Dear reader,

The first year of the new European IPR Helpdesk consortium has seen the reaching of great outcomes in all its activities (see more on the information kit). Among those, more than 600 successfully answered Helpline inquiries, nearly 1,500 registrations for online seminars, and a new library web section of different publications constitute some achievements of the Helpdesk team that will keep up their efforts to offer services that best match the expectations and requirements of European researchers and SMEs.

Indeed, this fifth issue of the Bulletin starting the second year series is thicker and covers some crucial areas of interest for our readers. First and foremost, hints on a low-cost patent strategy are given mainly to SMEs that often have little financial capabilities and cannot really afford the heavy costs of the patent system. Despite its company-oriented content, the suggestions provided within this article are nonetheless applicable to public research organisations when dealing with their patent portfolio. A further box on the SMEs internationalisation opportunity study is also a tip for small businesses wishing to expand their activity throughout Europe.

Standardisation as support to European funded projects is the topic of a second article striving to point out the importance of standards during the project life-cycle. By implementing standards, in fact, a fast and easier market exploitation of research results could be reached. Still within this framework, contractual liability in FP7 is explored in another article underlying how important is having solid contracts for a proper management of R&D projects. Contracts indeed can safeguard the position of the parties, not only by establishing obligations but also by allowing limitations of contractual liability.

Within such contracts it is nevertheless crucial to include clauses for the settlement of possible disputes. As a follow-up to a previous article, the piece from the WIPO Arbitration and Mediation Centre suggests that the careful choice of a dispute resolution framework should feature in negotiations of multiple contracts in R&D and related commercial transactions.

Finally, two examples of good practice to follow are given within an article having the purpose of highlighting the importance of setting up an IP centre within academic institutions. Such services, set up in order for the research results to be transformed into socio-economic benefits, are greatly consistent with the EC "Recommendation on the management of intellectual property in knowledge transfer activities for universities and other public research organisations", which forms the object of a previous article in Bulletin N°2.

Wishing you an inspiring reading, we look forward to spending with you the forthcoming second year of the European IPR Helpdesk service.

Your editorial team
Effective and Economical Patent Strategies for Small and Medium-Sized Enterprises

How alternative patent strategies, not linked to owning and litigating granted patents, can provide competitive advantage at low cost.

*Jeremy Philpott*
EPO European Patent Academy

An efficient intellectual property (IP) strategy is vital not only for large companies. Even for small businesses and independent inventors IP can be a key business tool. However, an effective IP strategy does not necessarily mean owning IP rights (IPR) and litigating to block rivals from markets in order to gain competitive advantage (so-called offensive strategy). Alternative low-cost strategies can also be effective for small and medium enterprises (SMEs), securing them competitive advantage whilst not consuming too much vital cash which is often in short supply in the early days.

Concerning the patent system: application fees, translation costs and patent attorneys' services can easily reach 50,000 € when trying to get patents granted in more than ten major European countries. Costs would rise considerably for litigation, where a court proceeding may run into millions of euros.

Yet, patents are indeed more than a legal right and their worth is more related to the market than to the IP system. First and foremost, just because a new product or process which solves a technical problem is eligible for a patent, it does not mean that a patent would be worthwhile. Since a granted patent is never a guarantee of commercial success, the decision to patent something should be based upon the “market wants” and not on the “novelty of the invention”. The latter determines if something could be patented, but market demand dictates if something should be patented.

Hence, taking advantage of the patent system does not necessarily match with patent ownership, since there are many others ways in which the system can be used to create commercial advantage, without necessarily filing patents. In all of these cases you will be able to create an alternative strategy likely to provide competitive advantage at low cost.

The value of a patent has nothing to do with how much it cost, but rather is a measure of how it contributes to the profitability of the company, so that the question to be asked is how patents are concretely able to nurture and expand your business.

**Competitive analysis**

A starting point for a low cost strategy is to analyse your rival’s products or services so as to discover what IP they are using, and what role IP plays in their business. If no IP is apparent, and still they maintain dominance over a market niche (e.g. a service sector innovation), consider how else they might have done this, perhaps through “First-Mover Advantage”, closed networks of suppliers or specialist trade secrets. If they are successful without owing patents and gained market advantage through this strategy then consider carefully before taking a different approach.

**Licensing or selling**

Your new technology could be just one of dozens of equivalent or incremental developments in that particular area, so that it may be easy to invent-around, have numerous functional alternatives or quickly become obsolete. You should then appraise whether obtaining a patent would really be cost effective for your company, also taking into account the costs to bring the invention to the market and the value the IP brings (as opposed to the value the invention brings). Such a critical assessment may show that commercial success rather lies in selling your IP or licensing it out. Moreover, licensing-out your technology to competitors can transform them into business partners and help to strengthen your position in cross-licensing negotiations.

Another action to take when addressing a new technical problem is to calculate how much the solution of that problem will cost if developed by you. Often licensing-in could be a cheaper route and also gives you the opportunity to create partnerships or strategic alliances with other players in your area. Furthermore, if you were to develop an improvement to the product or process you are licensing from them, you might just be able to patent that too and license it back to them.

**Using patent information**

A key purpose of the patent system is the dissemination of technical information, whose use does not require any patent ownership. Yet, looking through databases to see the results of the...
research efforts of others could provide valuable insights and short-cuts in your own projects.

Many of the patent applications published in the databases are not “in force”, because of the applications’ failure, withdrawal or expiry. This means that the technology described therein is free to use. Apart from technical information, patents applications are goldmines of commercial intelligence. That is, by examining those documents related to a particular technology and discerning who owns the associated patents, you can learn a lot about the activities of other companies. Some of these could be your next customers, or suppliers, or rivals or partners.

