



European IP Helpdesk

Stay ahead of the innovation game.

Consortium Agreements

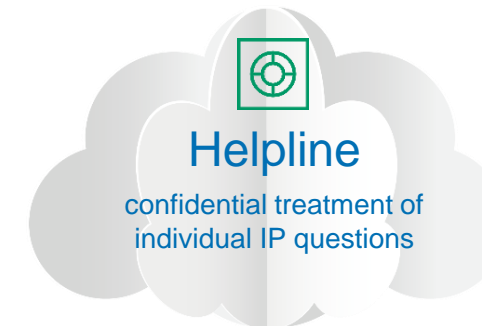
08 April 2020





European IP Helpdesk

- Service initiative of the European Commission
- Addressing current and potential beneficiaries of EU-funded projects, researchers and EU SMEs
- Free-of-charge first-line advice on intellectual property (IP)
- Hands-on IP and innovation management support
- International pool of IP experts from various thematic fields
- Unique cooperation scheme with the Enterprise Europe Network: 50 ambassadors from 28 EU countries





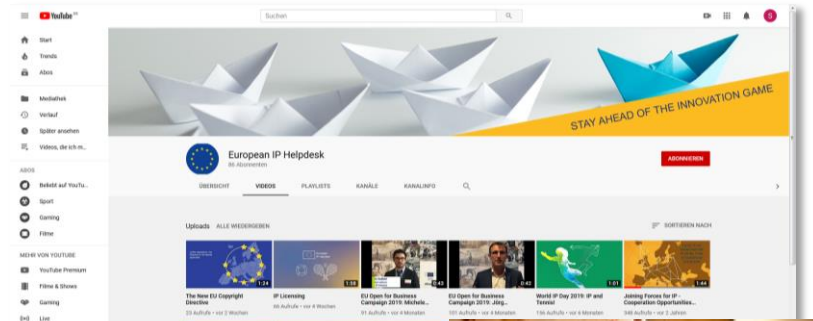
Communication Formats & Outreach Tools



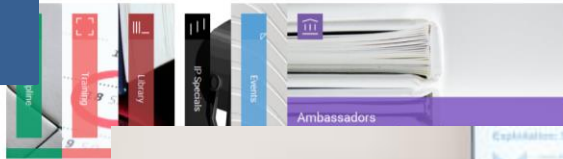
Website



Publications



Audio-visual Content



Training



Social Media



Helpline



- Free of charge first-line IP support
- Personal and “to the point”
- Answer within 3 working days
- Email, phone and web
- In: English, Spanish, French, German, Italian and Polish
- Confidential





Upcoming Webinars

Date	Title	
Thursday, 09.04.2020	Online	EXTRA Webinar: Impact and Innovation in Horizon 2020 – a Guide for Proposers
Wednesday, 15.04.2020	Online	Webinar: The Importance of IP for SMEs
Thursday, 16.04.2020	Online	EXTRA Webinar: Maximising the Impact of Horizon 2020 Project Results
Thursday, 23.04.2020	Online	EXTRA! Webinar: IP and Artificial Intelligence
Wednesday, 29.04.2020	Online	NEW NEW NEW! Webinar: IPR & Software
Thursday, 30.04.2020	Online	UPDATE! Webinar: Freedom to Operate
Wednesday, 06.05.2020	Online	Webinar: Effective IP and Outreach Strategies Help Increase the Impact of Research and Innovation
Thursday, 07.05.2020	Online	NEW NEW NEW! Webinar: IP Management and Digitalization
Thursday, 14.05.2020	Online	BRAND-NEW! COVID-19 Special! Webinar: IP in Biotechnology
Wednesday, 03.06.2020	Online	NEW NEW NEW! Webinar: IP Management in ICT projects



2020



Ambassador Scheme

- **Cooperation scheme** with the Enterprise Europe Network (EEN): 49 ambassadors – 27 countries
- **Building IP capacities** among European SMEs
- **Overcoming language barriers**
- Making the topic **more accessible**
- Exchange and feedback from ambassadors on **needs of SMEs**
- **Local awareness** and training events

European IP Helpdesk

Ambassadors team

Currently, we have 49 ambassadors from 27 European countries

Find local Ambassadors by clicking on the related country

Austria
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Belgium
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European IP Helpdesk

IP Guides Library

Guide to Trade Mark and Design Searches

Guide to IP and Contracts

Guide to IP in Europe

Guide to IP Commercialisation

Guide to IP in Horizon 2020

10 steps to find a suitable IP professional

euronews.

