

**Cross-licensing:** In this form of partnership, each firm licenses products or services to the other. It is a relatively straightforward way for companies to share products or expertise.

**Cross-manufacturing:** This is a form of cross-licensing in which companies agree to manufacture each other's products. It can also be combined with co-marketing or co-promotion agreements.

**Distributor (Importer):** A foreign company that agrees to purchase a Canadian exporter's product(s), and then takes responsibility for storing, marketing and selling them.

**Franchise:** This is a more specific form of licensing. The franchise is given the right to use a set of manufacturing or service delivery processes, along with established business systems or trademarks, and to control their use by contractual agreement.

**Joint Venture:** An independent business formed cooperatively by two or more parent firms. This type of partnership is often used to avoid restrictions on foreign ownership and for longer-term arrangements that require joint product development, manufacturing and marketing.

**Licensing:** Although not usually considered to be a form of partnership, licensing can lead to partnerships. In licensing arrangements, a firm sells the rights to use its products or services but retains some control.

**Trading House:** A company specializing in the exporting and importing of goods produced or provided by other companies.

## Legal terms

The following are some of the more common legal terms encountered in international transactions.

**Arbitration:** The process of resolving a dispute or a grievance outside of the court system by presenting it to an impartial third party or panel for a decision that may or may not be binding.

**Contract:** A written or oral agreement which the law will enforce.

**Copyright:** Protection granted to the authors and creators of literary, artistic, dramatic and musical works, and sound recordings.

**Intellectual Property:** A collective term used to refer to new ideas, inventions, designs, writings, films, and so on, protected by copyright, patents and trademarks.

**Patent:** A right that entitles the patent holder, within the country which granted or recognizes the patent, to prevent all others for a set period of time, from using, making or selling the subject matter of the patent.

**Trademark:** A word, logo, shape or design, or type of lettering which reflects the goodwill or customer recognition that companies have in a particular product.