner markets, and to create barriers to competitors' entry. Skilled patent attorneys and talented marketing professionals can advise in this area and, considering the stakes involved, they can be worth their weight in gold.

Also, rushing into the patenting process without doing the required homework or building a plan often leads the naive inventor to latch onto one of those scurrilous schemes typically promoted in ads on late-night TV and elsewhere. As they implore the unsuspecting inventor, "Bring your invention to us. A lot of money can be made."

SKIP THE SCAMS

Invention marketing scams are everywhere and, yes, a lot of money will be made. But, just guess whose money it is, and who's going to get it. These bogus invention marketing firms generally offer little or no service, and at great cost. Each year, they hustle as much as \$200 million from American inventors. The damage doesn't stop there. Invention marketing firms often take actions that imperil untutored inventors' patent rights at home and abroad.





For example, they may lead inventors into pursuing design patents, useful only for protecting the invention's esthetic appearance, rather than how it operates. Even when the firms "assist" in obtaining a utility patent grant (covering how the invention works), the terms of the actual patent grant, as expressed in the patent claims, often are too specific. They render the patent useless and easily circumvented.

In all too many instances, the invention marketing firm will exhibit victims' prototypes at trade shows without taking at least the initial steps toward securing intellectual property protection. This mistake can place the invention in jeopardy and kill any chances of patent coverage in foreign countries. The U.S. Patent & Trademark Office (USPTO) is undertaking an initiative to publish complaints about such firms as a way of educating consumers.

DEFINING THE MARKET

Almost as bad as handing the bankroll to scheming strangers, is the error of misjudging the size and location of the potential market. When independent inventors file patent applications in the

U.S., the USPTO usually grants a license permitting the filing of related applications in other countries. (Such licenses are required for overseas filing earlier than six months following the U.S. filing.) Licenses are granted routinely except, for example in cases where invention disclosure might endanger national security. Interestingly, the receipt of a foreign filing license notification may well be the first point in the process when the inventor has even thought of filing abroad.

The typical small inventor's perspective of an invention's market, at least initially, is often far too limited. "What do I care about foreign markets," they ask, "when there are plenty of customers right here in the good ol' USA?"

By the time these entrepreneurs saturate the domestic market and suddenly comprehend that 96 percent of the world's population resides far beyond our borders, it's too late, and then they can forget about planning an effectively protected marketing campaign abroad. Foreign patent procurement plans should be in place long before the license is issued. If the invention has real merit, waiting to

take steps toward getting foreign patents could result in some other, probably more savvy, entrepreneur taking the product around the world ahead of the inventor.

Again, a thorough market analysis should be an integral aspect of the business plan. This usually demands the assistance of a planning professional, since it takes years of experience to gain a fix on foreign markets. Such agencies as the International Trade Administration (ITA) can offer tremendous support in this regard.

THE ALL IMPORTANT TIMELINE

If the axiom "timing is everything" applies anywhere, it's in the patent procurement business. Most novice inventors bent on obtaining patent protection don't recognize that the timing of the patent application process is every bit as important as the patent grant itself.

The business plan must present a well-reasoned timeline for patent procurement, not just in the United States, but at every point on the planet—anywhere markets for the invention may





exist. Obviously, this timeline can be key to staging capital formation, prototyping, manufacturing deals and so on, but it also will ensure the most effective use of patent systems overseas.

The overall invention development and marketing process will require significant investment, but with timing in mind there will be unexpected opportunities for savings and cost deferrals. (By the way, if inventors haven't engaged a patent attorney or agent at this point, they should consult the Yellow Pages, or request a current listing from USPTO.)

Patent application filing dates are critical. The United States and most other major trading partners around the world are members of the Paris Convention. Under this international treaty, independent inventors can file applications in one country, at the USPTO for example, and enjoy the benefits of early filing dates (the priority date) for applications filed subsequently in any other member countries.

The catch in all this is that the subsequent filing of utility patent applica-

tions abroad must occur within twelve months—generally known as the Convention Year. The advantage of this is that, during this period, the inventor can defer key decisions about continuing to invest in the invention and where foreign patent applications should be lodged. Again, this goes back to the importance of the business plan timeline.

The Convention Year also applies with respect to the filing date of the provisional patent application within the United States. Provisional patent applications are preliminary submissions of invention specifications without certain legal elements such as claims. Filed principally to preserve an early filing date, the provisional patent application is not examined.

To gain the priority benefits of provisional patent applications, applicants must file the follow-up non-provisional applications within one year of the priority filing. Filings abroad, under the Paris Convention, also are due within the same period. With the use of the provisional patent application, independent inventors can find them-

selves suddenly under pressure to make foreign filing decisions. So, inventors shouldn't be too quick to utilize the provisional patent application, especially without working it into their business plan timeline.

A MONEY-SAVING TREATY

Another international agreement well worth considering in the independent inventor's global business plan is the



Patent Cooperation Treaty, or PCT. This treaty essentially provides what could be called one-stop filing of a utility patent application. Initially filed in a single country or regional office, this application can lead to patent protection in more than 100 countries.

The PCT offers a way that attorney fees, government charges and translation costs can be reduced. And, of course, if plans for further filing are ultimately scrubbed, such postponed costs can be avoided. Coupled with the timing advantages of the Paris Convention, the PCT approach offers even more deferral opportunities.

When, at the close of the Convention Year, an independent inventor submits a PCT application to the USPTO, the application is of course accepted in English. Acting as a PCT authority, the USPTO generates a search report and, if requested, issues a non-binding preliminary examination.

Important to the global entrepreneur's business plan timeline, the filing of a PCT application allows inventors to defer certain business decisions, such as the identity of other countries which are target markets. This deferral can extend up to 30 months from the priority filing date, or 18 months from the end of the Convention Year. And the preliminary search report can add significant intelligence to the decision process.

Thus, the positive effect of these treaties is that they afford precious time for perfecting market strategies, choosing target countries, weighing difficult decisions and beating the bushes for financial backing. Obviously, such flexibility can be extremely beneficial to the struggling global entrepreneur.

AVOIDING UNTIMELY DISCLOSURE

When it comes to showing off a brainchild, an inventor is like a grandmother with a purse full of baby pictures. Untimely disclosures, however, can



bring unwelcome problems. Take, for example, the common gaff by would-be global entrepreneurs with their trade show disclosures.