Risky business: how to keep your intellectual property safe

ALEXANDRU MARIN
EUROPEAN IP HELPDESK AMBASSADOR

European IP Helpdesk

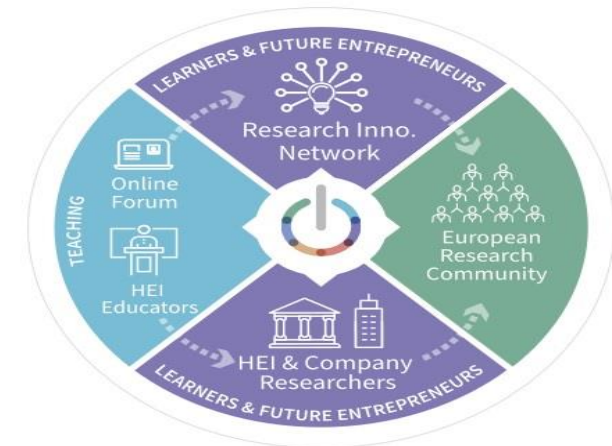
Tu Guía sobre la Comercialización de la PI

STAY AHEAD OF THE INNOVATION GAME



Other innovation support initiatives

International IPR SME Helpdesks



The STARTED Project





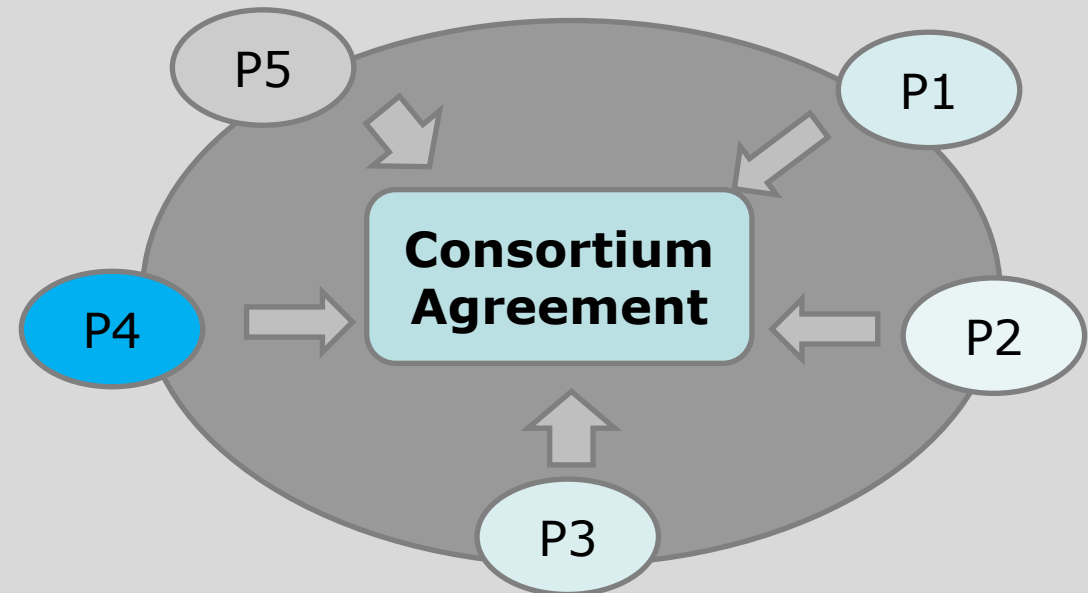
Consortium Agreement (CA)

- A legal document that regulates the internal work of the Consortium
- Mandatory for the majority of projects
- 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!

MODELS (Available on the EUIPHelpdesk Website)

- **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

**Regulates the relation between consortium partners
(= beneficiaries)**





What should the (DES)CA include?

