IP & Exploitation of Results from FP7 Projects

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Scenario

An R&D project has generated a **technology** which, i.a., allows antibiotic-free production of proteins.

The partners are sure that this result is really **a 'hit'** and can be widely **exploited** with multiple applications in the biopharmaceutical field.

One of the researchers of the group also wants to **publish** an article in a prestigious journal...

Where to start?

… FROM THE VERY BEGINNING

- Getting Started - Understanding the importance of IP issues for the success of FP7 projects
- IP provisions in the Grant Agreement & the Consortium Agreement – Awareness of the basics for planning an exploitation strategy
- Exploitation in Practice – Improving our skills & knowledge

Collaborative Research, Development and Innovation (R&D&I)

It finds multiple funding options in Europe (FP7, CIP, EUREKA's Eurostars, JTIs, AAL JP…)

Opportunities are vast and… complex

- Programme rules
- Legal & contractual issues (preliminary agreements, access rights (licensing) agreements, organisational agreements, etc.)
- Transnational issue (language, different backgrounds and systems)
- Paperwork & bureaucracy

Know what you are entering into

EU Framework Programmes (FP) for R&D&I

TFEU (ex EC Treaty)
Pluriannual Framework Programmes (2007-2013)

The 7th Framework Programme of the European Community for RTD and demonstration activities
Decision No 1982/2006/EC
Official Journal L 412, 30/12/2006, pp. 1 – 43

The Competitiveness and Innovation Framework Programme
Decision No 1639/2006/EC
Official Journal L 310, 09/11/2006, pp. 15 - 40

