



IP Issues in FP7

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IPR-Helpdesk is a constituent part of the "IP Awareness and Enforcement: Modular Based Actions for SMEs (IPeuropAware)" project which is financed by the CIP Programme, DG Enterprise and Industry of the European Commission



Introduction
Grant agreement
Consortium agreement
Practicum



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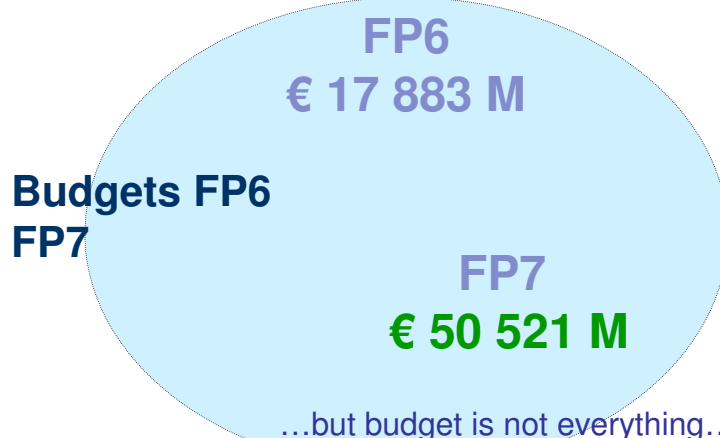
EC Treaty
Pluriannual Framework Programmes (2007-2013)



**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

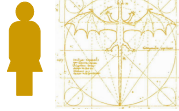


...but budget is not everything...

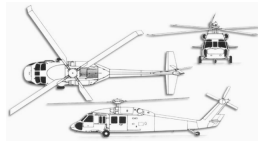
Making the most of the EC funding very much depends on **participants'**
knowledge of the IP- related issues & rules



Under which conditions are we going to exchange our knowledge?



Who will be the owner of the results?



How will we exploit the results?

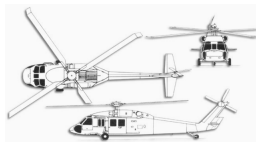


Under which conditions are we going to exchange our knowledge?



PROPOSAL STAGE

Who will be the owner of the results?



How will we exploit the results?



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 packages¹ (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).



3. Impact

PROPOSAL STAGE

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.

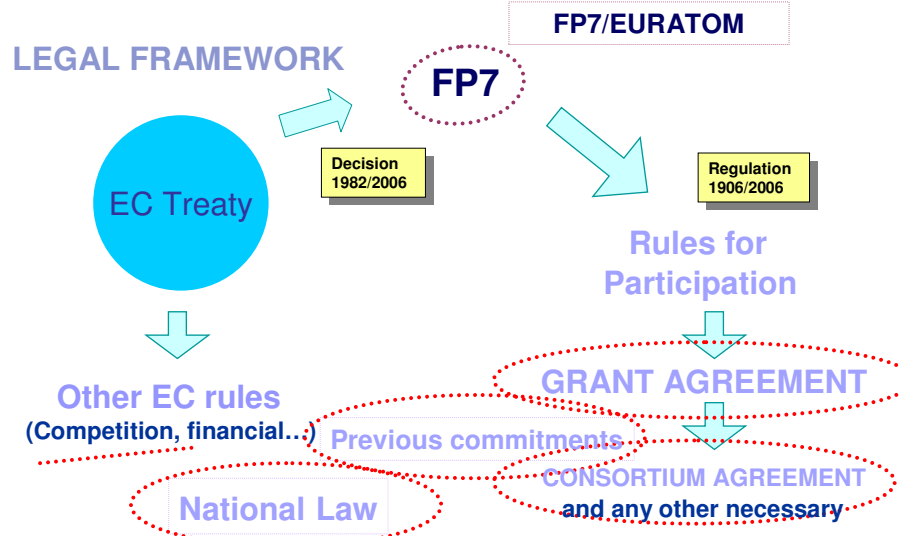
3.2 Dissemination and/or exploitation of project results, and management of Intellectual property

