



H2020 Legal Framework: Handling IPR in the Consortium and Grant Agreement

3ed SEREN3 NCP Training Session, Athens,
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Why is IP important in H2020?

- IP has an essential role in entire life cycle of H2020 projects
- Central role in project evaluation
- IP related costs can be eligible for funding
- Proper IP management enhances effective exploitation of results
- Clarification of confidentiality issues
- Outlining IP strategies of individual partners

Why is IP important in H2020?

Evaluation criterion **excellence**:

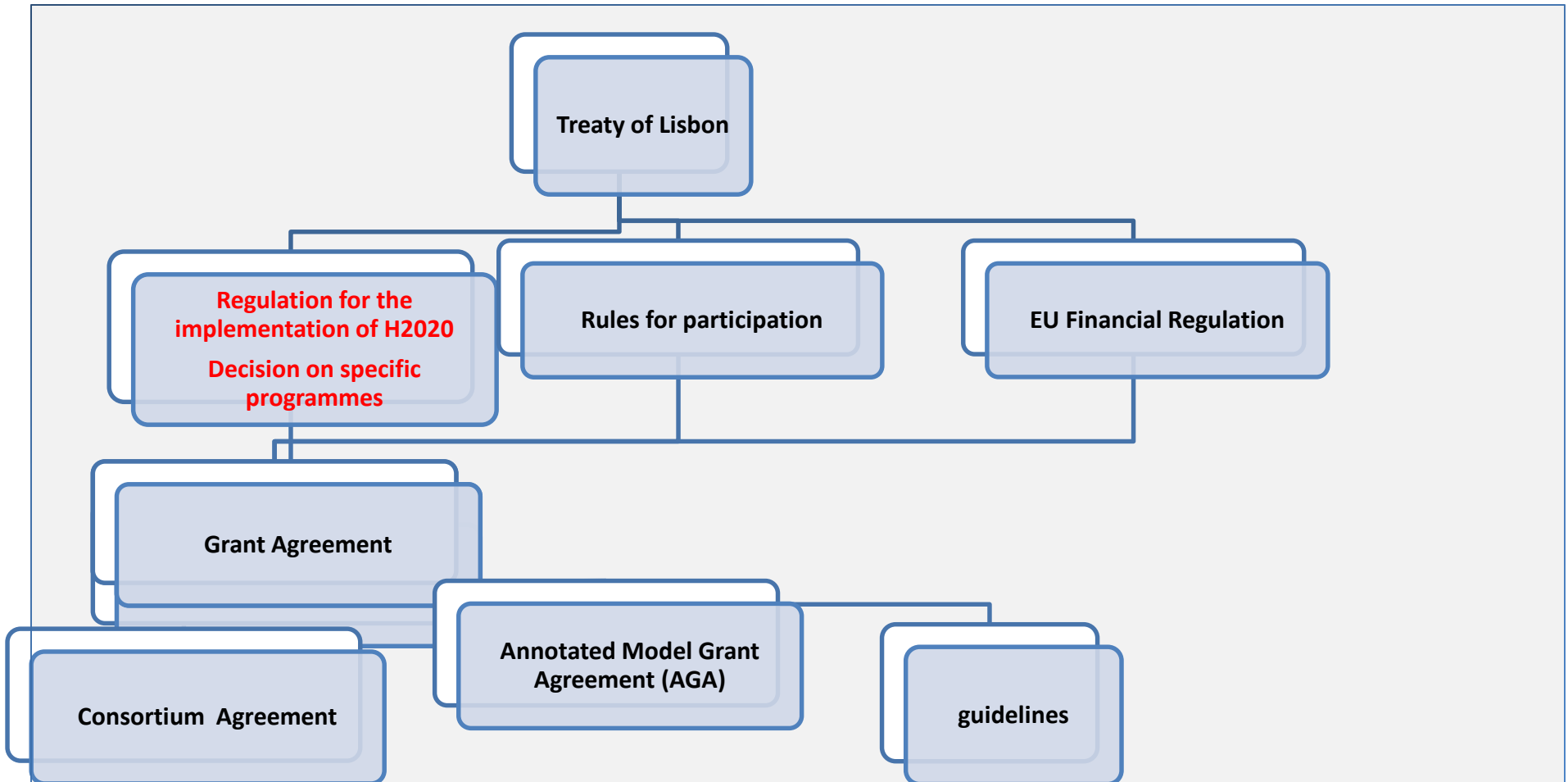
- Assessment of state of the art (e.g. patent data bases like Espacenet, scientific literature, existing projects, studies)
- Freedom-to-operate (would exploitation of results infringe rights of third parties?)
- Demonstrate high scientific and technological quality
- Describe skills in the consortium regarding IP management

Why is IP important in H2020?