Anxious for public feedback, or hoping to draw investors and manufacturers, inventors are too often found smiling in exhibit booths while openly displaying their prototypes—sadly without the benefits of at least having a patent pending. Just as in the case of untimely trade show exhibits by invention marketing firms, such public disclosures hold serious implications under U.S. patent law and grave consequences abroad.

Prior to filing a patent application, the public disclosure of an invention anywhere in the world starts the ticking clock. Users of the U.S. Patent System enjoy what is known as a grace period—a time span of up to one-year following public use or disclosure of an invention within which to file a patent

PATENT & TRADEMARK DEPOSITORY LIBRARIES

Copies of U.S. patents and trademarks are available from the USPTO's nationwide network of public, state and academic libraries (PTDLs). These patent and trademark collections are available for use by the public free of charge. Each of the PTDLs, in addition, offers supplemental reference publications of the U.S. Patent Classification System, including the Manual of Classification, Index to the U.S. Patent Classification and Classification Definitions, and provides expert technical staff assistance in using such publications. Cassis and other CD-ROM products for searching patent and trademark information are available at all PTDLs. There is usually a charge for reproducing copies of documents and other materials.

Since there are variations in the scope of patent collections among the PTDLs, anyone contemplating use of the patents is urged to contact the closest PTDL library in advance in order to avert possible inconvenience. For a list of PTDL libraries, please consult the USPTO website (www.uspto.gov) or contact the USPTO at Tel: 1-800-PTO-9199.



application. Often coming as a surprise to independent inventors, the patent systems of the vast majority of other countries do not include grace periods.

Nearly every other nation ascribes to what is known as an Absolute Novelty Requirement. It's important to remember that, with rare exception, nations without grace periods will not approve patent grants for inventions that have been made public at any point – even one day – before the national application filing (or the filing of the associated priority application). So, exposure at a trade show or exposition anywhere in the world may well adversely impact the prospects of protecting the invention in the global marketplace.

RECOGNIZING PERSONAL LIMITATIONS

Another key to success has to do with the need to bring in professional help, expensive as that may be. Patent attorneys as well as patent examiners study and train for several years before earning their stripes in the

practice of intellectual property law. But, give independent inventors access to a self-help patenting guidebook, and they are likely to be off and running as self-styled patent practitioners. This can be a mistake, especially costly when international markets are involved.

Inventors and entrepreneurs need to recognize their limitations. Those creators of impressive, technological marvels might have every right to be confident of their immense talents. But, skills displayed by an inventor while mastering complex scientific principals don't necessarily apply to the arcane task of patent claim drafting.

The business of domestic patent procurement is difficult, to say the least, even for the seasoned professional. International patent practice can be beyond difficult. Despite modest successes in standardization under the most recent GATT negotiations, patent laws still vary from nation to nation nearly as much as currency and languages.

A typical problem in this area arises when the persistent but inexperienced inventor obtains a patent without professional representation (*pro se* is the legal term). Subsequently, the patentee finds that the patent coverage granted by the USPTO is too narrowly defined. Procedures for fixing such a problem will demand the attention and billing hours of a seasoned professional. Worse, prospects are nil for extending the patent protection abroad so late in the game.

A common misconception that must be dumped immediately has to do with inventors' perception of the global extent of exclusive rights provided in their U.S. patent grant. The fact is that a U.S. patent has no effect in any foreign countries. Even knowing this, many patent-holders still seem quick to offer U.S. patent grants for overseas licenses, for example via Internet postings. This is almost like mailing recipes to Paris in hopes of opening a restaurant on the Seine.

THE SUCCESSFUL STRATEGY

The global entrepreneur seeking to market an invention in overseas markets will do well to follow a few basic guidelines and to engage valuable pro-





fessional assistance. Decisions as to patent protection should follow a comprehensive business plan.

Particularly where international intellectual property protection will be a key aspect of the business venture, the plan must include thoughtfully developed timelines. Skip the scams. Exercise caution when listening to those who may only be pretending to help navigate the process, but in fact are scam artists out to help themselves.

Since the business of intellectual property protection is among the most complex of all legal professions, independent inventors should dedicate their efforts to doing what they do best: inventing; and leave the legal details to the suits. This is especially true when it comes to wading into international waters. There are critically important options to consider, various multinational treaties to leverage, and ways to cut costs and red tape.

Bowing to personal limitations should extend to other areas, too, such as dealing with the challenges of managing a growing international corporation. Many find that the effort they put into

creating an invention was nothing compared to the challenges of trying to be the CEO of a struggling start-up. Inventors should keep in mind that licensing or partnering with experts is always an option.

A successful strategy for globally minded entrepreneurs includes doing the necessary homework. Inventors can gain tremendous advantage through the effective utilization of services and resources readily available from bureaus of the U.S. Department of Commerce, including the USPTO and the ITA, and from the Small Business Administration. ■

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U.S. DEPARTMENT OF COMMERCE

U.S. Patent & Trademark Office Office of Independent Inventor Programs

P.O. Box 24
Washington, DC 20231
Tel: (703) 306-5568
Fax: (703) 306-5570
Email:
IndependentInventor@uspto.gov
Help Desk: 1-800-PTO-0199
Internet: www.uspto.gov

International Trade Administration Trade Information Center (TIC)

1401 Constitution Avenue, NW
Stop R-TIC
Washington, DC 20230
Tel: 800-USA-TRAD(E)
Internet: www.ita.doc.gov or
<http://tradeinfo.doc.gov>

Small Business Administration Office of International Trade

409 3rd Street, SW
Washington, DC 20416
Tel: 800-U-ASK SBA
Internet: www.sba.gov/oit

OTHER KEY RESOURCES

United Inventors Association of the USA

P.O. Box 23447
Rochester, NY 14692
Tel: (716) 359-9310
Fax: (716) 359-1132
Internet: www.uiausa.org

Licensing Executives Society

1800 Diagonal Road, Suite 280
Alexandria, VA 22314-2840
Tel: (703) 836-3106
Fax: (703) 836-3107
Internet: www.usa-canada.les.org

