



European
IPR Helpdesk

The basics of successful IP management in Horizon 2020



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Gijon 17/04/2018



HORIZON 2020

The New EU Framework Programme for Research and
Innovation (2014-2020)



HORIZON 2020



Why is it important to consider IP in H2020?

- The Rules for Participant establish **best efforts** commitment of participants to **exploit their own results**.
- IP and exploitation issues are **subject to evaluation** regarding **impact and feasibility** of the proposal.
- Results of research and development activities require further and often substantial investments to take them to market, which is **appealing** if the results are well protected through **intellectual property**.
- Properly managing IP in the projects, helps participants to **avoid future conflicts** among the consortium.



IP downstream route/Steps

- Understanding the scene (Terms, Rules, Model Agreements, etc)
- Setting the scene (Which IP provisions are negotiable?)
- Getting to know the individual interests, motivations and expectations of individual partners regarding IP management and exploitation
- Strategies and Plans to capture, manage and exploit results of H2020 projects on consortium level
- Developing the right innovation management structures
- Definition of appropriate activities and tasks to implement innovation-related activities
- Exploitation pathways, route to market, business models

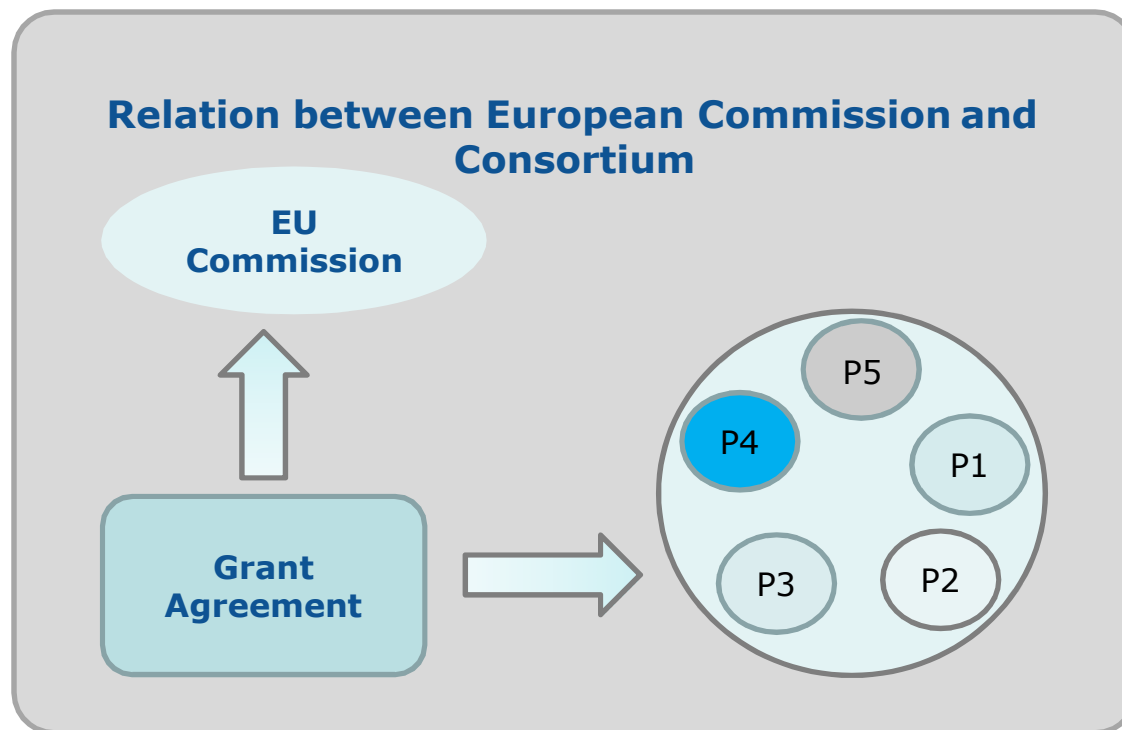


STOP

IP Framework under H2020



Grant Agreement (I)





