

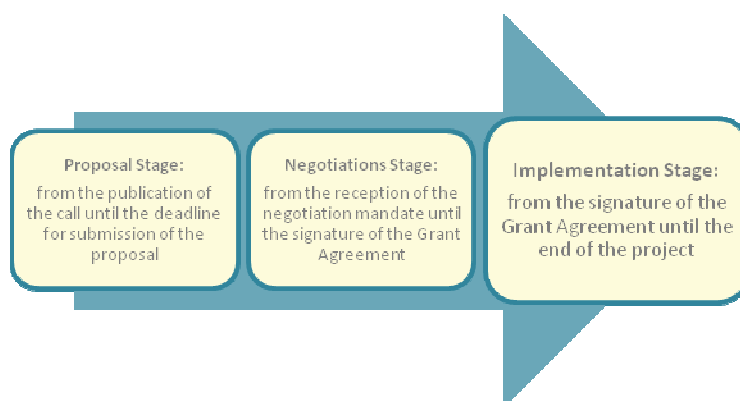
How to manage IP in FP7 during and after the project

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Introduction

You have succeeded in the negotiations with the European Commission (EC) and finally signed the Grant Agreement (GA). It is now time to start working for the **implementation** of the project for which you will receive funding from the EU.



In terms of Intellectual Property (IP), the implementation stage assumes particular importance as the **use** and **dissemination** of projects results (*'foreground'*) is a **key objective** of any FP7 project. Therefore you should plan the management, use and dissemination of the foreground as early as possible. As will be further explained in this document, already at the proposal stage you have to present a strategy or outline of your activities with regard to exploitation, use and dissemination, which will be the basis for the **plan for use and dissemination of the foreground (PUDF)**. However, divergences from the original plan may occur. Should this happen, you will always have the possibility to modify your plan according to the consortium obligations under the GA and towards the other project partners. At the end of the project you must give in a final PUDF where you also detail the plans for the **exploitation** of the project results **after the conclusion** of your work.

This final fact sheet¹ has thus the purpose to highlight the steps you need to follow to pave the way forward for the exploitation and dissemination of the IP generated during the implementation stage.

1. Implementation stage

As soon as you start implementing your project, you should be immediately thinking about how to organise the **knowledge management** throughout the project life. That is, in order to successfully attain the potential impact of your work, you need to focus on the tools to use for the protection, dissemination and utilisation of the knowledge/results you have been acquiring during the execution of the EU-funded project. Note in addition that during the implementation stage project partners usually need to give access rights to their knowledge in order for other partners to carry out their work on the project².

One important thing you should consider as fundamental during the implementation stage is the monitoring of the existing IP. In fact, in the time-lapse between the approval of your proposal and the implementation, technology may have changed, so that you might need to realign your project accordingly.

1.1 Knowledge management bodies

Dependent on the size of the project and the expected applicability of your project outcomes, you might want to appoint an **Exploitation Committee**. Such Committee could be chaired by a competent **exploitation manager**, who may help the consortium identify and look out at IP arising from the job carried out. As a mediator or arbitrator, the Exploitation Committee could provide advice and recommendations to the project partners, for example on the most suitable IP strategies. However, the Exploitation Committee role could also be played by the **Project Steering Committee**, which is a managerial body you often need to set for dealing with all the major project issues. Beside its management duties³, this latter Committee can take care of IP-related issues and then pursue the exploitation and dissemination of project results.

¹ The European IPR Helpdesk has already published two previous fact sheets on the management of the IP at the proposal stage and during negotiations. You can accede them at <http://www.iprhelpdesk.eu/>

² For an overall view on access rights see factsheet "How to manage IP in FP7 during the negotiations phase".

³ Some of them are: approving project charter, objectives, scope, and timeline, allocating resources to the project, providing external inputs, assessing progress against timing, deliverables, and budget, reviewing project budget and schedule, etc.

1.2 Results ownership

During the implementation stage you will certainly need to further discuss ownership issues related to the foreground. As highlighted in a previous fact sheet⁴, you should have already dealt with the IPR ownership within the **Consortium Agreement** (CA). However, the CA is amendable according to the project evolution and mainly the consortium needs, since not all the aspects are foreseeable at the start of the project.

One major issue that can arise in the execution of the project is the **IP jointly generated** by partners. Although they might want modify the joint ownership provision contemplated in the CA, it is always possible to draft a separate **joint ownership agreement** more appropriate for specific cases, and only between the joint owners.