Content	Sect.
Designation of the parties (beneficiaries)	Pre.
Definitions (do not repeat nor deviate from those included in the GA!)	1
Subject / Purpose (description of the work to be done – this may refer to the description of the action)	2
Managerial provisions (management bodies and respective tasks, decision-making processes)	6
Financial provisions complementing those already included in the GA (payments, costs, changes to financial)	7
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.	8,9
General provisions (entry into force, duration and termination, amendment procedure,	3, 4,



Preamble: Negotiation

Depending on the project the CA negotiation can be more or less complex

- < Parties = less changes
- > Parties = more changes

Process:

Step 1: Coordinator creates a Version 1 to be circulated among the partners

Step 2: Round one of changes: SET A DEADLINE (ideally 2- weeks) for the answers

Step 3: Acceptation, rejection of the changes, by the management team (Against GA provision etc.) or other partners

Step 4: Repeat until there are no changes disputed (it normally takes not less than 4 rounds)



Section 1 Definitions

Definitions in the Consortium Agreement are usually words in capital letter

Needed:

Defining what „needed“ means is of outmost importance in the CA.

Results or Background needed for Exploitation activities, for project implementation.

Fair and Reasonable Conditions

To access project results and background



Examples:

Partner 1 will need Background X (and results Z) in order to carry out project activities Z

With respect to Parties which are Research Organisations, given their specific positioning, “appropriate conditions” of their Results / Background necessarily means that any Party wishing to Exploit these Results / Background **shall financially compensate said Research Organisations in case of direct or indirect industrial or commercial exploitation.**



Examples II:

Background means, any data, know-how or information whatever its form or nature, tangible or intangible, including any rights such as intellectual property rights, which is:

1. held by participants prior to their accession to the action;
2. needed for carrying out the action or for exploiting the results of the action; and
3. identified by the participants.

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.



Section 3: Entry into force

CA duration = GA duration



What happens if the CA is not ready at the time to Grant?

Should a consortium postdate the CA?



Amendements

- Modifications related to the items listed in Section **6.3.1.2** shall be communicated via an information letter signed and sent to all Parties by the Coordinator on behalf of the General Assembly (see Attachment 7 to this Consortium Agreement).
 - For example:
- Entry of a new Party to the consortium and approval of the settlement on the conditions of the accession of such a new Party
- Withdrawal of a Party from the consortium and the approval of the settlement on the conditions of the withdrawal



Amendement

- No communication to the EC is needed for the CA amendment itself, unless modifications affect GA regulated issues
- In case you do not have such attachment modifications are still possible, albeit slower.

[Attachment 6: Model Amending Agreement]

Amending Agreement

This Amending Agreement dated [date] is made

BETWEEN:

(1) [legal name of party] (hereinafter referred to as [acronym]), established in [address], represented by its authorised representative(s) [name of authorised representative(s)]

and

(2) [legal name of party] (hereinafter referred to as [acronym]), established in [address], represented by its authorised representative(s) [name of authorised representative(s)]

and

[list of all consortium members]

RECITAL

The parties above have entered into a Consortium Agreement dated [date] ('Current Agreement') and they now wish to amend the Current Agreement as appears below.

IT IS AGREED as follows:

1. Modification of clauses

Clause [clause number] of the Current Agreement is amended by:

- 1.1 deleting the words [.....] which appear in line [...] and replacing them with the words [.....]; the modified clause is as follows: [...]
- 1.2 adding the words [.....] to line [...]; the modified clause is as follows: [...]
- 1.3 Clause [...] of the Current Agreement is amended by adding to the end/beginning of that clause the following text: [...]

2. Other

The Current Agreement is amended as follows:

[...]

[This section allows for any other modification of the Current Agreement requiring a separate amending agreement.]

This Amending Agreement is supplemental to the Current Agreement. Except as expressly amended by this Amending Agreement, the Current Agreement shall remain in full force and effect. Terms defined in the Current Agreement shall have the same meaning in this Amending Agreement, unless otherwise provided by this Amending Agreement.

AGREED by the Parties through their authorised signatories:

(1) [Legal name]



Section 4: Responsibilities of the parties

Breach.

Following the DESCAs structure, in case the parties should disagree in the consortium a mediation procedure should be started.

This should not be the case for a CA breach

Addition:

Art. 4.2 No mediation procedure is required for the General Assembly to identify a Substantial Breach and to decide on the remedies.