Evaluation criterion **impact**:

- Plan for use and exploitation of results as part of proposal
- Which results are expected and how are they managed?
- Which results are of potential commercial or industrial interests and can contribute to European competitiveness?
- How to share results with the broad public?
- Which channels for dissemination to use: publications, conferences, Websites

Where to find IP Provisions in H2020



Where to find IP Provisions in H2020

- Model Grant Agreement (GA)
http://ec.europa.eu/research/participants/data/ref/h2020/mga/gga/h2020-mga-gga-multi_en.pdf
- Annotated Model Grant Agreement (AGA)
http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf
- H2020 Online Manual
http://ec.europa.eu/research/participants/docs/h2020-funding-guide/index_en.htm

H2020 Model Grant Agreement

- Same rules and regulations for all programmes in H2020
- Specific exceptions for ERC, MSC, SME, CO-FUND
- More comprehensive than the FP 7 model (FP7 GA + Financial Guide)
- Different versions for mono and multi-beneficiary
- Different options – articles only applicable in specific cases
- http://ec.europa.eu/research/participants/portal/desktop/en/funding/reference_docs.html

H2020 Model Grant Agreement

Core agreement: General terms and conditions (legal and financial regulations)

Annexes:

- Annex 1 Project Description
- Annex 2 Estimated Budget
- Annex 3 Partner Accession Forms
- Annex 4 Financial Statement
- Annex 5 Certificate on the Financial Statements
- Annex 6 Certificate on the Methodology

IP Rules in H2020

„Background“ (Art. 24.1 GA)

- any data, know-how or information
- whatever its form or nature (tangible or intangible)
- including any rights such as intellectual property rights that are:
- held by the beneficiaries before they accede to GA
- needed to implement the action or exploit the results

“Results” (Art. 26.1 GA)

- any (tangible or intangible) output of the action such as data, knowledge or information — whatever its form or nature, whether it can be protected or not — that is generated in the action, as well as any rights attached to it, including intellectual property rights

IP Rules in H2020

Access Rights:

Purpose for Access	Access to Background (Art. 25 GA)	Access to Results (Art. 31)
Project Implementation	<ul style="list-style-type: none">- royalty-free- unless otherwise agreed by participants BEFORE accession to GA	<ul style="list-style-type: none">- royalty-free
Exploitation of Own Results	<ul style="list-style-type: none">- subject to individual agreement- granted under fair and reasonable conditions (can be royalty-free)	

IP Rules in H2020

Ownership of results (Art. 26 GA)

- Results are owned by the beneficiary that generates them
- **Joint ownership** (automatic by default); if
 - results were **jointly generated** by beneficiaries
 - not possible to establish the **respective contribution** of each beneficiary
 - not possible to **separate** them for the purpose of applying for, obtaining, or maintaining protection

IP Rules in H2020

- Joint owners must agree (in writing) on **conditions of joint ownership**
- Once results have been generated, joint owners may agree (in writing) to apply **other ownership regime** (e.g. transfer to single owner)
- Agreement **compliant with national law** (e. g. employee inventor law)

Are IP Provisions Negotiable in H2020 ?