The following non-exhaustive checklist gives a glimpse on the rules a joint ownership agreement should lay down:

- ✓ Exploitation of the ownership
- ✓ Sharing of IP costs
- ✓ Sharing of revenues
- ✓ Licence and assignment rights

Transfer of ownership is another important aspect to be taken into account. In fact, partners might want to permanently assign the ownership of their foreground⁵. This is generally allowed, as long as the obligations regarding that foreground are passed on to the transferee. This means that the assignor must conclude appropriate arrangements to ensure that its contractual obligations with respect to dissemination, use, and the granting of access rights are passed onto the new owner (as well as by the latter to any subsequent assignee).

Transfer of ownership should be regulated in the CA too. However, as above-mentioned, you can always re-negotiate its content in accordance with other project partners' will.

1.3 Protecting results

Protection of foreground is indeed **essential**. The choice of the most **suitable IP protection** tool must be carefully made, in order for the result at issue to be protected in the most **adequate** and **effective** manner, and in accordance with the other **partners' legitimate interests**. This means that, although **IP protection** is vital for a prospective commercial or industrial exploitation, on the other hand it **is not always mandatory**, given for instance the results' lack of industrial applicability. The choice will then

⁴ See fact sheet "How to manage IP in FP7 during the negotiations phase"

⁵ The transfer may take place for example when the owner partner does not wish to protect its foreground or is not willing to use it. As it is explained later on in this fact sheet, in both cases, he should offer its ownership to other project partners.

follow the **project specificities**, where the latter may suggest different alternatives for the exploitation of the foreground⁶.

Moreover, the results protection should reflect the use the consortium wish to make of the foreground, whether it be for direct commercial exploitation or for further internal research. In case of the latter, for example, it would be appropriate to keep information **confidential** (i.e. confidential know-how, trade secret) and **postpone the registration** for obtaining an Intellectual Property Right (IPR), to allow further development of an invention and to avoid precipitate filings.

Although it is not mandatory to inform other partners about your personal protection activities, it is considered **good practice to consult with them** before deciding whether protecting your own foreground or not – particularly if you are dealing with potentially joint IP. In fact, where a participant does not intend to protect it, it should firstly offer to transfer it to other partners. In so doing, they might seek registration for that piece of foreground and avoid leaving it unprotected to the competitors' advantage⁷.

In any case, **where a foreground capable of industrial or commercial application has not been protected, no dissemination activities may take place** before the Commission has been informed, since it may protect it on behalf of the EU⁸.

It is always advisable to entrust an IP attorney for filing a registration, since it implicates technical skills and requires detailed knowledge of rules and procedures. **Once foreground has been protected**, then you can start planning how to **use and disseminate the project results**.

1.4 Using results

As already explained in previous fact sheets⁹, as participant to an FP7 EU-funded project you **ought to use** your foreground, or ensure that it is used, by means of direct and indirect utilisation in **further research activities** (development or improvement of the generated results) or in **commercial activities** (production and marketing of new products and services).

Accordingly, **“Use”** might take the form of *direct utilisation*, when the foreground owners intend to industrially or commercially exploit the results in personal activities, or *indirect utilisation*, when a transfer of the foreground is decided upon and other project partners or third parties exploit the project results, for example, through licences. In the latter case the obligation to use the foreground is passed on to the assignees. Additionally, **“Use”** comprises as well the utilisation of foreground in further research activities, which are not part of the project. This utilisation outside of any commercial exploitation is crucial for academic beneficiaries.

⁶ For example, *the free and open source software* approach is perfectly valid for certain research results, but it is highly advisable that all project partners are informed of this strategy before the project start in order to avoid possible conflicts.

⁷ See Article 44.2 of the Rules for the Participation in FP7 projects and Article II.28.3 of FP7 Grant Agreement – Annex II.

⁸ *Ibid.*

⁹ See factsheets ‘How to manage IP in FP7 during the proposal stage’ and ‘How to manage IP in FP7 during the negotiations phase’.

1.5 Disseminating results

In FP7 there is an **obligation to disseminate** the foreground swiftly¹⁰. In this context dissemination refers to the disclosure of project results by appropriate means. Scientific publications, general information on web sites or conferences are some examples of potential dissemination activities¹¹. Besides these just mentioned, you could also consider to adhere to the **Open Access Movement**, where results from publicly funded projects can be freely accessed by people on the internet¹².