UPCOMING TRADE EVENTS

MARCH-NOVEMBER 2000

DATES	EVENT	LOCATION
March 4-7	<p>KOREA 2000 STUDY USA</p> <p>With Korea's vigorous economic recovery, the overseas education market holds exceptional promise for schools offering practical undergraduate and graduate courses, including accounting, business administration and specialized degrees, such as fashion and fine arts. There also will be an enclosed MBA Pavilion within the STUDY USA exhibit hall for schools wishing to promote their MBA programs. Schools participating in STUDY USA can schedule video seminars highlighting majors or niche programs (e.g., hotel management). STUDY USA '99 was highly successful, featuring 80 schools and sponsors, and had an attendance of nearly 11,400 prospective students. U.S. exhibitors received over 2,400 U.S. college and graduate school applications at STUDY USA '99.</p>	Seoul & Pusan, Korea
March 6-8	<p>ENERGY SOUTH ASIA</p> <p>The U.S. Trade & Development Agency (TDA) is sponsoring an energy conference for Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. The purpose of the conference is to provide a forum for project developers, international energy companies, engineering and construction companies, financing organizations, multilateral lenders and government officials to learn about new energy-related projects and investment opportunities in these countries.</p>	Kathmandu, Nepal
March 20-22	<p>INTERNATIONAL IC CHINA 2000</p> <p>International IC China 2000 highlights integrated circuits. Shanghai is a center of the information industry. Organizers expect that this year's show will raise company profiles.</p>	Beijing, China
March 22-24	<p>GLOBE 2000: U.S. PAVILION & "DEALMAKER"</p> <p>Globe 2000 is North America's most important environmental technology exhibition, with over 10,000 trade visitors from 75 countries. U.S. manufacturers of pollution control equipment, solid waste disposal and air quality management equipment, and wastewater treatment systems should consider exhibiting in the U.S. pavilion at Globe 2000. To assist U.S. companies in the environmental technologies industry enter the Canadian market, the U.S. & Foreign Commercial Service is offering a unique and cost-effective system to find agents, distributors and strategic alliance partners. Commercial Service Vancouver is offering four different Dealmaker options, three of which involve a 'virtual' presence at the exhibition.</p>	Vancouver, Canada
April 4-6	<p>NOW 2000</p> <p>The Commercial Service of Melbourne, Australia will be organizing a U.S. Pavilion for NOW 2000, Australia's largest and most significant telecommunications exhibition and conference. This exhibition is the primary annual trade show/conference for the Australian Telecommunications Users' Group (ATUG). Given the strength and success of the U.S. Pavilion in 1999, it is clear that this exhibition will continue to be an important platform for U.S. companies seeking to enter the Australian market. The telecommunications market in Australia is vibrant, newly deregulated and currently experiencing double-digit growth rates.</p>	Melbourne, Australia
April 18-21	<p>MOSCOW INTERNATIONAL PROTECTION, SECURITY & FIRE SAFETY EXHIBITION</p> <p>The first Moscow International Protection, Security and Fire Safety Exhibition (MIPS) took place in 1995. It has been increasing in size annually, with a large number of exhibitors returning each year. The exhibition has the full support of the Russian Ministry of the Interior, which is a co-organizer.</p>	Moscow, Russia
April 26-29	<p>COMDEX 2000</p> <p>Comdex 2000 is one of two big information technology shows in Beijing this year. It will be organized along four themes: digital world, commerce, networking and integration. IDG Expose is the most effective private organizer in China, and the space is the largest in Beijing.</p>	Beijing, China

HIGHLIGHTED EVENTS

U.S. PAVILION IN AGRO-FOODTECH 2000

BEIJING, CHINA

APRIL 11-14, 2000

The U.S. & Foreign Commercial Service at the U.S. Embassy in Beijing, China will organize a U.S. Pavilion at AGRO-FOODTECH. AGRO-FOODTECH is the largest exhibition in China for agriculture, animal breeding and agri-processing, and it is organized by the China Council for the Promotion Of International Trade-Specialized Sub-Council Of Agriculture (CCPIT-SSA), a department of the Ministry of Agriculture. This four-day exhibition will take place April 11-14, 2000 at the China National Agriculture Exhibition Center. More than 17,000 trade visitors are expected to attend. Special events during the exhibition will include seminars, technical conferences and a "trading morning", which is a series of one-on-one meetings. American companies who manufacture agricultural machinery or develop agriculture technologies, and especially those related to fresh-keeping, storage and agricultural products processing, are encouraged to exhibit in the U.S. Pavilion of AGRO-FOODTECH 2000. Interested companies should contact Bruce M. Quinn at Tel: 86-10-6532-6924 x6421 or Email: Bruce.Quinn@mail.doc.gov.

FARNBOROUGH INTERNATIONAL AIR SHOW

UNITED KINGDOM

JULY 24-30, 2000

American aerospace and defense firms seeking international opportunities, particularly in the European market, should consider participating in the Farnborough Air Show. The world's largest air show of 2000, Farnborough takes place July 24-30, and will feature exhibits and demonstrations by more than 1,500 aerospace companies, including some 300 from the United States.

U.S. commercial interests at this world-class show will be actively promoted by U.S. Government Departments, trade associations and private sector firms, at strategic locations in all four halls of the exhibition area, in the static aircraft parks and in the daily flying displays. U.S. Commercial Service personnel from around Europe will be at Farnborough throughout the week to brief U.S. exhibitors as part of its Showcase Europe Showtime Initiative, and to help the U.S. companies at the show to achieve their objectives.

We encourage new-to-market U.S. companies to use the low-cost, Commercial Service-organized American Product Literature Center (APLC) and Aerospace Executive Service (AES) programs. More experienced exporters should consider active participation in booths provided by the three U.S. pavilion organizers, while larger companies may choose to exhibit independently or in association with their British and European representatives. The Commercial Service, through its Showcase Europe Initiative, will serve the interests of all the American participants, while concentrating most attention on the needs of the smaller aerospace companies at the show. For more information, please contact your local U.S. Export Assistance Center [contact information is provided on the back cover].

INDUSTRY

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DATES

May 9-12

EVENT**CHINA INTERNATIONAL AIRPORT EQUIPMENT & AIRLINE SERVICES EXPOSITION**

This show will feature airport ground support equipment, runway equipment, air traffic control equipment, emergency vehicles, de-icers and other related ground equipment.