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)



Negotiation and proposal preparation	Project execution	Use and dissemination
<ul style="list-style-type: none"> • preliminary agreements • consortium agreement 	<ul style="list-style-type: none"> • access rights (licences) • joint ownership agreements 	<ul style="list-style-type: none"> • licensing • assignment • ...
grant agreement		



Networking with other partners with different backgrounds on equal conditions offers a perfect opportunity to integrate and grow R&D activities

Knowing beforehand which options and rights are acknowledged by the **grant agreement** is a key starting point for proper negotiation

Knowing the rules means...
knowing your chances



Introduction
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- **Grant Agreement**
- Annex I (technical description)
- Annex II (general conditions)
- Annex III (specific conditions)
- Special clauses



- **Consortium Agreement**
- Other agreements



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

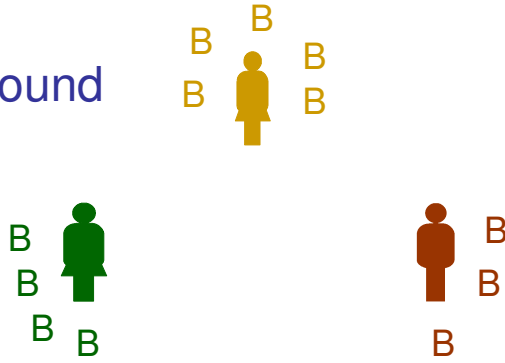
Dissemination: making foreground available to the public

Use: direct or indirect utilisation of foreground in further research or economic activities

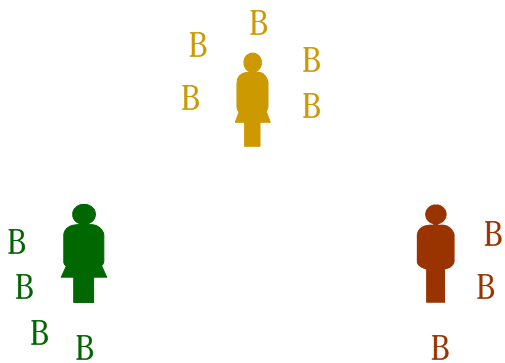
Access rights: licences and user rights to foreground and background



The background



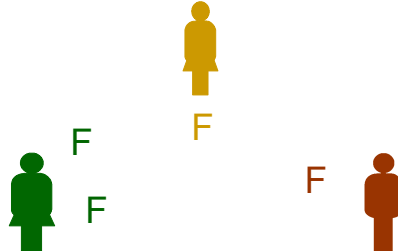
- Background refers to IP resources **necessary** for the project
- Background remains the **property** of the participant that brings it into the project
- Participants shall **inform** each other of any limitations to access background due to **previous commitments**



- The consortium may define the background available to the project (**positive list**)
- The consortium may exclude specific background (**negative list**)



The foreground



- Each participant is **owner of the foreground it generates** by its own efforts
- Participants may agree on a different ownership regime
- Employees' and other personnel rights shall be taken into consideration



Research for the benefit of SMEs

RTD performers



**SME participants or
SME associations**



- SME actions specifically aim at strengthening innovative capacity of SMEs
- The beneficiaries of SME actions are SME participants or SME associations
- The **RTD performers carry out RTD activities for the benefit of SME participants/SME associations**
- Other participants may take part in SME actions, but their role is not dominant (!)