We have already seen¹³ that within the CA it is possible to include **conditions for dissemination**, whereby other partners will be aware of the procedures to follow before disclosing any information about the project. On the other hand, it will always be possible to draft a **specific confidentiality agreement** including a specification of any data to be secreted. This agreement might also be concluded before the proposal submission¹⁴ and could foresee measures to be taken to maintain confidentiality **during** and even **after the end of the project**. Once your proposal has been evaluated positively, confidentiality obligations are normally covered by respective clauses in the CA.

It is worth noting that **written or oral information** given to a person who is not bound by the secrecy or confidentiality obligations **constitutes a disclosure**. In such cases, disclosures could be detrimental to future filings for protection. Thereafter, it is vital to keep information confidential, mainly with regard to those project results for which registration is not planned yet.

Besides, you should be very cautious and **deal with confidentiality** also **internally** in your own organisation. That is, having a proper management system in place within your structure is vital in order to make sure that you comply with the confidentiality obligations set by the consortium. In fact, you might have a disclosure of confidential information made from other beneficiaries to your organisation and the other way round. Therefore, someone in your organisation should be in charge for deciding which information has to be classified and marked as confidential (confidentiality labelling), otherwise valuable information may be lost during the implementation of the project.

¹⁰ See Article 46.3 of the Rules for the Participation in FP7 projects and Article II.30.2 of FP7 Grant Agreement – Annex II.

¹¹ “Strategic Guide to Successful Use and Dissemination of the Results of Research and Development Projects”.

¹² The European Research Council (ERC) has issued guidelines in this area available at http://erc.europa.eu/sites/default/files/document/file/erc_scc_guidelines_open_access.pdf. The scope therein expressed is that all publicly funded, published, peer-reviewed works go open access within 6 months from publication.

¹³ See factsheets “How to manage IP in FP7 during the negotiations phase”.

¹⁴ See factsheets “How to manage IP in FP7 during the proposal stage”.

How do I manage confidential information internally?

Tasks to consider:

a) concluding confidentiality agreements with employees

- ✓ having confidentiality agreements in place with employees in order to make sure that they are under the same obligations as your organisation;
- ✓ raise awareness on the importance of confidentiality among employees.

b) storing confidentiality information safely

- ✓ mark documents as “CONFIDENTIAL” (CO);
- ✓ store these documents separately and safely, making sure that you can limit and monitor access to them;
- ✓ review the documents periodically to assess whether confidentiality obligations are still in force and whether you must return or destroy them.

c) disclosing information to the other beneficiaries

- ✓ review all communications before any disclosure to assess the confidential character of them;
- ✓ mark confidential information as “CONFIDENTIAL” (CO).

Moreover, prior to any dissemination activity **other partners should be consulted** in order for them to exercise their **right to object** in case where such dissemination could cause great harm to their background/foreground. The GA sets some terms both for the notification of the planned activity to other partners and for them to object to such dissemination¹⁵. Beneficiaries may nevertheless convene on different time-limits within the CA, as for instance to shorten notification time from 45 to 30 days.

As regards, one other aspect should be taken into account. You should **define**, and periodically revise, what **non-confidential information** can be disclosed, so that project partners are already aware of what information can be safely used in outside conversations and/or negotiations with third parties.

As above stated, in terms of dissemination different channels can be envisaged. With the purpose to assist beneficiaries in the implementation of a successful dissemination strategy, the EC has created a dedicated website¹⁶, which is primarily focused on the use of the “mass media” to widely communicate research results. It also covers publications on the web and other supports such as print publications, CDs and video.

It is important to bear in mind that an accurate dissemination planning is preparatory for future commercial exploitation and marketing of products and services resulting from the project. Indeed, these activities will enable you to gain financial profit from the outcomes of your project. Once more, plans for **dissemination activities** must already be outlined at the proposal stage and, while carrying out your research, you have an obligation to **periodically report** them to the EC.

¹⁵ See Article 46.4 of the Rules for the Participation in FP7 projects and Article II.30.3 of FP7 Grant Agreement – Annex II. See also fact sheet “How to manage IP in FP7 during the negotiations phase”.