LOCATION

Beijing, China

May 23-25

REPCOM GUADALAJARA 2000

Guadalajara, Mexico

The Commercial Service in Mexico will offer its popular RepCom in Guadalajara, Mexico's second largest, and one of its most beautiful and liveable, cities. Guadalajara is experiencing explosive growth and has become the "Silicon Valley" of Latin America. The state of Jalisco has evolved into a main center of distribution for both central and western Mexico, and Guadalajara is the second largest distribution and retail center in Mexico. Over 50 percent of Mexico's consumer market is located within a 350 mile radius.

May 22-27

SAUDI HEALTH-TECH REVERSE TRADE MISSION

New Jersey/New York & Los Angeles

The U.S. Commercial Service in Saudi Arabia will lead a delegation of senior business representatives from the Saudi healthcare industry to the New Jersey/New York and Los Angeles areas to meet with U.S. suppliers of pharmaceutical products, and medical, dental and laboratory equipment. The primary objective is to match U.S. firms with participating Saudi companies that could be potential buyers, agents, distributors, representatives, licensees, end-users and/or joint venture partners.

June

CIETE 2000

Shanghai, China

This is a regional show supported by the communications and transportation authorities in Shanghai. This venue is best used by businesses seeking to develop their strategies in East China.

June 12-14

REPCAN 2000

Toronto, Canada

RepCan is the U.S. Department of Commerce's flagship trade event in Canada, designed to provide the most efficient and cost-effective market access available anywhere. RepCan is our most comprehensive trade development program and offers individual business matchmaking, broad market exposure, counseling services, market briefings, networking opportunities, prime meeting and exhibit facilities, logistical support, and much more.

June 25-30

WESTERN CANADA FARM PROGRESS SHOW

Regina, Canada

With over 700 exhibitors and 50,000 visitors, including 300 international guests from 21 countries and 22 American states, this show makes an ideal venue for entering the Canadian market in the Agricultural equipment and services sector.

June 12-15

NATIONAL PETROLEUM SHOW DEALMAKER

Calgary, Canada

Running concurrently with the World Petroleum Congress, this show is the "Largest Oil and Gas Show in the World". The show features 1,200 exhibitors housed in 500,000 square feet, and attendance is in the area of 50,000 trade only registrants. In 1998, \$6 billion in sales were reported in the 12 months following the show.

June 13-14

MEDICAL DEVICES & BIOTECHNOLOGY TRADE MISSION

Melbourne, Sydney & Brisbane, Australia

The purpose of the mission is to increase business opportunities for U.S. manufacturers of medical and dental devices, and laboratory instruments, and biotechnology firms interested in entering the Australian market. The trade mission will travel to Melbourne, Sydney and Brisbane. Participants from the biotechnology industries will have the option of extending their stay in order to participate in the Australian Biotechnology Association's biannual conference in Brisbane, July 2-6. Australia is the world's tenth largest medical device market and the second largest Asian market with \$1.6 billion medical device annual consumption. U.S. exports represent 50 percent of Australia's import market. Purchasing needs run the full range of medical devices, and high technology products from the U.S. are considered to be the best market prospects. Biotechnology is considered a priority industry by the Australian government.

July

THE 2ND INTERNATIONAL INFORMATION SHOW

Shenyang, China

A key event in the Northeast, this show is located in the best of the region's areas for new business. Drawing on Northeast University, the mayor and provincial officials seek to support this show and similar efforts to innovate state-owned enterprises and launch new businesses related to information technology.

July

ASIA COMMUNITECH

Hong Kong, China

One of the major shows organized in Hong Kong with a specific focus on telecommunications & broadcasting, and covering networking and the Internet.

September 21-22

NEW PRODUCTS USA 2000

Hong Kong, China

HQ promotion activities to be held in Kaohsiung, Hong Kong, Kuala Lumpur and Bangkok.

INDUSTRY CONTACT INFORMATION

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Telecom. Equipment & Services	Angela Yeung (852) 2521-4638 Angela.Yeung@mail.doc.gov
Multi-State Catalog Exhibition	Nancy Hesser (202) 482-4663 Nancy.Hesser@mail.doc.gov

EXPOMIN 2000**SANTIAGO, CHILE****MAY 9-13, 2000**

The year 2000 will be a good opportunity to replicate and expand the premier trade show devoted to the mining industry—EXPOMIN. Every two years, EXPOMIN gives mining companies from around the world a chance to find out Who's Who in the World Mining community. In 1998, EXPOMIN 2000 was named the number one fair of its kind. Its target market today covers the entire Latin American market, including a project portfolio worth more than US\$25 billion.

EXPOMIN 1998, a trade show certified by the Commercial Service, turned out to be the largest U.S. pavilion present at the show, and U.S. firms covered 60 percent of the whole fair ground. Marketing International Corporation (MIC) organized the U.S. Pavilion, under the direction of MIC's President Bill Warnes. Mr. Warnes has been actively marketing EXPOMIN 2000 to make this event at least as large as 1998. Expectations are that the floor space for the up-coming trade show will be another record-setting number. In 1998, there were 20,000 square meters each of roofed areas and open areas (approximately 2.2 million square feet). Twenty-three hundred firms participated in EXPOMIN; 71 percent engineers, 17 percent technicians, 3 percent geologists and 8 percent other professionals.

Along with the trade show, the World Mining Congress for Latin America will take place, and will include the following:

- A meeting of Latin American Mining Associations, organized jointly with SONAMI (Chilean Mining Association) for chairmen of mining associations of Latin America;
- The V International Conference on "Clean Technologies for the Mining Industry", organized by the Department of Metallurgical Engineering, the Universidad de Concepcion-Chile and the Chilean Technology Club;
- The EXPOMIN Congress, organized by EXPOMIN and its advisory committee, and designed to provide an overall view of mining operations in Latin America;
- The Spanish-American Meeting of the Institute of Mining Engineers, organized by the Chilean Institute of Mining;
- Various institutional seminars, organized by EXPOMIN, and participating Chilean and international institutions;
- A technical trade seminar, organized by EXPOMIN and designed to provide opportunities for exhibitors to engage in direct marketing activities; and,
- Country seminars, organized by EXPOMIN in conjunction with the embassies of participating countries.

For more information about EXPOMIN 2000, please contact your local U.S. Export Assistance Center [contact information is provided on the back cover].