Section 5: Liabilities towards each other

5.2 Limitations of contractual liability

No Party shall be responsible to any other Party for any indirect or consequential loss or similar damage such as, but not limited to, loss of profit, loss of revenue or loss of contracts, provided such damage was not caused by a wilful act **or by a breach of confidentiality.**

For any remaining contractual liability, a Party's aggregate liability towards the other Parties collectively shall be limited to once or twice the Party's share of the total costs of the Project as identified in Annex 2 of the Grant Agreement provided such damage was not caused by a wilful act **or gross negligence.**



Section 6: Governance Structure

Standard DESCA structure:

Coordinator

Multiple Members

General Assembly

Executive Board



Optional:

Coordinator

+

Management Partner

Management
Team

Support
Team

Advisory Board



NDA!
Attachment 5 CA



Section 7: Financial Provisions

Excess Payments/Defaulting Party. Who will carry the burden?

In case the Excess Payment can neither be recovered from the Party concerned nor the guarantee fund the amount corresponding to the Excess Payment shall be covered by all the other Parties. The share will be determined by dividing the Excess Payment among all Parties - except the Party concerned - pro rata according to their budgeted share of the grant

Any additional costs which are not covered by the Defaulting Party shall in principle be apportioned to the remaining Parties pro rata to their share in the total costs of the Project as identified in the Consortium Budget.

Risk distribution



Section 8 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.



Section 8 Joint Ownership:

Example: time limit

The joint owners shall endeavour in good faith to, **within six (6) months** as of the generation of such Result, establish a written separate joint ownership agreement regarding the allocation of ownership and the terms of exercising, exploiting, protecting and cost sharing for that protection, of the jointly owned Result.

No template of Joint Ownership agreement is available as every agreement is Ad-Hoc for the results generated





Further provision: Transfer of results/ Assignments/Licenses

- **Art 30.1/30.2 GA:**

...Unless agreed otherwise (in writing) for specifically-identified third parties or unless impossible under applicable EU and national laws on mergers and acquisitions, a beneficiary that intends to transfer ownership of results must give at least 45 days advance notice (or less if agreed in writing) to the other beneficiaries that still have (or still may request) access rights to the results. This notification must include sufficient information on the new owner to enable any beneficiary concerned to assess the effects on its access rights.

...exclusive licences for results may be granted only if all the other beneficiaries concerned have waived their access rights





Question:

- Let's think of a big company, "X", which has several legal entities and countries. Every new patent (or others) is registered and managed by "X Global". If X in one country, for instance, in Spain, "X Spain SA" signs a consortium agreement and, as a result of the joint work, there is a new patent, the applicant for that intellectual property is going to be X Global. So, I assume that X Spain has to warn or to indicate this issue within the consortium agreement, hasn't it?
I wonder if there is any text or link to guide me in this point, like a model.
Thank you in advanced.

- **Joint Ownership**
- **Patent filing issues**





Obligation to disseminate:

Project partners are obliged to disseminate the results swiftly (i.e. to scientific community/broader public) by any appropriate means 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, publications or any other 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.*





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.



Section 8 Dissemination:

During the Project and for a period of X years (standard 1) after the end of the Project

Prior notice of any planned publication shall be given to the other Parties at least **45** calendar days before the publication.

Any objection to the planned publication shall be made in accordance with the Grant Agreement in writing to the Coordinator and to the Party or Parties proposing the dissemination within **30** calendar days after receipt of the notice. If no objection is made within the time limit stated above, the publication is permitted.



Section 8 Dissemination:

The objecting Party can request a publication delay of not more than **90** calendar days from the time it raises such an objection. After **90** calendar days the publication is permitted.





Obligation to disseminate Vs. Obligation to protect

Make sure you comply with the
obligation to protect...

THEN!

Sometimes early disclosures
(dissemination or communication of
results) may undermine potential
future exploitation activities.

...comply with the
obligation to disseminate



Common problems

- **Early disclosures; novelty**



- Patent application or NDA, before entering into discussion.
- Is it possible to change a patent application once it has been filed?



Section 9 Access Rights

Request for access rights shall be done **in writing** within **12 months** from the end of the project

	Access to background	Access to results
Project implementation	Royalty-free	Royalty-free
Use of results	on fair and reasonable conditions (Art. 9.4)	(Royalty-free), or on fair and reasonable conditions (Art. 9.4)



Section 9 Access Rights

What about access rights after the expiration of the CA and after the access time frame ?

Partner A (SME) develops a technology within the project framework together with other partners, among them Partner B (Big Corporation).

Problem: Part of Partner B Background will be needed indefinitely for Exploitation activities

Negotiation:

Partner A aim: Free access to background and results (ensure FTO outside the project framework)

Partner B aim: Access subordinated to license agreement outside the project framework



Solution:

Set fair and reasonable conditions for license prices at the beginning of the project.