RTD performers



F

SME participants or
SME associations



The transaction €



- **Default regime:** SME participants/SME associations retain ownership of all foreground; RTD performers are reimbursed for their costs on the basis of their invoices
- The parties may agree otherwise, as long as the interests of the SME participants/SME associations are preserved



RTD performers



SME participants or
SME associations



The transaction



- The transaction details **IP management** and the **remuneration of the RTD performers**
- The **Commission approves** the transaction (and any modification) as part of the **Annex I** to the grant agreement
- The transaction shall be complete and transparent



Employees' creations

No harmonisation

Legal framework: National (IP/labour) law

Importance of contractual provisions

- ✓ Rules have aspects of subsidiary application
- ✓ Some provisions may be compulsory but contain gaps



Tip: While negotiating participation, a file with the relevant national rules/ internal measures necessary to comply with the grant agreement may be submitted. This would eliminate confusion concerning personnel rights from start



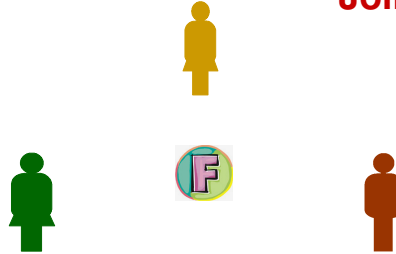
Subcontracting



- The participant is responsible towards the consortium and the Commission for the work to be carried out by the subcontractor
- The participant shall ensure to be the owner of all results generated by the subcontractor



Joint ownership



1. SME actions (default rule)
2. When foreground has been generated by common efforts and it is not possible to ascertain individual contributions
3. By choice

- Each joint owner may grant non-exclusive licences to third parties, subject to prior notice and fair and reasonable compensation to the other joint owners (default regime)

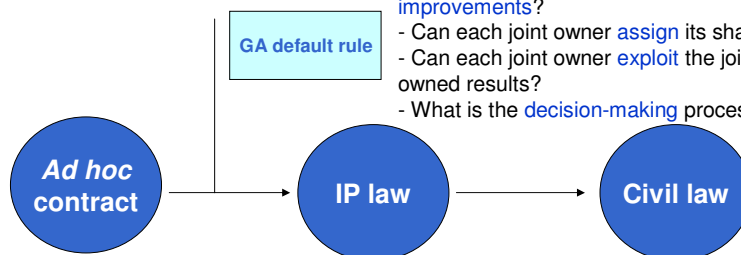
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Joint ownership

Some other issues:

- Assignment of shares
- Who can act against infringements?
- What happens in the event of individual improvements?
- Can each joint owner assign its share? How?
- Can each joint owner exploit the jointly owned results?
- What is the decision-making process? ...



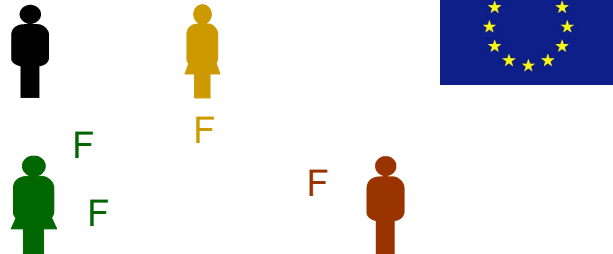
Notes:

- The consortium agreement may not be the right instrument to rule on joint ownership
- Should you use it, a consortium agreement that just reproduces the grant agreement lacks added value
- Should you fail to reach a proper agreement, it may be wiser to consider alternatives

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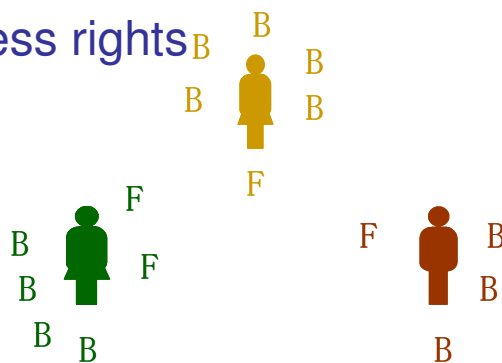
Transfer



- 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
- No *notification* for transfers towards specifically identified third parties may be agreed
- **The Commission may object** to transfers towards entities established in third countries **if European interests are at stake**