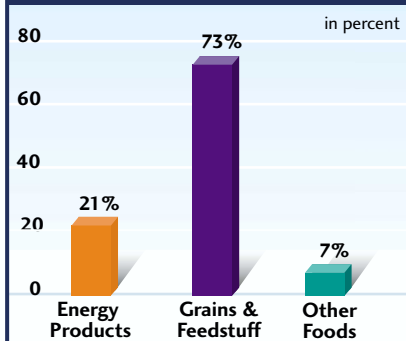
FOOD AND ENERGY

Exports increased in September, consistent with the trend for most of 1999, but the monthly rate remains well below its previous peak.

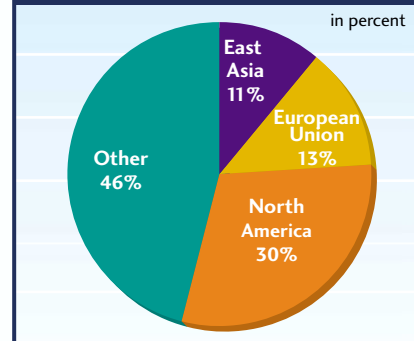
FOOD AND ENERGY



BY INDUSTRY



BY REGION



MATERIALS

Exports moved up for the second month in a row, after following a plateau for most of 1999. The monthly rate appears to have recovered its 1997 level.

Product categories (except for services) are based on end-use classification.

North America: Canada and Mexico.

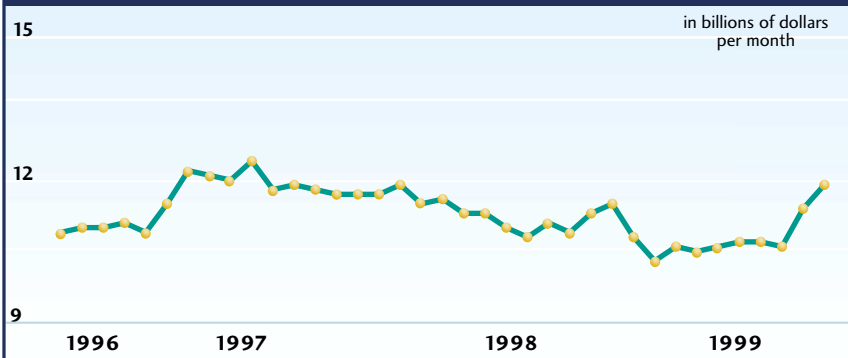
The European Union: Austria, Belgium, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden and United Kingdom.

East Asia: China, Hong Kong, Japan, Indonesia, South Korea, Malaysia, Philippines, Singapore, Taiwan and Thailand.

The chart showing exports of services by region is based on data for calendar year 1998. Other charts showing product mix and geographic destination are based on data for the twelve months ending with September, 1999.

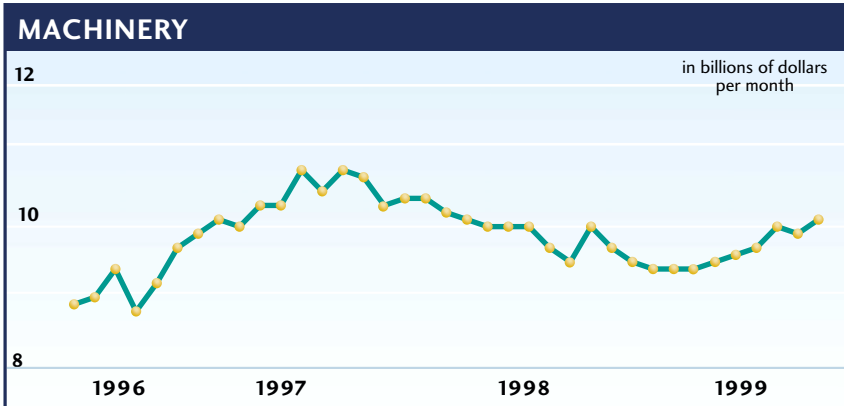
Source: Bureau of the Census (goods), Bureau of Economic Analysis (services).

MATERIALS

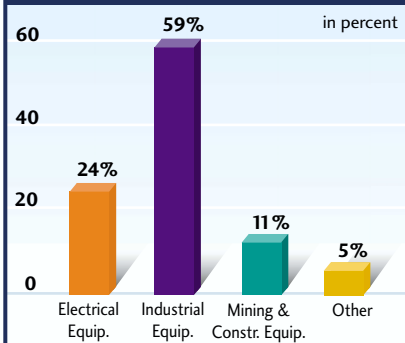


MACHINERY

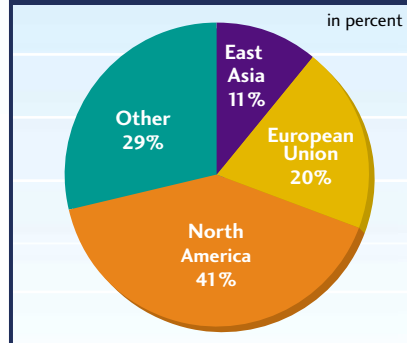
Exports have fluctuated little in recent months, but have been very gradually trending upward. This is a reversal of the decline which began in late 1997.



