



PANEL

INTERNATIONAL MARKET OPPORTUNITIES

CHAIR: Philip G. Husby - Peat Marwick Mitchell & Company
PANEL: Michael Prichard - Dorsey & Whitney
Scott B. Hill - Arthur Young & Company
Ronald E. Kramer - U.S. Department of Commerce
Edward J. Hayward - Oppenheimer, Wolff, Forster, Shepard
& Donnelly

The Panel will discuss the subject of entering foreign markets with the objective of increasing company revenues. The first panelist will discuss the general benefits of international trade and the potential for the computer graphics industry. Foreign markets which hold the greatest promise for penetration will be identified and an overview of the regulations governing the exports of the industry will be presented. The discussion will conclude with the identification of select services offered to U.S. firms by the U.S. Department of Commerce for the purpose of assisting companies in reaching foreign markets.

The Panel will then discuss alternative methods which can be used by companies to enter foreign markets. The use of foreign distributors will be analyzed by the second panelist. Distributor agreements will be reviewed with emphasis on the applicable law; territory and exclusivity; obligations of both the distributor and manufacturer; use of trademarks; terms and conditions of sale; and termination of the distributor agreement.

Attention will then turn to the use of licensing arrangements. The panelist will deal with the special considerations of hardware and software licensing in the international context. This presentation will cover questions such as software protection, royalty payments and governmental approvals -- with reference to both U.S. export controls and to import or exchange control authorizations required in some foreign countries.

The last panelist will address the business and tax considerations of direct investment abroad. Beginning with the structural decision of branch vs. subsidiary, the Panel will review issues including debt vs. equity financing of overseas operation; the concept of U.S. tax deferral on the earnings of a foreign subsidiary, using joint ventures and specific U.S. and foreign tax incentives.

The Panel will respond to questions from the audience and discuss the pros and cons of the various method of selling abroad.