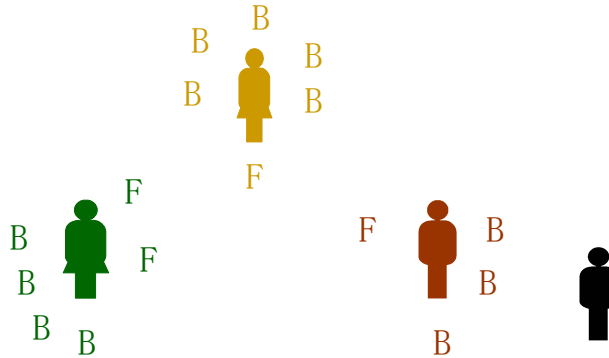


The access rights



- A participant **needs** another participant's background or foreground in order to **carry out its project work**

- A participant **needs** another participant's background or foreground in order to **use its own foreground**



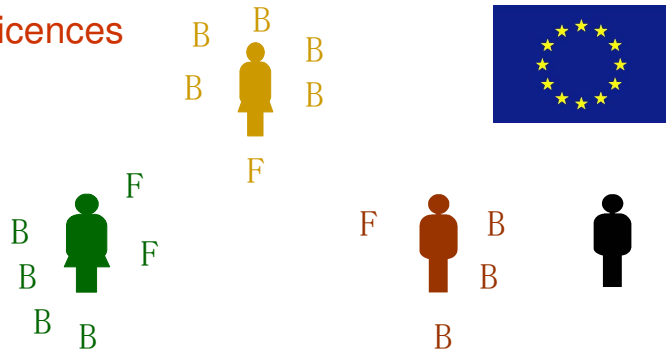
- Access rights requests shall be made **in writing**
- Access rights for implementation: granted **throughout the duration of the project**
- Access rights for use may be requested up to **1 year** after the end of the project (unless participants agree on a *different* time-limit)
- Access rights do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



Economic conditions ACCESS RIGHTS	Background	Foreground
PROJECT IMPLEMENTATION	Free of charge, unless otherwise agreed before signing GA Free of charge from RTD performers	Free of charge
USE PURPOSES	Free of charge or under fair and reasonable conditions RTD performers (to their B): decision before signing GA RTD performers' access to F: upon owners' agreement, basically for research, and on fair and reasonable conditions	



Exclusive licences

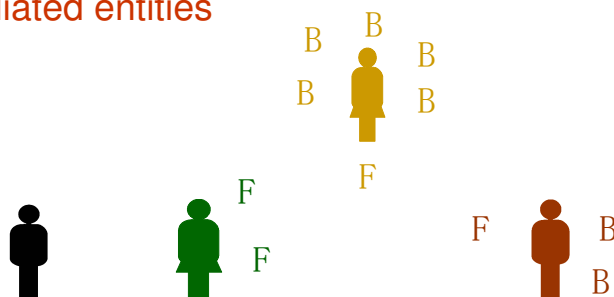


- A participant can grant an exclusive licence to foreground or background, but...
...the other participants shall **waive their access rights** in writing

- **The Commission may object** to the exclusive licensing of *foreground* to entities established in third countries if **European interests are at stake**



Affiliated entities



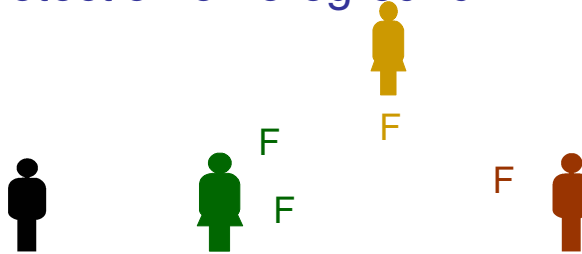
- Annex II defines "affiliated entities" and recognises them some **access rights for use** purposes

- In order to enjoy 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 states

- Other agreements are possible (e.g. in the consortium agreement)



Protection of foreground



- Each participant shall **protect its own foreground if commercially or industrially applicable**
- When a participant is not interested in protecting its foreground it shall transfer it to another entity that is willing to protect it
- **If nobody is interested** in protecting the foreground, **the Commission shall be informed before any dissemination activity takes place**