- **Yes...**
- **but** only under specific conditions laid down in the H2020 Grant Agreement
- deviations from H2020 provisions need to be written down in:
- bilateral agreements or
- Consortium Agreement (CA)

Consortium Agreement (CA)

- **Internal agreement** between members of the consortium (free to negotiate)
- CA cannot not be contrary to the provisions of GA
- **Obligatory** in H2020 (Art. 41.3 GA), unless work programme asks for other arrangements
- Has to be **signed before signature of GA**
- **COM is no party of the CA** and will not check its content, but project officer might ask to see it

Consortium Agreement

- Internal arrangement of the consortium
- Management and access to the Participant Portal
- Distribution of EU contribution
- **Additional regulations regarding rights and obligations regarding background and results**
- settlement of internal disputes
- liability, indemnification and confidentiality arrangements between the beneficiaries

Consortium Agreement

CA Models for H2020 Projects:

- DESCA H2020: <http://www.desca-2020.eu/>
- MCARD-2020:
<http://www.digitaleurope.org/Services/H2020ModelConsortiumAgreement.aspx>
- EUCAR-2020:
[http://www.eucar.be/publications/EUCAR Model Projects Consortium Agreement/view](http://www.eucar.be/publications/EUCAR_Model_Projects_Consortium_Agreement/view)

Which IP provisions are negotiable in H2020
– provided they are not contradictory to the
Grant Agreement –?

Consortium Agreement

IP arrangements:

- Confidentiality
- Agreement on Background
- Access Rights
- Ownership / Joint Ownership of Results
- Protection of Results
- Exploitation of Results

Confidentiality

- **Collaborative projects** like H2020 require **exchange of information**
- Which information is **confidential**? (e. g. not yet protected by patents)
- Ensure confidentiality within own organisation / consortium
- Who has **access** to this information?
- Under which conditions is access granted?
- **Time-frame** for confidentiality obligations (after end of project)
- **Forms:** Non-disclosure or confidentiality agreement, memorandum of understanding

Agreement on Background

Short repetition

- Background in H2020 means any data, know-how or information...(tangible or intangible), including any rights such as intellectual property rights — that:
 - (a) is held by the beneficiaries before they acceded to the Agreement, and
 - (b) is **needed** to implement the action or exploit the results.

Agreement on Background

Identifying Intellectual Property:

- What do I bring to the project (methods, studies, knowledge, licences etc.)?
- Who owns it?
- Are there potential rights attached (e. g. copyrights)?
- Whom do I need to ask for authorisation if there are other parties rights attached?
- Is there anything my project partners need to know (e. g. restrictions in use)?

Agreement on Background

- Beneficiaries must identify and agree (in writing) on background for project (**‘agreement on background’**)
- **Free to identify** background as long as information needed for the project is available and action tasks can be fulfilled
- Agreement may take **any form** (*e.g. positive list, negative list, excluding specific elements etc.*)
- Separate agreement or part of the consortium agreement

Agreement on Background

Best practice:

- Agree on background before GA is signed
- Ensure beneficiaries have access rights to what is needed for implementing the action (and then exploiting its results)
- Requests for additional background during project duration and up to one year after the end project
 - Different time frame can be negotiated
 - Requests need also be in writing

Access Rights to Background

- **Access rights:** licences and user rights given by owners of background
- Beneficiary owning background has to assess, on case by case basis, if the requesting beneficiary needs access, taking into account the project specifics
- **No definition of “needed”** in GA
- **Best practice:** to avoid conflicts, beneficiaries should agree on common interpretation of what is “needed”

Access Rights to Background

Description of “needed” in AMGA:

- **Implementation** of the project:
 - if without the results, action tasks could not be implemented, would be significantly delayed or require significant additional financial or human resources
- **Exploitation** of own results:
 - if without the results, exploiting it would be technically or legally impossible or if significant additional work would have to be carried out outside the project to develop an alternative equivalent solution

Access Rights to Background

Definition of “needed” in DESCA:

- **Implementation** of the Project:
 - Access rights are needed if, without them, carrying out the tasks assigned to the Party would be technically or legally impossible, significantly delayed, or require significant additional financial or human resources
- **Exploitation** of own Results:
 - Access rights are needed if, without them, the exploitation of own results would be technically or legally impossible

Access Rights to Background

- **Project implementation:**
 - **Royalty-free (GA)**
 - Other conditions can only be agreed by beneficiaries BEFORE GA is signed, model CAs give various options
- **Exploitation of own results:**
 - **Fair and reasonable conditions (GA)** , can be negotiated within that limit and can be eligible costs
 - e. g.: financial terms, non-financial terms, royalty-free, taking into account specific terms of granted access
 - **Best practice:** Conditions should be in writing

Access Rights to Background

Waivers:

- Beneficiaries may waive their access rights
- Waiver has to be in writing

Best practice:

- Should only be done on a cases by case basis
- Once the results have been correctly identified
- Should not be broader than necessary

¶

Attachment 1: Background included

¶

According to the Grant Agreement (Article 24) Background is defined as “data, know-how or information (...) that is needed to implement the action or exploit the results”. Because of this need, Access Rights have to be granted in principle, but Parties must identify and agree amongst them on the Background for the project. This is the purpose of this attachment.