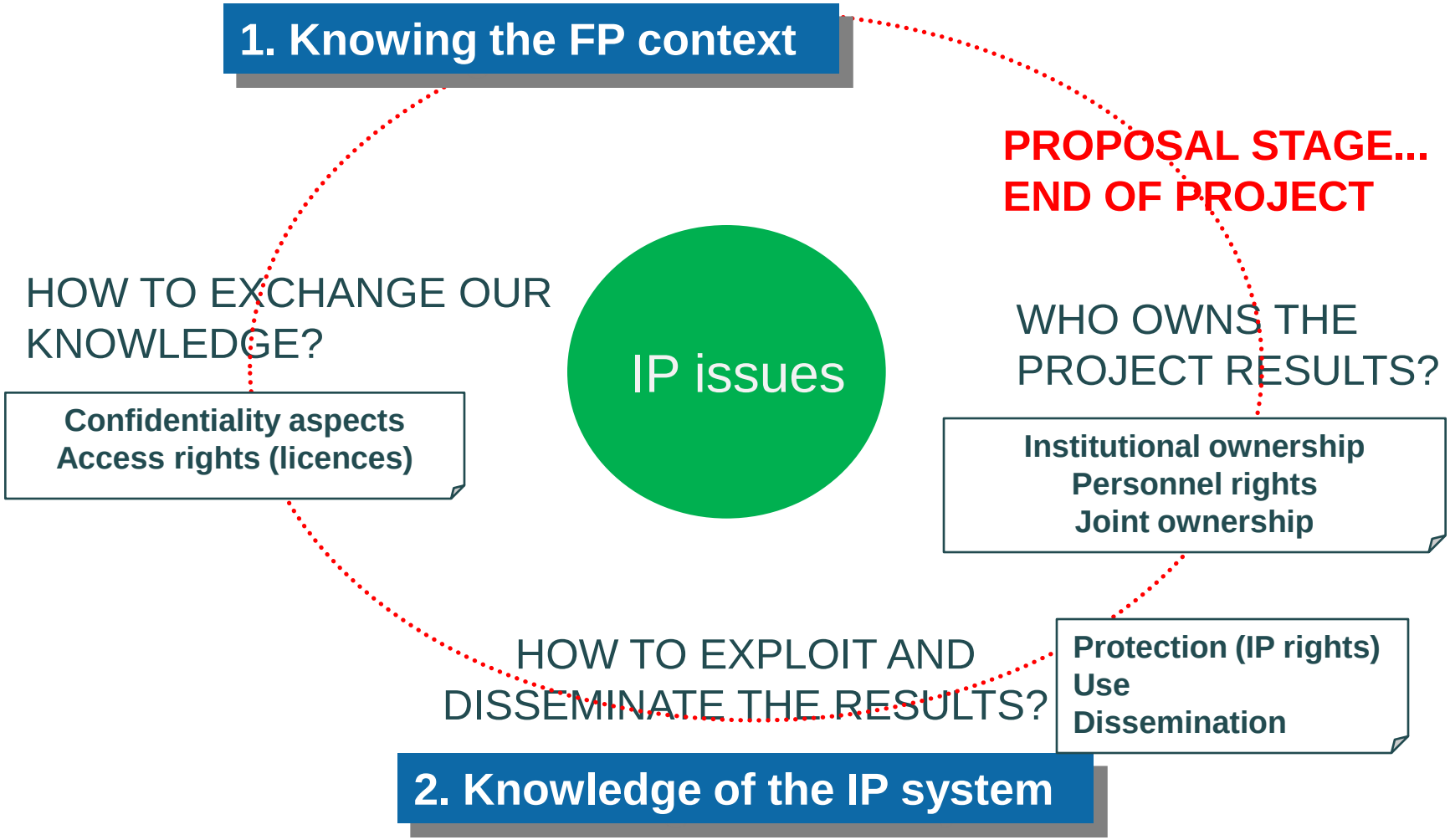
FP6
€ 17 883 M

Budgets FP6
FP7

FP7
€ 50 521 M

…but budget is not everything…

Making the most of the EU funding very much depends on participants' knowledge of the IP-related issues & rules.


1. Knowing the FP context
PROPOSAL STAGE...
END OF PROJECT
HOW TO EXCHANGE OUR KNOWLEDGE?
Confidentiality aspects
Access rights (licences)
IP issues
WHO OWNS THE PROJECT RESULTS?
Institutional ownership
Personnel rights
Joint ownership
HOW TO EXPLOIT AND DISSEMINATE THE RESULTS?
Protection (IP rights)
Use
Dissemination
2. Knowledge of the IP system

Theme 7 TRANSPORT (including AERONAUTICS)

Guide for Applicants: *Collaborative projects*
[FP7-TRANSPORT-2010-TREN-1]

Proposal

PROPOSAL STAGE

1: Scientific and/or technical quality, relevant to the topics addressed by the call

1.1 Concept and objectives

Explain the concept of your project. What are the main ideas that led you to propose this work?

Describe in detail the S&T objectives. Show how they relate to the topics addressed by the call, which you should explicitly identify. The objectives should be those achievable within the project, not through subsequent development. They should be stated in a measurable and verifiable form, including through the milestones that will be indicated under section 1.3 below.

1.2 Progress beyond the state-of-the-art

Describe the state-of-the-art in the area concerned, and the advance that the proposed project would bring about. If applicable, refer to the results of any patent search you might have carried out.

1.3 S/T methodology and associated work plan

A detailed work plan should be presented, broken down into work packages[1] (WPs) which should follow the logical phases of the implementation of the project, and include consortium management and assessment of progress and results. (Please note that your overall approach to management will be described later, in section 2).

PROPOSAL STAGE

3. Impact

3.1 Expected impacts listed in the work programme

Describe how your project will contribute towards the expected impacts listed in the work programme in relation to the topic or topics in question. Mention the steps that will be needed to bring about these impacts. Explain why this contribution requires a European (rather than a national or local) approach. Indicate how account is taken of other national or international research activities. Mention any assumptions and external factors that may determine whether the impacts will be achieved.

3.2 Dissemination and/or exploitation of project results, and management of intellectual property

Describe the measures you propose for the dissemination and/or exploitation of project results, and how these will increase the impact of the project. In designing these measures, you should take into account a variety of communication means and target groups as appropriate (e.g. policy-makers, interest groups, media and the public at large).

For more information on communication guidance, see http://ec.europa.eu/research/science-society/science-communication/index_en.htm

Describe also your plans for the management of knowledge (intellectual property) acquired in the course of the project.