BY INDUSTRY



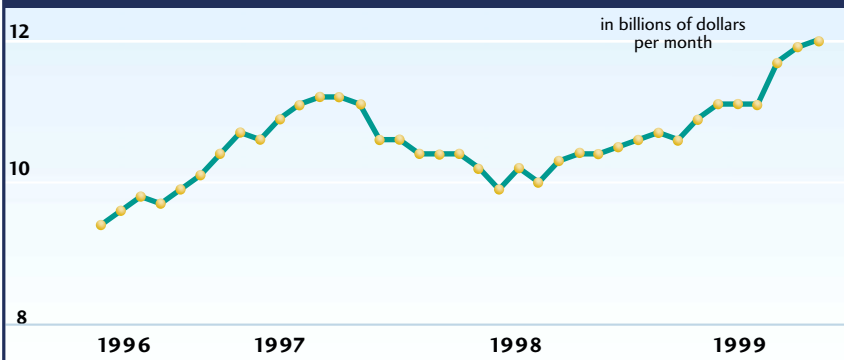
BY REGION



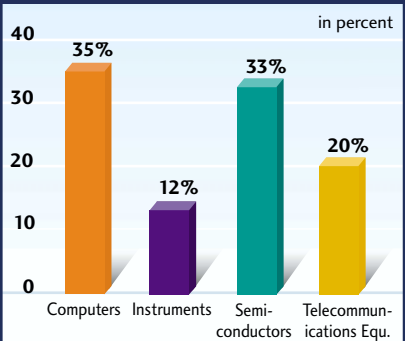
ELECTRONICS & INSTRUMENTS

ELECTRONICS & INSTRUMENTS

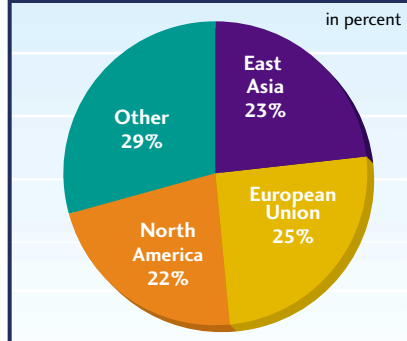
Exports have leveled off in the most recent months, but there is still a consistent upward trend over the past year and a half.



BY INDUSTRY



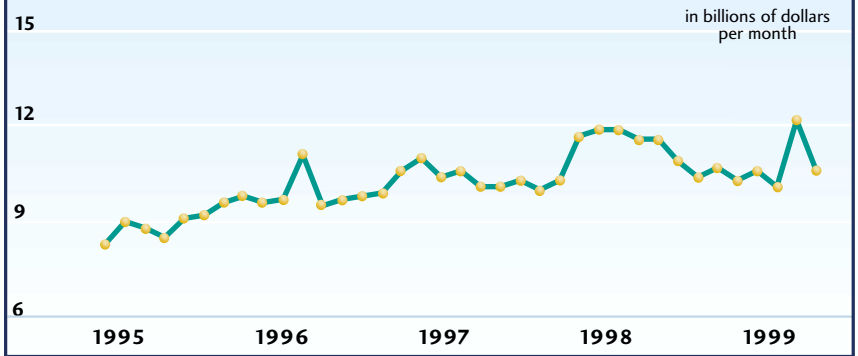
BY REGION



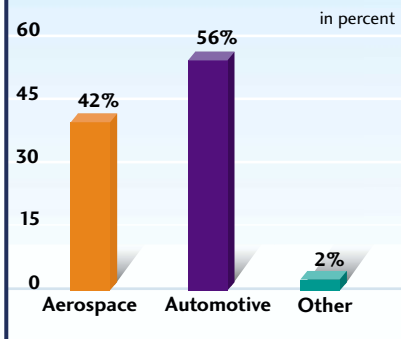
TRANSPORTATION EQUIPMENT (CIVILIAN)

Exports in recent months have been below their level of a year ago. Deliveries of large aircraft dominate trends in this category, leading to significant month-to-month volatility.

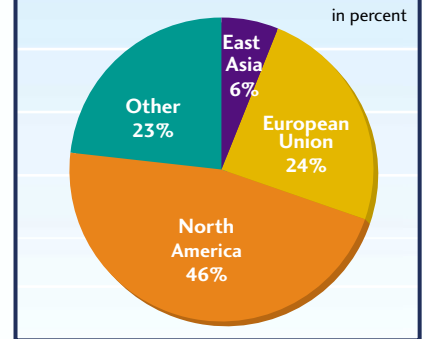
TRANSPORTATION EQUIPMENT



BY INDUSTRY



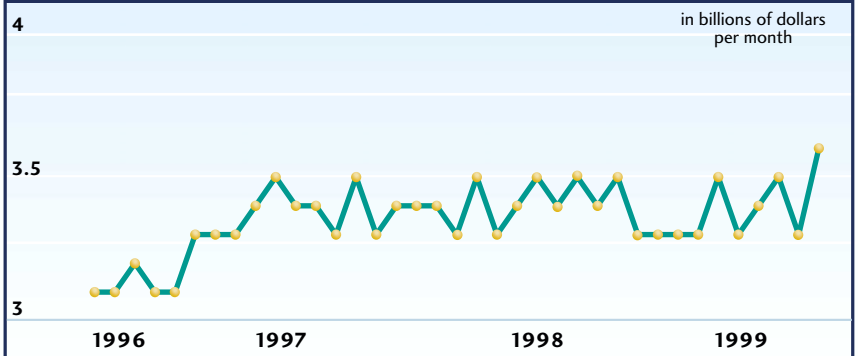
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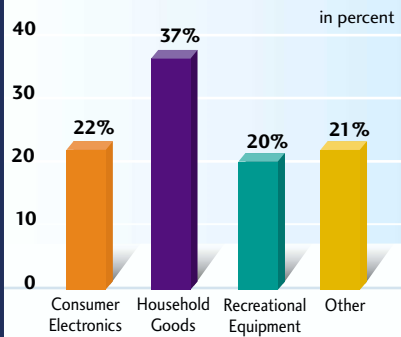
CONSUMER DURABLES

There has been increased fluctuation of the export rate in recent months, but the values essentially remain on the plateau which has held for two years.

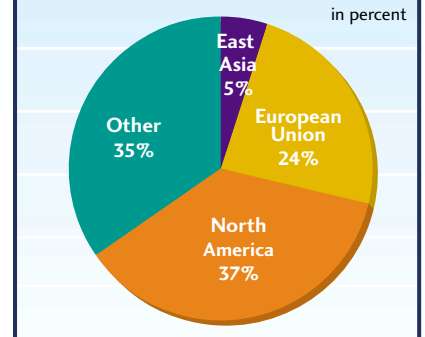
CONSUMER DURABLES



BY INDUSTRY



BY REGION



U.S. EXPORT FACTS

AS OF SEPTEMBER 1999

Prepared by the Office of Trade & Economic Analysis Trade Development

U.S. GOODS AND SERVICES

- 1998 U.S. exports totalled \$934 billion, but were down a half a percent from the previous year total. For the three-quarters of 1999, exports were up just 2 percent, but now the growth appears to be accelerating. The recent stagnation in U.S. exports reflects in large part unfavorable economic conditions abroad.