H2020 – Annotated Model Grant Agreements

- **General Model Grant Agreement**

Section 3 addressing „Rights and Obligations related to Background and Results“

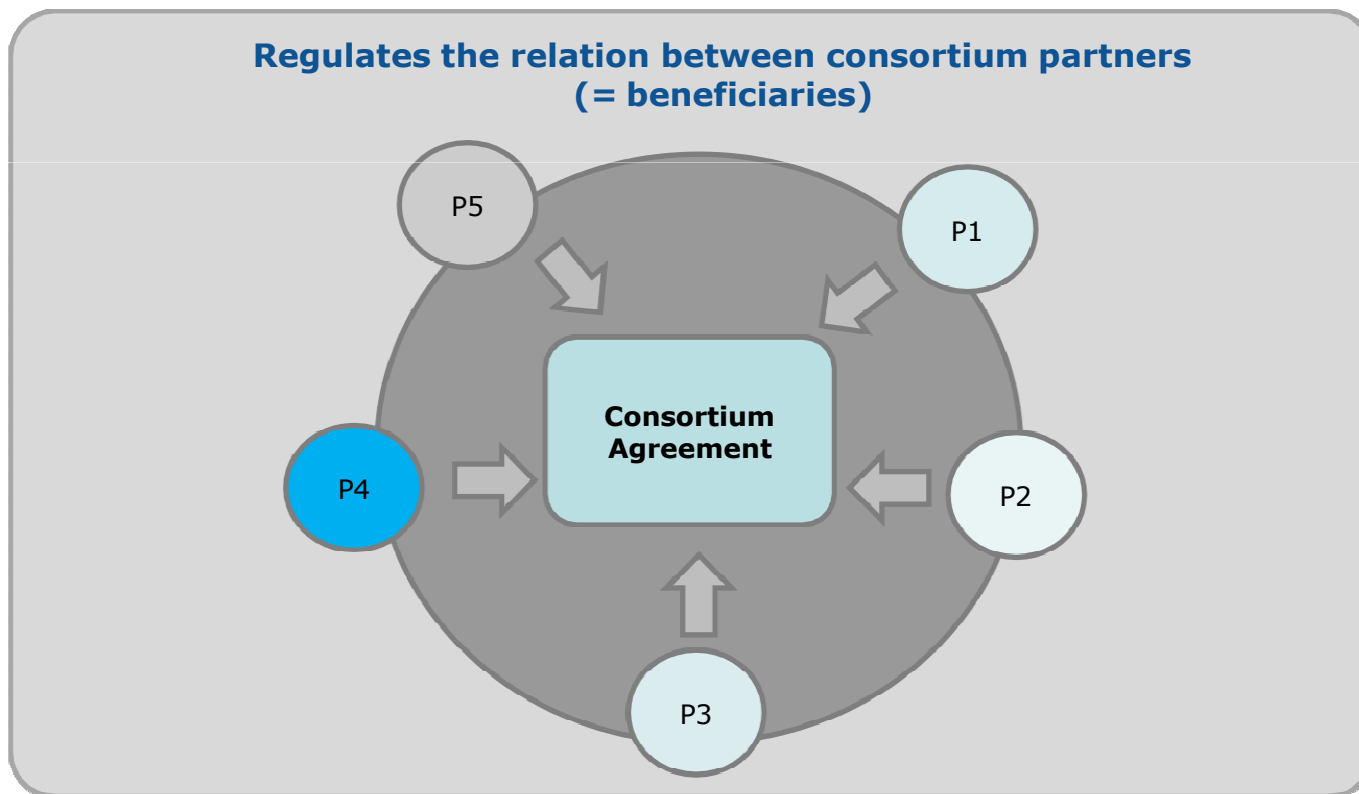
Structure:

- Core text with relevant articles
- Annotations to articles
- Examples, best practices, lists and procedures, exceptions

The document will be periodically updated with new examples and explanations, based on practical experience and on-going developments



Consortium Agreement (CA)





Consortium Agreement (II)

- A legal document that regulates the internal work of the Consortium
- Mandatory for the majority of projects
- Legal basics: Grant agreement (+ Annexes)/ RfP
- Implements the provisions of the Grant Agreement/programme rules
- May in no way contradict the prerequisites laid out in the EU Agreement/programme rules; the latter always take precedence!
- The CA should be worked out during the "*time to grant*" at the latest ; be prepared!
- Consortia are responsible for set up the governing rules; the Commission has no binding model, but... see participant portal
- **DESCA** (Development of a Simplified Consortium Agreement) model; Different options/modules, i.e. related to software development
MCARD-2020 - ICT industry; **EUCAR** – Automotive industry; **IMG4** - Model Consortium Agreement for the Aeronautics projects

<http://www.desca-2020.eu/>





What should the CA include?