(Maximum length for the whole of Section 3 – ten pages)

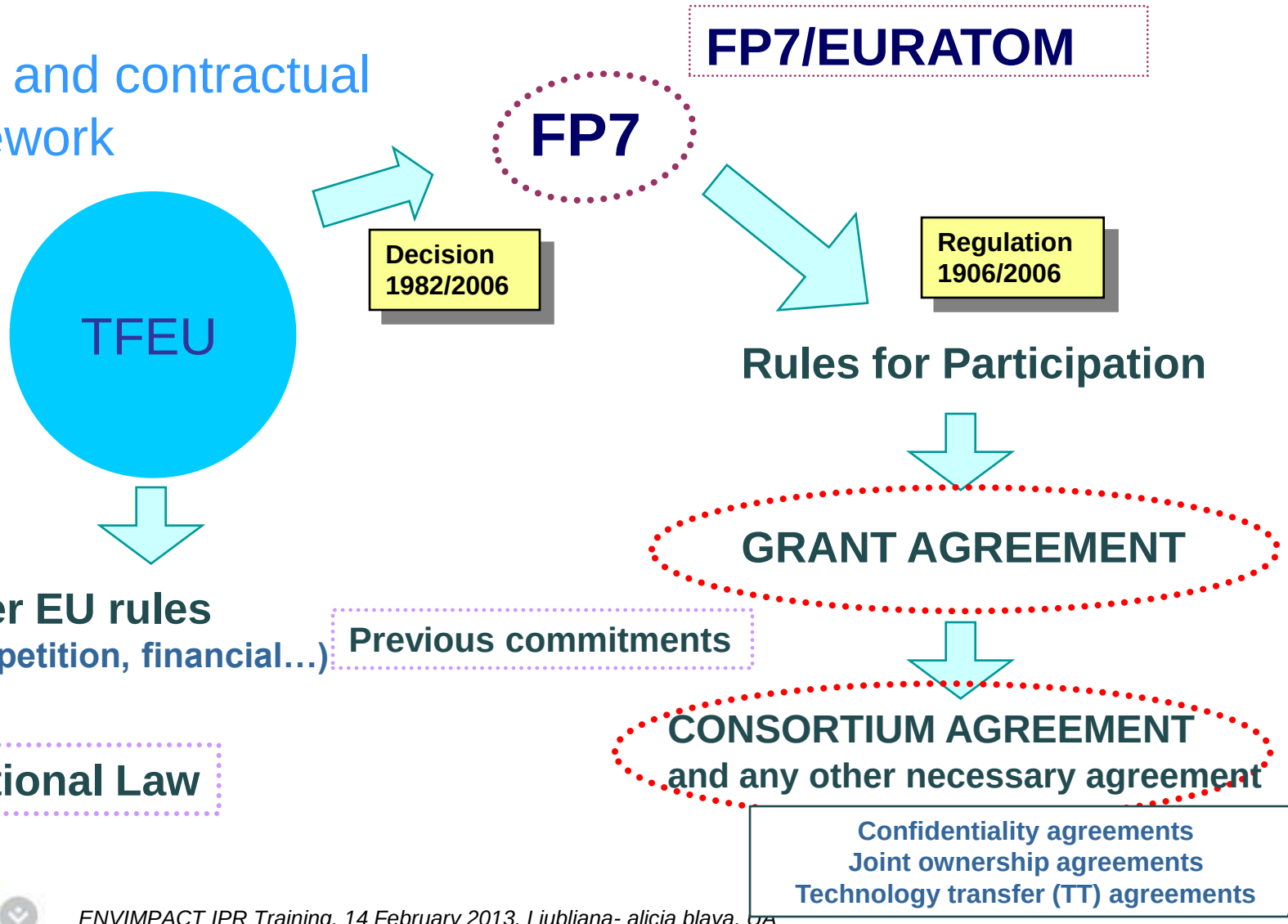
PROPOSAL NEGOTIATION AND MANAGEMENT OF BACKGROUND (i.e. prior info & IP rights to bring in the project)

- ✓ **How to protect sensitive information at the proposal stage?**
  - Confidentiality agreements (Non-Disclosure Agreements –NDA).
  - Beware of Letters of Intent (LoI), Memoranda of Understanding (MoU), in particular where binding/non-binding effect is unclear.

- ✓ **How to properly identify the background available?**
  - Handling 'positive' and 'negative' lists.
  - Remembering the 'need-to' premise for granting compulsory access rights.

- ✓ **Other IP related issues at the proposal stage**
  - Clearance of rights (trade mark/state of the art searches, ownership of background).
  - Defining a coherent IP strategy in line with the FP7 rules (ownership of results, clear ideas for the use and dissemination of the results).