¹⁶ Visit http://ec.europa.eu/research/science-society/science-communication/index_en.htm

2. Project conclusion

At the end of the project thus a **conclusive PUDF** has to be submitted in order for the EC to evaluate the use the consortium intends to make of its project results, as well as to evaluate the success of the project.

Yet, even **after the conclusion** of the project, a number of **IPR provisions will remain in force** such as obligations regarding confidentiality, use and dissemination as well as some provisions of the CA. Consequently, beneficiaries are required to properly manage the post-contract phase too, with arrangements in the final PUDF and provisions in specific agreements (i.e. CA, joint ownership and confidentiality agreements).

2.1 PUDF final report

The GA foresees the obligation to submit a final report to the EC **within 60 days after the end of the project**. Among other issues, it is **mandatory** to include in this report the PUDF.¹⁷

The PUDF is an extremely important deliverable of an FP7 project and it is relevant at all stages of a project. The final PUDF must describe the activities beneficiaries have already carried out during the project implementation and still expect to develop with the purpose to allow the dissemination and use of the foreground at the project end. Within this document beneficiaries have also to envisage the strategy for the management of intellectual property rights in order to demonstrate the positive impact of their project so that the EC may justify its funding.

As any other report, the EC have the right to reject the PUDF – for example, if it is not detailed enough – and terminate the project.¹⁸ Thus, beneficiaries should take the time to prepare it carefully.

The final PUDF should include two sections. In **Section A**, beneficiaries are requested to list the scientific publications concerning the foreground, as well as other dissemination activities (including those already completed and the ones foreseen for the future).

It is important to include sufficient information to allow the EC to identify and check these activities. Hence, it is usually necessary to mention¹⁹:

- (i) In the **list of scientific publications**: title, author, title of the periodical or the series, number/date or frequency, publisher, place and year of publication, pages, permanent identifiers and information concerning open access;
- (ii) In the **list of dissemination measures**: the type of activity (web site, conference...), the main leader, title, date and place, type and size of audience and countries addressed.

On the other hand, in **Section B** of the PUDF, beneficiaries must define the exploitable foreground and their plans for its exploitation.²⁰ Hence, the following information must be included in detail:

- (i) all the intellectual property rights applied for and registered;
- (ii) all the exploitable foreground, including its description and sector of application;
- (iii) an explanation concerning the plans for the future use of foreground, either in research and/or commercially.

¹⁷ Please see article II.4.2.b of the Grant Agreement.

¹⁸ Please see article II.5.3 of the Grant Agreement.

¹⁹ Please see *Guidance Notes on Project Reporting*, available at ftp://ftp.cordis.europa.eu/pub/fp7/docs/project_reporting_en.pdf.

²⁰ Please see *Guidance Notes on Project Reporting*, available at ftp://ftp.cordis.europa.eu/pub/fp7/docs/project_reporting_en.pdf.

As in section A, this part of the PUDF must include all the activities carried out during the project and those foreseen to be implemented after its end.

Confidentially issues are very important when preparing and writing the PUDF. In fact, section A is disclosed publicly by the EC, while the information included in section B is also made available to the public, except if clearly marked by beneficiaries as confidential. Hence, any confidential data should be omitted from section A or marked as confidential in case it is included in section B.

How do I mark my report as confidential?

In the *Guidance Notes on Project Reporting*, the EC has established a list of codes that may be used by beneficiaries when marking the level of dissemination of deliverables. Since these codes are known and understood by all beneficiaries and the EC, it is therefore advisable to make use of them.

PU = Public

PP = Restricted to other programme participants (including the Commission Services)

RE = Restricted to a group specified by the consortium (including the Commission Services)

CO = Confidential, only for members of the consortium (including the Commission Services)

2.2 PUDF implementation

2.2.1 Confidentiality

With the conclusion of the GA, beneficiaries agree to keep confidential information secretly not only during the implementation of the project, but also after its completion. At least during five years after the end of the project beneficiaries, as well as the EC, are bound to these obligations. However, it may be agreed to extend the five-year term in the CA and the EC, upon a concrete and justified request, may also accept to expand it in relation to determined confidential information.

At times, beneficiaries may also decide to conclude bilateral agreements dealing with the delivery of specific confidential information, with further years of confidentiality obligations.