- Designation of the parties (beneficiaries)
- Preamble (context and purpose, identify the project clearly)
- Definitions (do not repeat nor deviate from those included in the GA and RfP!)
- Subject (description of the work to be done – this may refer to the description of the action)
- Technical provisions (project schedule, etc. if relevant in the CA - do not forget provisions addressing any substantial changes in the work foreseen!)
- Managerial provisions (management bodies and respective tasks, decision-making processes)

- Financial provisions complementing those already included in the GA (payments, costs, changes to financial plans)
- **Provisions on IPR, exploitation and dissemination. These must be flexible and support both the cooperation between the parties and a sound implementation of the project, while encouraging protection, exploitation and dissemination.**
- General provisions (entry into force, duration and termination, amendment procedure, confidentiality, breach and liability, survival, law and jurisdiction, signatures...)





*Where are the rules regarding
IP in Horizon 2020 to be found?*



Intellectual Property rules

The IP rules in Horizon 2020 can be found in:

- (i) the **Rules for Participation**
- (ii) the (model) **Grant Agreement**
- (iii) the applicable **work programme (topic description)**

How to find: **Participant Portal**





Vocabulary

Key terms in the context of Horizon 2020 projects are:

- Background
- Results
- Exploitation
- Dissemination
- Access rights





Definitions (I)

Background

Tangible or intangible input (data, knowhow, information) which is held by the project partners prior to their accession to the agreement. Includes IP as copyright, patents/ patent applications (filed prior to access to agreement).

Examples: *prototypes; cell lines; database rights, licences with the right to sublicense*

Project partners **must identify their background in writing**

Results

All results which are generated under the project – whether or not protectable. Such results may include copyrights, design or patent rights, trademarks or others, and belong to the partners who have generated them.





Identify your background

General MGA: “the beneficiaries must identify and agree (in writing) on the background for the action”

In the CA:

- Define how the background will be listed: positive list (DESCA, MCARD), but also other options such as the negative list (MCARD), or both.
 - ✓ Definitions and/or exclusions should be clear enough to avoid disputes!
- Draft the background list and include it in attachment 1 for DESCA
- Mention possible restrictions linked to the grant of access rights over specific background (before the accession to the GA)!!!
- Identify a procedure for the amendment of the background list: can partners freely add and withdraw background from the list?





Definitions (II)

Access rights

User rights (incl. licenses) to results or background of project partners.

Exploitation

Utilisation (direct/indirect) of results in research activities, which are **not** part of the project, as well as utilisation for further development, creation and marketing of a product or process.

Dissemination

Means through which research results are presented to the public. Official publications (e.g. patent applications) are not considered as dissemination.





Ownership of Results

- **In Horizon 2020, generally the grant agreement establishes that the results of the project belong to the participant generating them.**
- It is advisable to take appropriate measures to properly manage ownership issues, such as keeping laboratory books or other kinds of documentary evidence (e.g. a properly completed Invention Disclosure Form)
- Given the collaborative nature of most projects, some results can be jointly developed by several participants. Hence, situations of joint ownership might arise.
 - > **Joint Ownership Agreements** (i.e. defining specific conditions for granting licenses or issues related to costs of protection and sharing of potential revenues); Default rule in Consortium Agreement ..



Refine ownership provisions

General MGA: “results are owned by the beneficiary that generates them”

In the CA:

- Possibility to make this provision more precise i.e. identify the owners of certain foreseen results in writing (for clarity/certainty purposes).
- Set up mechanisms to clarify the ownership of results upon their creation:
 - ✓ Identify a person/body in charge of monitoring the creation of new results.
 - ✓ Set up a procedure to inform all partners upon the creation of new results and allow them to claim/confirm ownership.





Set up tailored joint ownership rules

General MGA: “unless otherwise agreed in the joint ownership agreement, each joint owner may grant non-exclusive licences to third parties to exploit jointly-owned results [...]”