Legal and contractual framework



FP7 grant agreement (GA)

- Core GA
- Annex I (technical annex)
- Annex II (general conditions)
- Annex III (specific conditions)
- Special clauses

EU + participants

consortium

Consortium agreement (CA)

- Other agreements

2. IP Provisions in the GA & the CA

✓ In FP7 there are specific **IP rules**, **licensing included.** **II.26 – II.34 GA**

✓ There are **specific definitions** (cfr. art.II.1 Annex II to the grant agreement).

- Background: project-related information and IP rights (granted or applied) that participants hold before the signature of the grant agreement;
- Foreground: results generated in the project and IP rights attached to these results;
- Use: utilisation of foreground in further research or economic activities;
- Dissemination: making foreground available to the public;
- Access rights: licences and user rights to foreground and background.

Compulsory access rights between participants:

✓ When a participant **needs** another participant's *background/foreground* to carry out its project tasks.

✓ When a participant **needs** another participant's *background/foreground* to use its own project results.

IP related issues dealt with in the FP7 grant agreement

ownership	foreground
access rights	to background
	to foreground
protection	confidentiality & IP rights
use	exploitation, further R&D activities
dissemination	disclosure

Obligations (!)

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Access rights

General Conditions:

- Access rights requests shall be made **in writing;**
- Access rights for implementation: granted **throughout the duration of the project;**
- Access rights for use may be requested up to **1 year** after the end of the project (unless participants agree on a *different* time-limit);
- Access rights do not confer the right to grant **sub-licences**, unless so agreed.

Access rights

Economic terms	Background	Foreground
PROJECT IMPLEMENTATION	Free of charge, unless otherwise agreed before signing the grant agreement	Free of charge
USE	Free of charge or on fair and reasonable conditions	

2. IP Provisions in the GA & the CA

Some more rules, related to technology transfer (TT)…

3 Affiliated entities

- Annex II defines 'affiliated entities' and recognises them some **access rights for use.**

- The affiliated entity needs to have (in whole or in part) ownership of foreground and be established in the EU or associated countries
- Other agreements are possible (e.g. in the CA)

1 Transfer

- The participant that transfers foreground shall **pass on all its obligations.**

- The other participants shall be **notified and may object** if their access rights are not preserved.

2 Exclusive licences

- Exclusive licences to foreground / background may be granted but the other participants shall **waive their access rights** in writing.

The Commission may object to transfers/exclusive licences to foreground towards third parties established in third countries **if European interests are at stake.**

Consortium Agreement - MAIN FEATURES

- Knowledge of the CA role – The CA supplements the grant agreement. It shall not contradict the latter.
- Being aware of the CA models and their differences with the grant agreement.
- Knowledge of the FP7 rules.
- CAs are international contracts.

Preliminary clauses

Central clauses

Final clauses

'needed' or 'necessary'

Preamble

Title, Parties, Language, Definitions (!)

Consistency with the grant agreement.

Project management

Applicable Law

Participants may choose the law they prefer… but consistency with grant agreement is advisable.

Dispute resolution systems

Court litigation

Alternative Dispute Resolution (ADR) systems (mediation, arbitration)

2. IP Provisions in the GA & the CA

It's common not to start drafting our CA from scratch, but:

- Models are not Commission's documents
- Consortia not obliged to follow them (!)

- If used, it is the responsibility of the user to subject the CA to legal examination

DESCA
The Simplified FP7 Model Consortium Agreement
www.DESCA-FP7.eu

Note: It is essential being familiar with the models on which your own CA may be based

Some examples of clauses (IPR-Helpdesk 2002-2010), but always check last/your version

Which is the background available for access rights?

		sideground	sideground
needed		needed	needed
positive + negative list or negative list	positive list	negative list	access to background subject to legitimate interests

TransKnowlia

Access rights for use purposes

to foreground, royalty-free or on fair and reasonable conditions in some cases	**to foreground, royalty-free for internal research, fair and reasonable conditions for the rest**	**to foreground, royalty-free, worldwide, for the lifetime of the foreground**	**to foreground, royalty-free (same subproject) or preferential conditions; permanent and worldwide**
to background, on fair and reasonable conditions	**to background, on fair and reasonable conditions**	**to background, on fair and reasonable conditions**	**to background, on preferential conditions**