¶

PARTY 1

¶

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

¶

Option 1: The following background is hereby identified and agreed upon for the Project. Specific limitations and/or conditions, shall be as mentioned hereunder.

¶

¶

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).

¶

This represents the status at the time of signature of this Consortium Agreement.

¶

PARTY 2

¶

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

¶

Option 1: The following background is hereby identified and agreed upon for the Project. Specific limitations and/or conditions, shall be as mentioned hereunder.

¶

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)

¶

Ownership of Results

Short repetition

Ownership of results (Art. 26 GA)

- Results = tangible and intangible outputs of the project
- Results → owned by beneficiary that generates them
- Two or more beneficiaries → own results jointly
- **Joint ownership** (automatic by default):
 - results were jointly generated by beneficiaries
 - it is not possible to establish the contribution of each of them
 - and to separate them for purpose of applying for, obtaining, or maintaining protection

Joint Ownership Agreement

- Joint owners must agree (in writing) on the allocation and terms of exercise of their joint ownership
- **Management of IP** (like protection, maintenance, defence of results, infringement)
- **Governing law and jurisdiction** (e. g. Belgian law like GA)
- **Settlement of disputes** (e. g. mediation)

Joint Ownership Agreement

- Specific conditions for granting **licenses**, if necessary
 - GA: non-exclusive licences to third parties against fair and reasonable compensation and 45 days prior notice to joint owners
 - Criteria for ‘**fair and reasonable compensation**’, for non-exclusive licenses granted to third party
- **Division of ownership and revenues** (equally or not)
- **Protection** of results including costs (e. g. patent filing)
- **Exploitation and dissemination** of results

Joint Ownership Agreement

Best practice:

- **Basic principles** of agreement should already be in CA, to facilitate negotiation of Agreement
- **No fix ceiling for fair and reasonable compensation** before project start, unless you can precisely determine the results you expect to produce
- To avoid or resolve **ownership disputes**: document who, how, and when results were produced (e.g. lab-books, invention disclosure form)
- **Seek professional advice**

Joint Ownership Agreement

New in H2020:

- Joint Ownership can be only be abandoned **after** the jointly-owned results have been generated
- Joint owners can agree (in writing) on another regime, e. g. transfer to single owner with access rights for the others

Transfer of Ownership (Art. 30 GA)

- **Each beneficiary** may transfer ownership of its results
- Must give **45 days prior notice** to other beneficiaries
- Beneficiary may **object within 30 days**, if transfer would adversely affect its access rights (mere transfer to competitor not sufficient)
- Transfer can only take place once beneficiaries reach agreement

Transfer of Ownership

Exception of 45 days prior notice:

- Merger and acquisitions:
 - Information can take place **after** M & A
- Specifically-identified third parties:
 - Beneficiaries can waive right to object a transfer to a specifically identified third party (e. g. affiliated entity)
 - **Best practice:** beneficiaries should carefully consider the situation (particularly identity of third party), to determine if their access rights would be affected

Transfer of Ownership

Ensure these obligations apply to new owner:

- Joint ownership-related obligations (Art. 26.2)
- COM's right to assume ownership and protect results (Art. 26.4)
- Protection of results (Art. 27)
- Exploitation of results (Art. 28)
- Dissemination of results (Art. 29)
- Transfer and licensing of results (Art. 30)
- Access rights to result (Art. 31)

Licensing (Art. 30 1 GA)

- **Each beneficiary** may grant non-exclusive licences to its results (or give the right to exploit it)
- Beneficiary must ensure:
 - that access rights can be exercised
 - and additional exploitation obligations are complied with
- **Exclusive licence:** can only be granted, when all other beneficiaries waive their access rights

Licensing

Joint-owner (Art. 26.2):