This way the SME has a little more contractual strength (has not produced his part of the work yet) and Partner B has a valuable license agreement.

If possible, do not wait to resolve these issues, do it in the CA.





Affiliated Entities:

Affiliated Entities may have normal Partners' access rights.

Art 9.5:

"Affiliated Entities have Access Rights under the conditions of the Grant Agreement Articles 25.4 and 31.4.

[Optional:, if they are identified in [Attachment 4 (Identified Affiliated Entities) to this Consortium Agreement]."

Therefore it is important to list them in attachment 4

Affiliated entities are not subcontractors



Question:

- Question regarding a Consortium Agreement: a beneficiary wants to voluntarily withdraw their third linked party (third linked party agrees). How do I change this in the CA? Do they stay mentioned in the CA or not, as information was shared with them/or they had access to confidential project info during the project. Thank you for your assistance.
- **CA Amendment**
- **Confidentiality**





Section 10: Confidentiality

What to do before signing the CA

Confidentiality dispositions safeguard consortium partners during the contract duration...

... but not before!

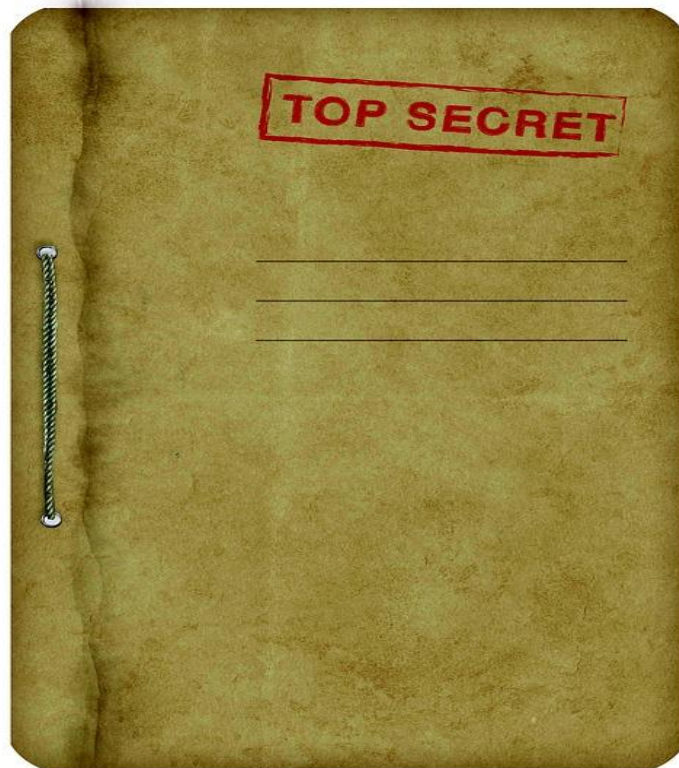
NDA!





Section 10 Confidentiality

Partner 1: All information is confidential.



Partner 1: Confidential information need to
marked to be considered such



Section 11: Miscellaneus

Applicable law, Arbitration?

Option 1.1

Wipo Mediation

Wipo Arbitration

or

Court litigation

Option 1.2

Wipo Mediation

Court litigation

Option 2

ICC arbitration



Attachment 1: Background included

As to [NAME OF THE PARTY], it is agreed between the Parties that, to the best of their knowledge (please choose),

Describe Background	Specific limitations and/or conditions for implementation (Article 25.2 Grant Agreement)	Specific limitations and/or conditions for Exploitation (Article 25.3 Grant Agreement)

Option 2: No data, know-how or information of [NAME OF THE PARTY] shall be Needed by another Party for implementation of the Project (Article 25.2 Grant Agreement) or Exploitation of that other Party's Results (Article 25.3 Grant Agreement).



Question:

For the project we only require to deliver datasets (no models or code).

We want to exclude any risk of opening our models to others and want to exclude this AI from the project. The models are not "Needed". The data that is generated is "Needed".

Our suggestion is to include the specific dataset in the Background list.

And also include a statement that any other data, know-how or information is excluded from access. ("No other data, know-how or information of [Beneficiary-1] shall be needed by another Party for implementation of the Project (Article 25.2 Grant Agreement) or Exploitation of that other Party's Results (Article 25.3 Grant Agreement) and any access is explicitly excluded").