DESCA The Simplified FP7 Model Consortium Agreement www.DESCA-FP7.eu

ASD AeroSpace and Defence Industries Association of Europe

EICTA building digital europe www.eicta.org

EUCAR EUROPEAN COUNCIL FOR AUTOMOTIVE R&D

Which are the 'affiliates' entitled to access rights?

no specific definition

specific definition, enlarges the list of affiliated entities

specific definition, enlarges the list of affiliated entities

2. IP Provisions in the GA & the CA

CORDIS Community Research and Development Information Service: (http://cordis.europa.eu)

DOCUMENTS http://cordis.europa.eu/fp7/find-doc_en.html
SUPPORT http://cordis.europa.eu/fp7/get-support_en.html

WIPO - SME resources (www.wipo.int/sme/en)
European IPR Helpdesk (www.iprhelpdesk.eu)
Finance Helpdesk (www.finance-helpdesk.org)

Enterprise Europe Network
http://portal.enterprise-europe-network.ec.europa.eu/

ProTon Europe (www.protoneurope.org)

NMP Programme: ESS – Exploitation Strategy Seminars
http://ec.europa.eu/research/industrial_technologies/exploitation-strategy-seminar_en.html

3. Exploitation in practice

~~Everything that comes from the lab is patentable~~

Inventions that are new (worldwide), involve an inventive step and can be industrially applied.
(EU: Computer programs as such are not patentable)
Sometimes, a utility model (or similar) protection or trade secret protection may be good alternatives.

~~Trade mark protection is not an issue in R&D activities~~

Signs that can be graphically represented (words, forms, sounds, etc.), which distinguish products & services in the market.

Interesting: TM protection can last indefinitely! (10 years renewable).

~~Before I register, copyright protects my R&D results~~

~~I did not register my work and I've been copied… I have no rights now~~

Original works (NOT IDEAS!!) protected from creation. NO NEED for REGISTRATION!

Computer programs, databases…
Economic rights (EU, US): author's life + 70 years

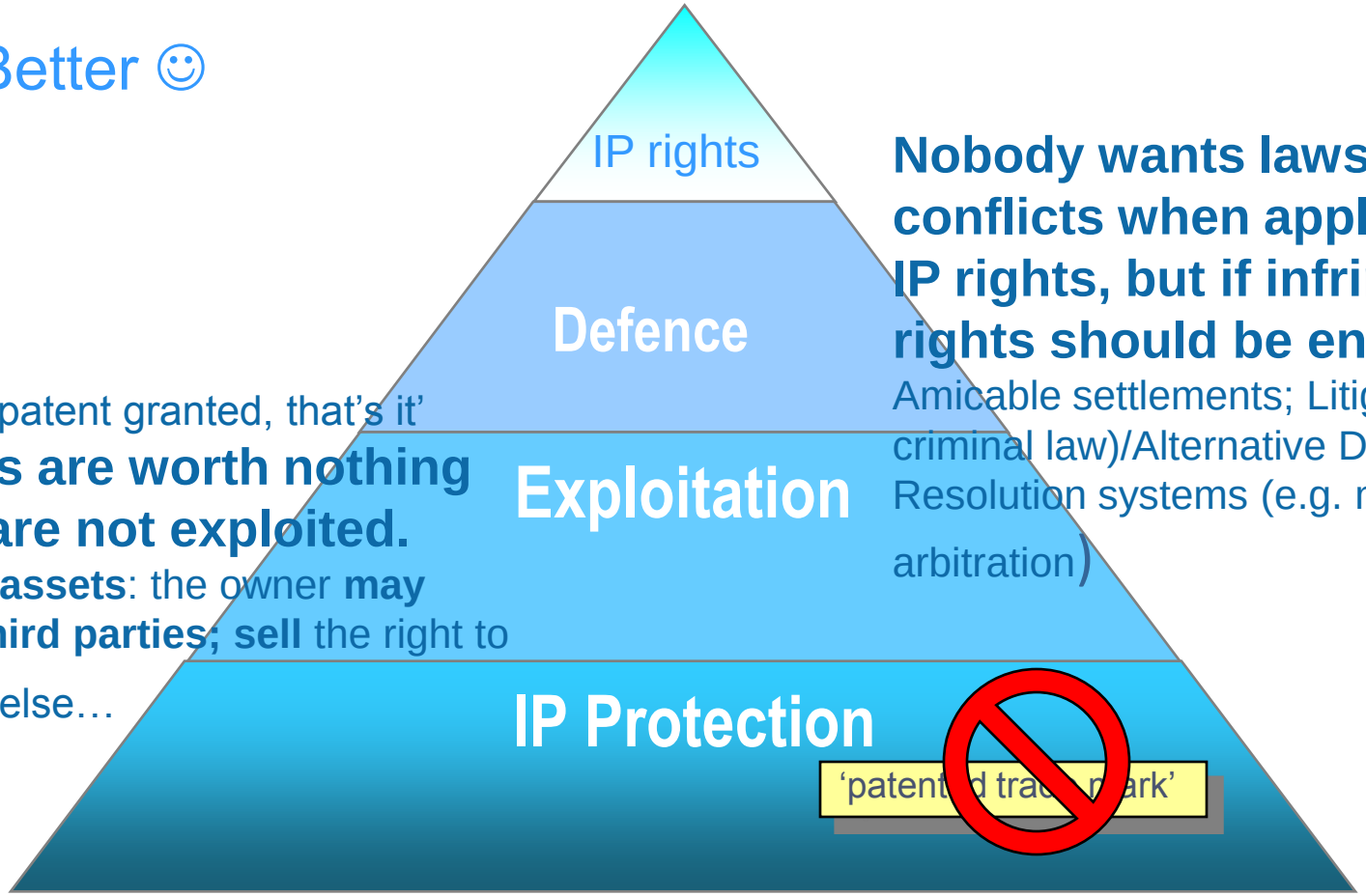
Aware of the basics?...