		Subject-matter	IP rights	
IP	Industrial Property	Inventions	Patents	Trade Secrets
			Utility Models	
			Plant Varieties	
		Distinctive signs	Trade Marks	GI, DO
	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



~~Everything we produce is patentable~~

Inventions that are new (worldwide), involve an inventive step and can be industrially applied (EU: Computer programs as such are not patentable)

~~In R&D projects, trade mark protection is not an issue~~

Sometimes, utility model (or similar) protection or trade secret protection may be good alternatives

~~This product has a very good design... It's that practical!~~

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

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

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

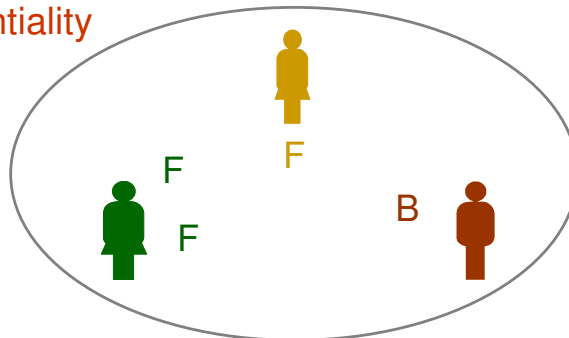
Appearance of products (EU: Novelty and individual character required)

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

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



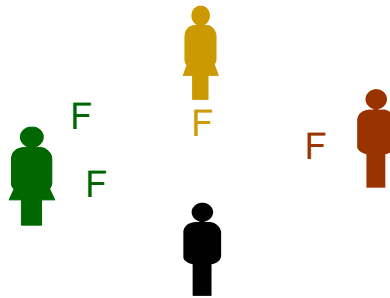
Confidentiality



- A **general obligation of confidentiality** applies to all participants for information exchanged during the execution of the project and identified as "confidential"
- The confidentiality obligation persists up to 5 years after the project end
- It is crucial to preserve confidential data, **until protection and use activities** have been planned (and implemented)



Use of foreground

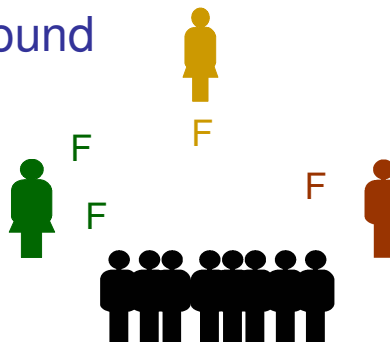


- Participants shall use the foreground in **further research or commercial activities**

- Participants may use the foreground **directly or indirectly**, together/ individually



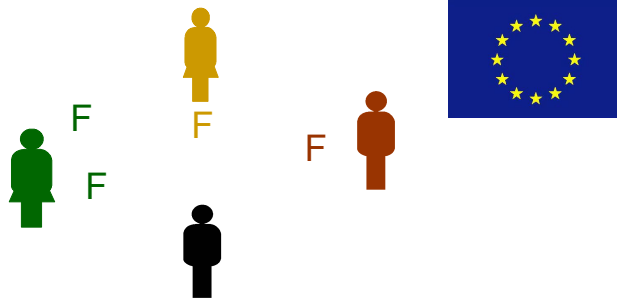
Dissemination of foreground



- Participants shall disseminate their foreground as swiftly as possible
- Taking care of its protection and use, as well as of the legitimate interests of the other participants
- Dissemination activities shall be notified in advance and may be objected
- Always ensure visibility for the European Community support



Plan for the use and dissemination of foreground



- A plan for using and disseminating the foreground is submitted by the participants at the end of the project (draft already at proposal stage!)

- It describes participants' plans for the protection, use and dissemination of foreground (including any arrangements on licensing to third parties, etc.)

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IP- related costs... Are they eligible?

General conditions of eligible costs (actual; being incurred in the implementation of the project; economic; recorded in the accounts of the participant; indicated in the estimated overall budget in Annex I...)