U.S. GOODS (MERCHANDISE)

- Goods exports were \$670 billion in 1998. This represented a decline of just over one percent compared to 1997, breaking a 12-year string of increases. During the first nine months of 1999, exports are up about 1 percent. The Asian financial crisis and other economic difficulties abroad have prevented export growth over the last two years.
- The United States accounted for just over one-eighth of global merchandise exports in 1998.
- U.S. multinational companies participated in almost two-thirds of U.S. goods export transactions, either as the exporter and/or the foreign purchaser (U.S. affiliates abroad).
- Manufactured goods comprised 87 percent of total goods exports in 1998, followed by agricultural commodities (8 percent), mineral fuels (2 percent) and miscellaneous items (3 percent).
- Canada (\$157 billion) continued to be the largest export market by far, nearly twice the value of runner-up Mexico (\$79 billion) in 1998. Japan (\$58 bil-

lion) remained number three, followed by the United Kingdom (\$39 billion) and Germany (\$27 billion).

- California (\$99 billion) was the largest exporting state in 1998, with Texas (\$59 billion), New York (\$46 billion), Michigan (\$39 billion) and Washington (\$38 billion) rounding out the top five.

- Seattle-Bellevue-Everett, with foreign shipments of \$34.0 billion, was the largest metropolitan area exporter in 1998, followed by Detroit (\$27.0 billion), New York City (\$26.6 billion), San Jose (\$26.1 billion) and Los Angeles-Long Beach (\$25.6 billion).

U.S. SERVICES

- Exports of services during 1998 were \$264 billion, slightly more than the 1997 total. Service exports have exceeded service imports every year since 1970, helping to offset the goods trade deficit.
- Travel, passenger fares and other transportation accounted for 44 percent of total services exports (receipts), with direct private business services—e.g., telecommunications, engineering, advertising and accounting—accounting for another 35 percent.

TRADE AND THE DOMESTIC ECONOMY

- U.S. goods and services exports represented 11 percent of the nation's GDP in 1998, the same as Japan's, but far less than the 29 percent figure for Germany.

- More than 20 percent of the goods produced in the United States are exported. For durable goods, the figure rises to 36 percent.

- U.S. exports of goods and services are estimated to support some 12 million domestic jobs. Each billion dollars in exports support on average about 13,000 jobs.

- Jobs supported by U.S. goods exports, either directly or indirectly, pay wages estimated to be 13 percent higher than the average domestic wage. For high-technology industry jobs directly supported by exports, average hourly earnings are 34 percent higher than the national average.

EXPORTER PROFILES

- For 1997 (the latest year for which Exporter Data Base figures are available) almost 210,000 U.S. firms exported goods, nearly double the 1992 total of 113,000.
- 97 percent of these companies were small or medium-sized (fewer than 500 employees).
- While large firms (500 or more employees) accounted for just over 3 percent of all exporters, they were responsible for almost 70 percent of U.S. merchandise exports in 1997.
- About two-thirds of U.S. exporting firms were classified as wholesalers, retailers, brokers and other intermediaries. ■

E-EXPOUSA

A VIRTUAL TRADE SHOW AVAILABLE FROM USDOC

by John Howell

U.S. & Foreign Commercial Service

Looking for a low-cost, high visibility vehicle to market your company

internationally? Seeking a cost-effective tool to promote your company's products and services to the 95% of the world's consumers living outside the U.S?

Look no further. E-ExpoUSA (<http://e-expousa.doc.gov>), developed by the U.S. & Foreign Commercial Service E-Commerce Task Force, provides a platform for small- and medium-sized businesses to market their products and services globally via the Internet. Launched in 1998 in Mexico City, E-ExpoUSA now features 630 exhibitors from over 50 industry sectors.

WHAT IS E-EXPOUSA?

E-ExpoUSA is an online "virtual" trade show, offering companies a virtual booth that contains the following features:

- A company overview, complete with the company's logo;
- Hotlinks to the company's website;
- An email link to designated company contacts;
- The ability to feature up to five products or services complete with pictures and/or logos;
- Electronic trade lead collection;
- Targeted promotion at selected international trade events; and

■ Profiles of international buyers.

WHY E-EXPOUSA?

With the majority of the world's consumers living outside the U.S. and disposable incomes rising in important developing markets, it makes sense for small- and medium-sized U.S. firms to have an e-business strategy with an international dimension.

Dan Johnson of Conover, North Carolina is typical of businesspeople who see these trends and are moving their companies to stay ahead of the curve. As international sales manager at Prodelin Corporation, which designs, develops and manufactures satellite communication antennas, he says the virtual trade show was a sure way for his com-

A Virtual Trade Show
sponsored by the U.S. Department
of Commerce Commercial Service

E-EXP USA™

<http://e-expousa.doc.gov>

U.S. & FOREIGN COMMERCIAL SERVICE

Photo courtesy of the US & FCS



pany to reach the widest possible buyer audience in Latin America.

"Latin America is not a new market for us," Johnson said. "It's certainly an area where we want to make sure we reach all potential buyers. This is another way of contacting other buyers that our traditional advertising may not reach."

E-ExpoUSA gives your company global exposure. Registered with over 800 international search engines and pro-

services in which they are interested, and then transmit leads back to the company in electronic and hard-copy form. Commercial Service personnel are on hand to assist the attendees.

Ed Schaffner, International Sales Manager for Litton Network Access Systems, was extremely satisfied with the results of his company's participation in the E-ExpoUSA program at World Telecom '99 in Geneva. "I was quite pleased with the level of activity in the Commercial Service booth and

E-EXPOUSA COSTS

E-ExpoUSA offers different program options to fit different budgets. For as little as \$100, companies can exhibit on the site for one year, and receive the benefits of electronic lead collection and worldwide promotion via the Internet and our global network of offices.

For those desiring a more targeted marketing campaign, such as the program offered at Globe 2000, various options will also be available in the upcoming

"E-EXPOUSA ENABLES YOUR FIRM TO MARKET ITSELF THROUGHOUT THE WORLD IN A VERY COST-EFFECTIVE MANNER."

moted by our overseas network of over 145 offices, E-ExpoUSA enables your firm to market itself throughout the world in a very cost-effective manner.

In addition to receiving worldwide exposure via the Internet, E-ExpoUSA can help small companies save the costs of physically traveling to important overseas trade shows. E-ExpoUSA is displayed at the Commercial Service booths at selected trade shows around the world, which are always a major attraction to potential buyers of American products. Attendees can search the E-ExpoUSA database for products and

the number of leads generated by Litton's booth on the site."