In the CA:

- Possibility to create a default joint ownership regime which differs from the default one set forth in the MGA.
 - ✓ Define whether or not an authorisation from the co-owner is requested before exploiting the joint results.
 - ✓ Deal with profit-sharing.
 - ✓ Distinguish commercial and non-commercial exploitation.
 - ✓ Possibility to create specific joint ownership regimes for some of the joint results already foreseen.
 - ✓ This will be useful for results to be jointly owned by all partners.
 - ✓ For results to be jointly owned by only some of the partners, it is advisable to resort to a separate joint ownership agreement.





Deal with confidentiality and non-disclosure obligations

The General MGA sets out confidentiality requirements;

In the CA:

- Define confidential information.
- Set up procedures surrounding the identification and disclosure of such information.
- Specify which acts constitute non-authorized disclosure and which acts are allowed.
- Address confidentiality during the project and beyond.
 - ✓ Specify how long the non-disclosure obligations will last for once the project is over (usually 4 years).





Access Rights (I)

- Each project partner has the right to **request access rights** to the other project partner's background and results as long as it needs them in order to carry out its work under the project or to use its own results (these are **minimum access rights**).
- Shall be made in writing.
- To avoid conflicts, it is recommended that beneficiaries agree (e.g. in the consortium agreement) on a common interpretation of what is "**needed**".
- Are to be requested/granted throughout the duration and up to 1 year (or as otherwise agreed in the CA) after the end of the project for exploitation needs; Once requested, access rights may be exercised as long as they are needed for exploiting the results (e.g. until the background patent expires).
- Access rights do **not** confer the right to grant sub-licences.



Access Rights (II)

Granting of Access Rights

	Access to background	Access to results
Project implementation	Royalty-free	Royalty-free
Use of results	Royalty-free, or on fair and reasonable conditions	Royalty-free, or on fair and reasonable conditions



Shape access rights provisions

The General MGA only sets up “minimum” access rights. This means that more favourable access rights can always be granted.

In the CA:

- Determine procedures for the request and grant of access rights.
 - ✓ *Access rights can be deemed requested and/or granted in the CA (EUCAR, MCARD)*
- Set up time limits for the request of access rights for exploitation (MGA: 1 year after the end of the project; MCARD: 5 years; EUCAR: no time limit).
- Possibility to broaden the scope of access rights: give access to sideground, grant right to sublicense...
- Determine a procedure for the waiving of access rights.
- Access rights for implementation = usually royalty-free.
- Possibility to refine the conditions for the grant of access rights for exploitation.
 - ✓ *Example: royalty-free for further research, on fair and reasonable conditions if needed for commercial exploitation.*
- Possibility to adjust or exclude the right for affiliates to request access rights.
- Clarify access rights for parties entering / leaving the project.
- Include specific access rights provisions for software.





General obligation to protect

Each beneficiary must examine the possibility of protecting its results and must adequately protect them — for an appropriate period and with appropriate territorial coverage — if:

- (a) the results can reasonably be expected to be commercially or industrially exploited and
- (b) protecting them is possible, reasonable and justified (given the circumstances).

When deciding on protection, the beneficiary must consider its own interests and the interests (especially commercial) of the other beneficiaries.



Protection by IPR

IPR	What for?	Registration?
Patent	New inventions	Registration is required
Utility model	New inventions	Registration is required, but conditions are less stringent than for patentability
Trade Marks	Distinctive signs	Registration is required
Industrial Design	Appearance of products	Registration is usually required, but it is possible to acquire an unregistered design right
Copyright	Literary, artistic and scientific works	Not required, but it can be registered in some countries
Confidentiality	Confidential business information/trade secrets	Not required, but internal protection measures needed (i.e. NDAs)

Always use IPR symbols, such as © for copyright, ™ and ® for trademarks, or any other equivalent indicating that it is protected by one or more different IPR





Set up procedures to decide on the protection of results

General MGA: “each beneficiary must examine the possibility of protecting its results and must adequately protect them [...]”

In the CA:

- Designate person/body to monitor the creation of results.
- Designate person/body to ensure that all “valuable” results are being protected by their owner(s).
 - ✓ *This will usually have to be done while setting up management provisions in your CA.*
- Implement a procedure to make sure no inventors are left out of a patent application (if applicable).
- Implement a procedure to make sure the choice of a protection route does not affect other partners’ commercial interests.