Protection

Dissemination activities

Exploitation promotion ...

General Info-desk: <http://ec.europa.eu/research/enquiries>

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Introduction
Grant agreement
Consortium agreement
Practicum



Negotiation and
proposal preparation

Project execution

Use and
dissemination

- preliminary agreements
- consortium agreement

- access rights (licences)
- joint ownership agreements

- licensing
- assignment
- ...

grant agreement



Consortium agreement

Why another agreement if we already have the grant agreement?

- ✓ The grant agreement does not provide the whole picture (it is largely a standard agreement)
- ✓ The consortium agreement regulates or specifies participants' rights and obligations among themselves (the EC is not a party)
- ✓ Some IP-related rules may be derogated or supplemented in a separate agreement (e.g. joint ownership, exclusion of background, details on dissemination...)



Why another agreement if we already have the grant agreement?

The consortium agreement is meant to govern the following:

- (a) the **internal organisation** of the consortium;
- (b) the distribution of the Community **financial contribution**;
- (c) additional rules on **dissemination, use and access rights**;
- (d) the settlement of **internal disputes**;
- (e) **liability, indemnification and confidentiality arrangements**
(art. 24 RfP)



Aside from what the rules expressly admit, the consortium agreement may refer to any issue of interest for participants (without contradicting the grant agreement)

Important:

Where negotiation of certain issues is troublesome, participants may conclude a **basic agreement**, to be developed later as long as concerns and issues are resolved

When to sign it?

See your call for proposals to check if you are obliged to conclude a consortium agreement (SME actions: compulsory)



Any standard terms or clauses?

Preliminary Clauses

Central Clauses

Final Clauses

Like any contract ☺



Preliminary Clauses

Preamble [Summary of the project framework] e.g.

Title

Parties (!)

Legal effect only between the signatories

Language(s) and determining valid version

Definitions (!!!)

e.g. "needed" or "necessary"

All necessary terms defined (different backgrounds, cultures, legal nature...) Consistency with the grant agreement (!)

(Duration)



Central Clauses

Financial and administrative management

Consortium bodies, decision-making procedures
Financial organisation (how, when, how much, to whom ...)

Technical provisions (including IP-related provisions)

Resources provided (human resources, durable equipment, etc.)
WPs, e.g. measures in case of non-compliance with timetable
Procedure for modifying the agreement (!)

Responsibility and liability

Technical collective responsibility towards the Commission; limits of liability for damage caused, liability towards third parties



Final Clauses

Applicable Law

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

Dispute resolution systems

Jurisdiction [competent tribunals in case of conflict]
Alternative Dispute Resolution (ADR) systems, e.g.:
Mediation
Arbitration

Other: e.g. confidentiality, (duration), assignment...



Consortium agreement – models



- Not EC official documents
- Consortia not obliged to follow them (!)

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





Some examples of clauses, but always check last 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



Which foreground can I use?

own foreground	any foreground	any foreground from the same subproject
-----------------------	-----------------------	--



Which are the general conditions applicable for access rights?

written request

deemed granted, notification in some cases

deemed granted

access rights for use up to 1 year after the project

access rights for use up to (2) years after the project

access rights for use up to 2 years after the project

no time-limit for access rights requests



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



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



Consortium agreement – models

Remember

- Not EC official documents
- Consortia not obliged to follow them (!)
- If used, it is the responsibility of the user to subject the consortium agreement to legal examination

You may send us your
draft CA via Helpline



Useful links

CORDIS Community Research and Development Information Service:
<http://cordis.europa.eu>

CALLS
<http://cordis.europa.eu/fp7/dc/index.cfm>

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

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



IPR-Helpdesk documents

IP - related issues at the proposal stage

Joint ownership in FP7

Protection of project results under FP7

Confidentiality Agreement model

Comparison of FP7 consortium agreement models

Consortium Agreement Checklist for SME actions ...



Thank you for your attention

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