2.2.2 Post-project obligations

Even after the end of the project, participants should be careful not to forget to comply with a few IP-related provisions of the GA that remain in force. The use and dissemination obligations are one of those, in particular the obligation to notify the EC of any patent applications relating to foreground arising after the final PUDF. Moreover, beneficiaries are entitled to request for **access rights** until **one year** (or any other time limit agreed) after the conclusion of the project.

The post-project stage and the effective exploitation of the project foreground is, however, not an issue limited to the mere provisions of the GA that remain in force. In fact, given the limited duration of the GA provisions several problems are likely to arise if no specific post-contract provisions are put in place (e.g. limited duration of access rights). Moreover, in some projects results exploitation may lead to joint activities. Thus, in order to ensure that the post-project phase go efficiently, beneficiaries are also advised to contractually establish all the obligations of the parties in terms of new IPR arising from those activities.

Besides, beneficiaries should also give account to the provisions contained in their CA. As mentioned in a previous fact sheet²¹, the CA should envisage post-project provisions in view of the foreground exploitation after the project end, especially aimed to define the management of those IPR which remain in force after the conclusion of the project. In addition to that, consortia should regulate the ownership and access right to subsequent new inventions.

2.2.3 Advanced IPR strategies

Depending on the project, beneficiaries may decide to exploit their foreground by setting up a “**start-up**” with other partners or by creating one or more “**patent pools**”.

- ✓ By means of a **start-up** beneficiaries create a **new and separate legal entity**, which would **own** the IPR acquired during the project life with the aim of **jointly exploiting** them in a more flexible fashion.
- ✓ With a **patent pool** owners agree to **assemble** their **patents** so that they can be **freely used** by or **cross-licenced** between all the **participants** (such tool might be used for other IPR too).

Subject to the commitments in the GA, beneficiaries are free to decide the most appropriate solution for them. However, all these plans should be mentioned in the PUDF. Note that when envisaging such strategies an appropriate consultation with specialists is strictly needed.

In conclusion, properly exploiting the foreground after the project would give you the chance to make profit from the marketing and commercialisation of the knowledge acquired during your research. Moreover, by acquiring more IPR it is possible to expand the IP portfolio and increase the value of your organisation. Therefore, a structured planning is strongly advisable to make profitable commercial exploitation of the foreground generated.

Useful Resources

For the preparation of this fact sheet, the European IPR Helpdesk had in consideration the “Guide to Intellectual Property Rules for FP7 Projects” prepared by the EC, as well as the “Strategic Guide to Successful Use and Dissemination of the Results of Research and Development Projects”.

For further information on the topic please also see:

- “Introduction to IP Rules in FP7 Projects”:
<http://www.iprhelpdesk.eu/sites/default/files/relateddocuments/Factsheet%20IP%20rules%20FP7%20June%202011.pdf>
- “Guide to Intellectual Property Rules for FP7 Projects”: ftp://ftp.cordis.europa.eu/pub/fp7/docs/ipr_en.pdf
- “Strategic Guide to Successful Use and Dissemination of the Results of Research and Development Projects”: http://ec.europa.eu/research/sme-techweb/pdf/use_diffuse.pdf#view=fit&pagemode=non

²¹ See fact sheet “How to manage IP in FP7 during the negotiations phase”.

- “Exchanging Value – Negotiating Technology Transfer Licensing Agreements: A Training Manual”: http://www.wipo.int/sme/en/documents/guides/technology_licensing.html

GET IN TOUCH



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ABOUT THE EUROPEAN IPR HELPDESK

The European IPR Helpdesk aims at raising awareness of Intellectual Property (IP) and Intellectual Property Rights (IPR) by providing information, direct advice and training on IP and IPR matters to current and potential participants of EU funded projects focusing on RTD and CIP. In addition, the European IPR Helpdesk provides IP support to EU SMEs negotiating or concluding transnational partnership agreements, especially through the Enterprise Europe Network. All services provided are free of charge.

Helpline: The Helpline service answers your IP queries within three working days. Please contact us via registration on our website (www.iprhelphdesk.eu), phone or fax.

Website: On our website you can find extensive information and helpful documents on different aspects of IPR and IP management, especially with regard to specific IP questions in the context of EU funded programmes.

Newsletter & Bulletin: Keep track of the latest news on IP and read expert articles and case studies by subscribing to our email newsletter and Bulletin.

Training: We have designed a training catalogue consisting of nine different modules. If you are interested in planning a session with us, simply send us an email.

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