IP rights are territorial rights

		Subject-matter	**IP rights**	
IP	(Industrial Property)	Inventions	Patents	Trade Secrets
			Utility Models	
			Plant Varieties	
		Distinctive signs	Trade Marks	Geographical Indications, Designations of Origin
			Trade Names	
		'Aesthetic' creations	Industrial designs	
		Design of chips	Topographies of semiconductor products	
	(Intellectual Property)	Literary, artistic and scientific works	Copyright and neighbouring rights	

Note: Certain differences in classification may exist due to differing national laws

…Better ☺



Nobody wants lawsuits or conflicts when applying for IP rights, but if infringed, IP rights should be enforced.
Amicable settlements; Litigation (civil-criminal law)/Alternative Dispute Resolution systems (e.g. mediation, arbitration)

'I had my patent granted, that's it'
IP rights are worth nothing if they are not exploited.
Tradable assets: the owner **may license third parties; sell** the right to someone else…

Scenario

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Protection, use and dissemination of project results

These activities are part of the same strategy. Careful planning is essential.

Protection	**Use**	**Dissemination**
✓ Adequate ✓ Effective (flexibility)	(commercial exploitation/ utilisation in new research activities) ✓ Direct use ✓ Technology Transfer (TT) agreements	(seminars, websites, journals, etc) ✓ IP rights ✓ Confidentiality