In March 2000, in Vancouver, British Columbia, the Commercial Service will roll out "E-ExpoUSA Live and Interactive" at Globe 2000, an important environmental technologies trade show. At the show, participating U.S. companies will have the opportunity to make a live video presentation from their local Commercial Service office to attendees on the show floor. Attendees will also have the opportunity to interact with the U.S. exhibitor via two-way audio and video.

year. Future events include: JapanTec, an apparel and textiles show in Tokyo; NOW 2000, a telecommunications show in Sydney; RepCan 2000 in Toronto, a horizontal event for companies seeking to find qualified agents and distributors in Canada; and, the Ideal Home Show, a home furnishings show in London. Please check the website (<http://e-expousa.doc.gov>) for detailed information regarding upcoming events and pricing. ■

If you have any specific questions about the E-ExpoUSA website, please email us at: e-expo.usa@mail.doc.gov.



TDA & SMALL BUSINESSES

WORKING TOGETHER TO INCREASE EXPORTS

by J. Joseph Grandmaison

Director, Trade & Development Agency

The U.S. Trade and Development Agency (TDA) helps American companies develop export opportunities associated with major infrastructure projects in developing and middle income countries. In

1999, the agency invested \$57 million in 422 new activities, including feasibility studies, technical assistance, business conferences and orientation visits. From Latin America to the Far East, TDA worked with U.S. companies, small and large, to export American technology to 67 countries around the world.

As a market-driven agency, we target the sectors that represent the best opportu-

aggressive strategy to involve U.S. technology in worldwide infrastructure development in every sector. Because American technology industries are among the most advanced in the world, we believe this is an area where U.S. businesses, particularly small- and medium-sized enterprises, can consistently compete and win.

Investing in feasibility studies is the primary tool the Agency uses to promote American exports. Feasibility studies are the “nuts and bolts” of project planning, and they evaluate the technical, legal, economic, environmental and financial aspects of a project. When a U.S. firm conducts a feasibility study, writing the recommendations and specifications for a project, it has a unique opportunity to position itself in the procurement stage of that project’s implementation. TDA believes that helping in the beginning stages of project development produces the desired end result—U.S. exports and U.S. jobs.

Small businesses eager to work internationally have found TDA to be a strong

awarded to small businesses. Definitional missions and desk studies provide TDA with technical advice on our investments. A definitional mission involves a short visit overseas to gather information on a project, while a desk study’s research is conducted in the United States. Definitional mission opportunities are advertised on a 24-hour hotline, which can be reached by calling (703) 875-7447.

Approximately one-third of TDA-funded feasibility studies are conducted by small businesses—many with great success. For example, Hoffman International, Inc., a small Piscataway, New Jersey firm, worked on a TDA-funded feasibility study to develop a value-added leasing company in Russia. Following the successful completion of the study, Hoffman and its local partner established a private leasing company that to date has generated more than \$10 million in U.S. exports.

Direct contracts are not the only way that TDA helps small businesses. The real impact for small- and medium-sized

“APPROXIMATELY ONE-THIRD OF TDA-FUNDED FEASIBILITY STUDIES ARE CONDUCTED BY SMALL BUSINESSES...”

nities for U.S. businesses. Traditionally, transportation, including rail, ports and aviation, has been the dominant sector for TDA, but levels of investment in the areas of energy and power, water and the environment, and telecommunications have also remained fairly consistent. Most recently, TDA has developed an

partner. In 1999, we provided roughly one-third of our program budget to small businesses, with these firms comprising approximately 60 percent of all businesses with which we work. In fact, during this past year, TDA funded over 180 definitional missions and desk studies, all of which were exclusively

enterprises lies in the implementation phase of major projects, where these companies stand to export billions of dollars in goods and services, as suppliers and subcontractors, for major projects.

For example, when Enron of Houston, Texas, won a turnkey contract to

FLORIDA EXPORTS TAKE FLIGHT WITH THE HELP OF TDA

U.S. aviation technology is known for being the most reliable and innovative in the world. Birk, Hillman & Zipperly (BHZ), a small Orlando, Florida company, is capitalizing on this reputation—and enjoying more than \$8 million in exports—with the help of a 1992 TDA-funded feasibility study.

The Sangster International Airport in Montego Bay, Jamaica, has experienced phenomenal growth over the last decade as a result of the rapid increase in tourism, the country's most important industry. In order to meet the demand for flights that has rapidly surpassed the airport's capacity, Jamaica has actively pursued upgrades for the facility.

BHZ had been involved in other airport projects in the region and was anxious to work on this dynamic opportunity. TDA strengthened the company's position in the negotiating process by funding a feasibility study for the project. The deal has paid off over the last two years. BHZ has been responsible for managing the project and construction for the airport upgrade is underway.

Air Jamaica's decision to open a hub at the airport has provided additional momentum for the project as the new air traffic load has increasingly strained the airport's resources. Expanding the facility is now of the utmost importance. Significant further exports for the construction of an additional terminal and a new ramp could bring BHZ's export total up to \$40 million over the next few years. ■

construct a 500 MW power plant in Turkey, with the help of an earlier TDA technical symposium and follow-on conference, roughly 40 percent of the company's subcontractors were small businesses. The \$300 million in U.S. exports that have been associated with this project were sprinkled across 17 states—making it clear that when American companies win abroad, they bring the business back home to their counterparts in the United States.

TDA also hosts approximately 16 deal-making business conferences each year. These events accomplish a variety of objectives, including informing U.S. companies about export opportunities in emerging markets, familiarizing foreign decision-makers with American goods and services, and building business relationships between foreign project sponsors and American companies. U.S. businesses find TDA conferences to be an invaluable tool because they maximize their marketing budgets. This aspect is particularly important for small businesses that often lack the resources for extensive travel.

Investing in the international market can be a risky—though profitable—business. Through its numerous programs, TDA works hard so you can maximize your profit and minimize your risk. ■

Want to Stay Informed about the latest developments at TDA?

Read the TDA Pipeline, a biweekly publication that details on-going developments at the agency. From feasibility studies that are open for competition to listings of recently completed studies that may present implementation opportunities, the Pipeline is the best resource available for companies interested in using TDA to grow internationally. The Pipeline is available on the TDA website (www.tda.gov). By signing the online guest-book, you may also receive biweekly emails with a link to the most recent Pipeline and information about all of the latest happenings at TDA.