Costs reimbursements

- Costs of intellectual property rights (IPR), including protecting results (e.g. fees paid to the patent office for patent registration) and royalties on access rights are eligible costs
- Cost for open access publications are also considered eligible by the GA, e.g. Author Processing Charges (APCs)
- Ask your legal/financial NCP!





Obligation to disseminate

Project partners are obliged to disseminate the results swiftly (i.e. to scientific community/broader public) by any appropriate means other than that resulting from the formalities for protecting it or exploiting the results, and including the publication of results in any medium.

But:

- *no dissemination of results may take place before decision is made regarding their possible protection, and*
- *all patent applications and publications or any other type of dissemination (also in electronic form) shall include a statement that the action received financial support from the Union – The same applies to results incorporated in standardisation activities.*





Set up procedures surrounding the dissemination of results

General MGA: “each beneficiary must [...] ‘disseminate’ its results”.

✓ *Remember: Open Access to scientific publications!*

In the CA:

- Refine dissemination provisions on the basis of article 29.1 MGA.
- In particular, possibility to agree upon:
 - ✓ Different notice period before any dissemination occurs.
 - ✓ Different timeframe during which partners can object to dissemination (upon being notified).
 - ✓ Who the objection should be addressed to (DESCA: to coordinator and partner wishing to disseminate / MCARD: to all partners).
 - ✓ How objections should be handled and can be overcome.
 - ✓ Procedures to ensure coherent dissemination e.g. co-authorship.



General obligation to exploit

Each beneficiary must — **up to four years after the project completion** take measures aiming to ensure '**exploitation**' of its results (either directly or indirectly, in particular through transfer or licensing by:

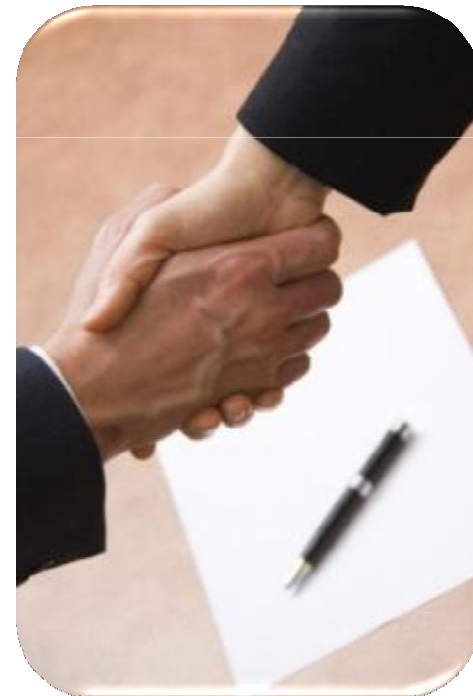
- (a) using them in further research activities (outside the action);
- (b) developing, creating or marketing a product or process;
- (c) creating and providing a service, or
- (d) using them in standardisation activities.



Routes for use/exploitation

Basic options

- Use for further research
- Developing and selling own products/services
- Spin-Off activities
- Cooperation agreement/Joint Ventures
- Selling IP rights/Selling the (IP based) business
- Licensing IP rights (out-licensing)
- Standardisation activities (new standards/on-going procedures)





Pave the way to exploitation

General MGA: “each beneficiary must [...] take measures aiming to ensure ‘exploitation’ of its results”

In the CA:

- Possibility to mention exploitation routes if they have already been agreed upon.
 - ✓ *Example: agreement on the creation of a joint-venture or spin-off company once the project is over.*
 - ✓ *The exploitation strategy must be consistent with what was planned in the PEDR!*
- Possibility to refer to further/future exploitation agreements involving only some of the partners.