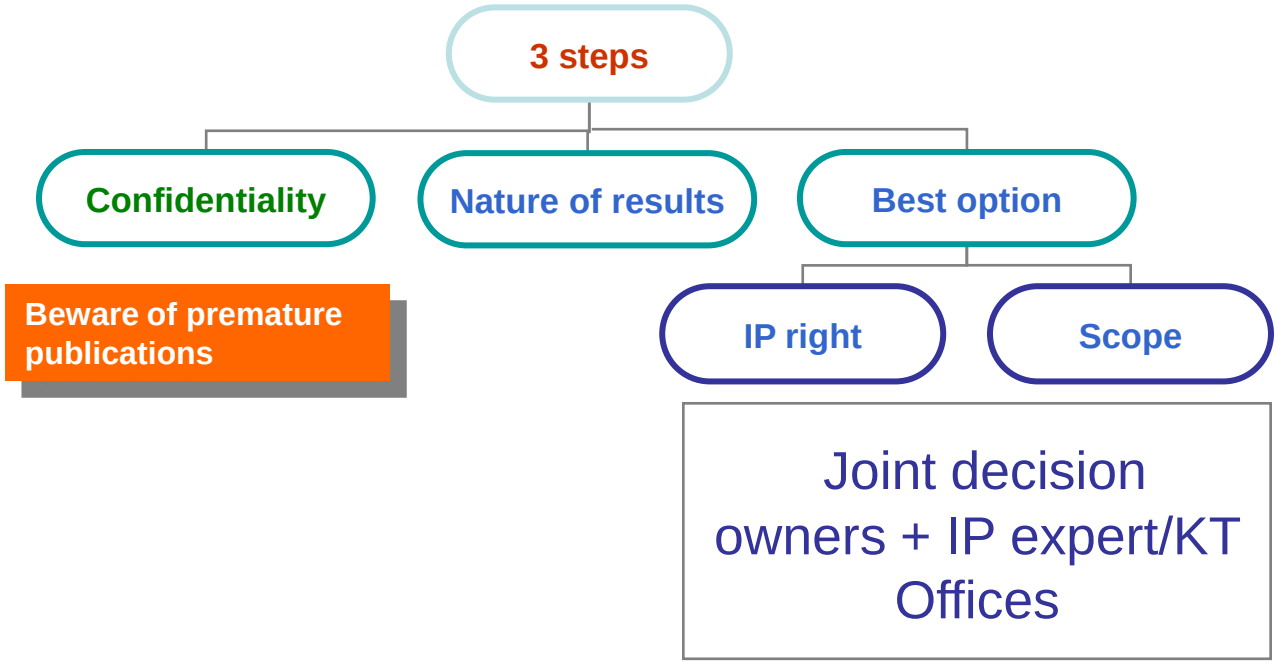
Plan for the use and dissemination of foreground

Protection, use and dissemination of project results

Questions to answer:

1. How to safeguard protection & exploitation options? When should our researcher publish?
2. Which type of IP rights can protect the results?
3. Where to apply for them, if so?
4. Options for exploitation – do we sell/ grant a licence?

From the lab to the market - IP Protection & Exploitation



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Basic distinction

Assignment of an IP right implies transfer of ownership: the IP right now belongs to another person (assignee)… 'sale'

A licence is a contract by which the right owner (licensor) authorises a third party/ies (licensee/s) to use the subject of the IP right for a certain period of time and, generally, in exchange for payment. There is no transfer of ownership, only an authorisation to do something… 'renting'

From the lab to the market – IP Exploitation

✓**Do you have a license agreement model?**

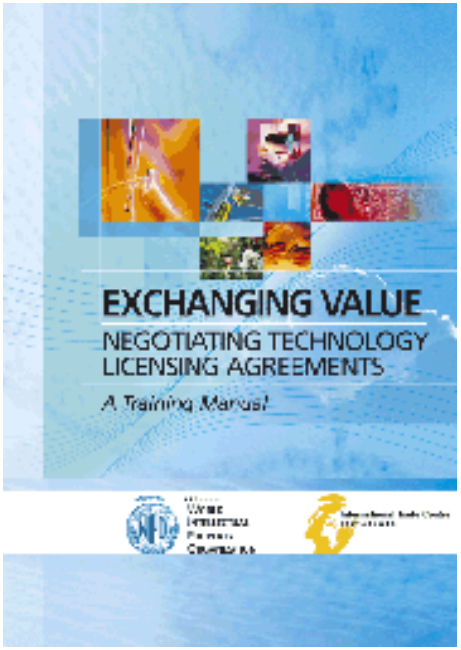
Challenges: Expertise – Underestimation of importance of expert assistance/skills.

- ... What about preparation & negotiation?
- Expertise & training are key

Good faith *('win-win agreements')*

Know your partner (*due diligence*)

Skills *('we don't have the agreement that we deserve but that we negotiate')*



Very helpful to start with technology licensing

Written in an easy-to-read style.

Practical manual to enhance knowledge and skills on all the major issues to be addressed while negotiating licensing agreements.

It also has annexes with additional materials, such as a number of case studies and other helpful information.

A pdf version is available on WIPO's website:
http://www.wipo.int/sme/en/documents/guides/technology_licensing.html

In transnational R&D projects, IP issues play a KEY role

Thank you for your attention!
alicia.blaya@ua.es

- **better awareness of the applicable rules, the IP system/ IP rights** and their optimum use is necessary;
- **informed & skilled decision-making** is necessary;
- awareness of **supporting services** (!)