- May grant non-exclusive licences to third parties
- Without the right to sub-license
- 45 days prior notice to other joint owners
- Fair and reasonable compensation
- Joint owners free to agree on different arrangements in joint-ownership agreement



Dissemination and explanation of model Consortium Agreement

3ed SEREN3 NCP Training Session, Athens,
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Table of Content

- Use and Exploitation in H2020
- Plan for Exploitation and Dissemination
- Protection of Results
- Exploitation of Results
- Dissemination of Results

Use and Exploitation in H2020

- Strong focus on exploitation of results, to foster competitiveness and growth in the EU
- Increase benefits to the EU economy and citizens (socio-economic impact)
- Use, exploitation, protection and dissemination of results are crucial part of H2020 projects
- **Plan for Exploitation and Dissemination of Results (PEDR)** obligatory in H2020 projects

Plan for Exploitation and Dissemination of Results

- Beneficiaries **strategy and concrete actions** for protection, dissemination and exploitation of results
- **Obligatory** to submit PEDR at proposal stage
- Constantly **reviewed and updated** during project
- Roadmap for exploitation (e. g. business plan, prototypes, proof of concept)
- Description and timeline of planned dissemination activities

Protection of Results (Art. 27 GA)

- Protection **essential for effective exploitation**
- **Not mandatory**, but possibility must be examined
- Commercially / industrially exploitable results must be protected adequately; if possible, reasonable and justified
- Assessment on **case by case basis**
- **Notification to COM** if commercially / industrially exploitable results are not protected in MS or AS

Protection of Results

Assessment on suitable protection:

- **Form** of protection (design, copyright, patent, trade mark etc.)
- **Coverage** (geographical or territorial)
- **Duration**
- **Costs** and efforts
- Consider other **beneficiaries' legitimate interests** (e. g. disclosure of valuable background)

Protection of Results

Best practice:

- See **expert advice** on protection
- Foresee arrangements that ensure decisions take due account of interests of all beneficiaries
- Consider **transferring results** to other beneficiaries or third parties better suited for protection
- In some cases, it is advisable to protect results by **keeping them confidential** (e. g. postpone the filing of a patent)

Protection of Results

Source: IPR Helpdesk

Subject Matter	Patent	Utility Model	Industrial Design	Copyright	Trade Mark	Confidential Information
Invention	X	X				X
Software	X	X		X		X
Scientific Article				X		
Technology Design			X	X	X	
Name of Technology					X	
Know How	X	X				X
Website			X	X	X	X

Exploitation of Results (Art. 28 GA)

- **Obligation** to take measures to exploit results (best effort obligation)
- Up to four years after end of project
- **Indirect exploitation** possible, e. g. by licencing them to third party
- Measures include:
 - (a) using them in further research (outside the action)
 - (b) developing, creating or marketing a product or process
 - (c) creating and providing a service
 - (d) using them in standardisation activities.

Dissemination of Results (Art. 29 GA)

- **Obligation to disseminate results** by disclosing them to the public, by other means than protection or exploitation
- As soon as possible
- Unless it is against legitimate interest of a beneficiary
- 45 days prior notice to other beneficiaries before dissemination
- Examples of **dissemination activities**:
 - Peer reviewed publication
 - Presentation at conference, trade fair
 - Website

Dissemination of Results

No dissemination:

- If results need to be **protected** (i.e. confidential know-how)
- Dissemination **conflicts with other obligations** under the GA (e.g. personal data protection, security-related obligations etc.)
- **Beneficiary objects** dissemination because its legitimate interests would be significantly harmed

Dissemination of Results

Best practice:

- **Protection BEFORE dissemination**, disclosure (written or oral) could hamper novelty (e. g. for patents, utility model)
- **Foresee arrangements** to ensure that dissemination decisions take due account of **all beneficiaries interests`** and yet allow for publication of results without unreasonable delay

IPR Helpdesk

<https://www.iprhelphdesk.eu>



European IPR Helpdesk

We believe that knowing how to manage **Intellectual Property (IP)** and **Intellectual Property Rights (IPR)** is the ticket to innovation and competitiveness in Europe. The **European IPR Helpdesk** offers **free of charge**, first-line support on IP and IPR matters to beneficiaries of EU funded research projects and EU SMEs involved in transnational partnership agreements, especially within the Enterprise Europe Network (EEN).

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