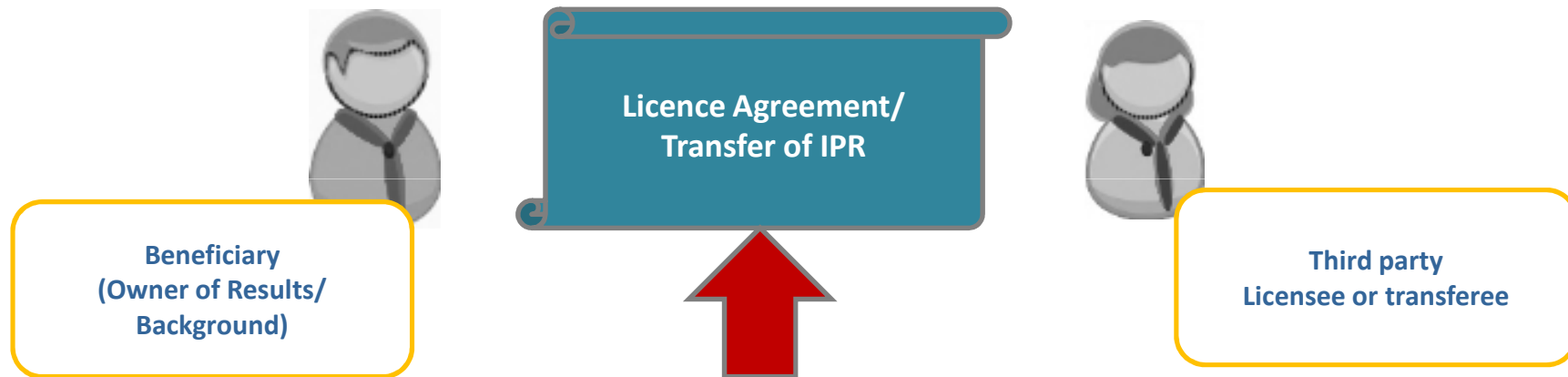




*Be aware of restrictions/limits
regarding the transfer of
results!*



H2020 IP exploitation: remember access rights!



The other beneficiaries' access rights need to be maintained

- as long as they can be requested,
- or to the extent, as they have already been granted

The other beneficiaries need to be notified if IPR is transferred to a third party and may object if their access rights are not maintained.



H2020 IP exploitation: limits to transfers and exclusive licences



Consequences:

- Non-exclusive licenses can be granted to third parties at anytime
- In an exclusive license the obligation to grant access rights has to be passed on to the third party – not really “exclusive”
- In a transfer of ownership the obligation to grant access rights must also be passed on to the transferee

Possible solutions:

- For licensing: “real” exclusive licensing is possible if the other beneficiaries waive their access rights in writing
- For transfers: notification is not necessary in case of a transfer to specifically identified third parties



H2020 IP exploitation: further limits to transfers of results



Further obligations to remember in case of a transfer:

- Obligation to pass on all obligations linked to the results to the transferee: access rights, but also obligations linked to the protection, exploitation and dissemination of results
- *If clause 30.3 is included in your Grant Agreement:* obligation to notify the Commission before you transfer the results **to a third party located in a non-EU country non-associated to H2020**. The EC may in this case object to the transfer.
 - The same clause also applies to exclusive licences!



Conclusion

- ✓ Allocate enough time to draft your CA.
- ✓ If you use templates such as DESCA/MCard/LERU etc, read all provisions carefully and adapt them to your project's needs.
- ✓ Nothing in your CA should block the implementation of your project or its exploitation phase!
- ✓ A good CA is a tool upon which you will be able to base your exploitation strategy.

Further Guidance:

- ✓ Legal & Financial National Contact Points can give you guidance and explanations on the GA's legal and financial rules.
- ✓ The European IPR Helpdesk's Helpline can revise the draft IP provisions of your CA. (1) Register for free on our website (2) submit your draft IP provisions for review (3) get a written reply within three working days!





Further Information

- ❑ Brochure “Making the Most of Your H2020 Project”
- ❑ European IPR Helpdesk’s *Guide to IP in Horizon 2020*
- ❑ Fact sheets
 - *IP management in Horizon 2020: at the proposal stage*
 - *IP management in Horizon 2020: at the grant preparation stage*
 - *IP management in Horizon 2020: at the implementation stage*
 - *Open access in Horizon 2020*
 - *How to deal with IP related clauses within Consortium Agreements*

Check www.iprhelpdesk.eu/library/!

- ❑ DESCA 2020 model : <http://www.desca-2020.eu/>
- ❑ LERU model (for ITN projects): <http://www.leru.org/>
- ❑ EUCAR 2020 model : <http://www.eucar.be/>
- ❑ MCARD-2020 model : <http://www.digitaleurope.org/>





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Thank you.

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