Inventive processes

When it comes to new process inventions, think carefully before filing a patent application. In fact the risk of reverse engineering is much less present for processes, the end product of which is conventional and gives no clues about the process innovation. In this case it might be preferable to keep that as a trade secret rather than publish the details in a patent application to be read by everyone. If published in a patent, competitors might buy a licence, but others might be inspired to investigate other improvements and develop their own solutions by “inventing around” your patent. If a process patent were infringed, could its owner even detect that infringement? How could they know what processes are used in their rival’s factories? Keeping the process as a trade secret, however, is reliant on as few staff as possible knowing the details and keeping the secret even if they leave to work for the competition.

Publishing

Filing a single patent application need not be very expensive. A patent application will be published (usually with a search report) typically at 18 months from the earliest filing date. Once published, it will appear in patent databases forever, which could be useful in attracting partners, customers and even investors who are using the database as part of a commercial intelligence search. Even if the application is abandoned to save costs, it will remain in the database as a signpost to the entire market that your company is active in that area.

If your strategy does not aim at having a monopoly in a given sector, but to lock some larger rival out from getting exclusive patent rights, then publishing your technology (without acquiring patent) is an effective strategy to ruin the later patenting ambitions of competitors. You can publish your invention’s technical details quickly in an academic or technical journal, but to have the best chance that a future examiner finds it to cite against applications from your rivals you should publish your technology in a patent application. You can even request early publication if this would help, and then abandon the application. This so-called “prophylactic disclosure” protects you from being subject to someone else’s later patent because your earlier disclosure destroys the alleged novelty of their later patent application for the same invention.

Alternatives to litigation

Once you have a patent granted, facing infringement can prove to be extremely expensive. For those wishing to stay out of the courts there are cost effective alternatives to recover lost market share, even if they do not result in “justice” for the offence.

Litigation insurance is not cheap, but could persuade aspiring infringers to buy a licence instead, or to pick on someone else. With insurance on your side they cannot hope you will abandon your court case through shortage of funds.

In any licence agreements make sure that the dispute resolution clauses are suitable, e.g. which law will apply, and where disputes would be heard. You should encourage lower-cost and confidential mediation and arbitration processes, and then make the conditions for litigation with licensees less attractive by proposing an inconvenient forum and/or legal system for disputes.

If a dispute breaks out, licensing to the infringer – even at a discount – could bring you more market share, if they have access to larger markets. Turning infringers into partners could be more profitable than suing them. If infringers are reluctant, consider to spend the money you would have spent for litigation on better marketing so as to simply out-sell the infringer. Otherwise you might sell or licence your patent to the infringer’s leading competitor, who will be better positioned to stop him with a court proceeding. If the infringer is a small company, possibly with its own cash-flow problems, there is no point winning the litigation if they then simply go bankrupt: so consider if buying the infringing company is cheaper and more certain than suing them! Or perhaps buying one of the companies who provides vital or unique supplies to the infringer will force him to negotiate with you.

These few suggestions might be differently implemented by companies, bearing in mind that strategies may vary according to their business goals. Having a clear idea about the role any IP plays in your business activities is thus needed to understand how it will be linked to your business plan.

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4 Note that some technology features might be covered by other patents. However, the only patents which could keep you out of a sector or oblige you to buy a licence are those which are in force in the relevant country.

5 Note that trade secrets and confidential know-how can be licensed too and then provide revenues without public disclosure. Nevertheless, we recommend that the contracts be drafted by an expert.

Internationalisation of Small and Medium-Sized Enterprises (SMEs): Is Intellectual Property a Potential Obstacle?

According to a recent study on the “Opportunities for the internationalisation of European SMEs” (European Union, 2011, available online here), more than 40% of EU SMEs are engaged in some form of cross border activity. A growing number of these companies are also active in non-EU countries, particularly Russia, China and Ukraine, which means that SMEs are increasingly looking at outside markets. However, there are still many barriers affecting internationalisation of SMEs, in particular payment risks, bureaucracy and lack of financing as showed by the study. In terms of internationalisation outside the EU, this study further concludes that intellectual property rights are also regarded by SMEs as an obstacle, particularly when it comes to enforcing rights in countries such as China or India.

Following these findings, the European Commission published “Small Business, Big World – a new partnership to help SMEs seize global opportunities”, a communication setting up a strategy to help SMEs to overcome the internationalisation barriers. In particular, the objectives of this new EU strategy are:

• to provide SMEs with information on internationalisation;
• to provide consistent and more cost-efficient support actions;
• to fill gaps in support services; and
• to provide uniform access for SMEs from all EU Member States.

If you are one of these SMEs involved in transnational activities, remember that proper management of intellectual property rights starts at home! The European IPR Helpdesk can assist you. To learn more about our services, please have a look at our website.

Standardisation in support of the Innovation Union and Horizon 2020 objectives

Luc Van Den Berghe
CEN - CENELEC Management Centre

At a time when Europe needs more innovation in order to remain competitive on the global stage, standardisation can be a bridge between research and innovation, and can provide a strong contribution to the creation of economic values. The Innovation Union recognises the important role standards play for innovation, noting that “standards enable dissemination of knowledge, interoperability between new products and services and provide a platform for further innovation”. Further to these considerations, the HORIZON 2020 proposal itself, presented by the European Commission on November 30, 2011, seeks to introduce a “broad and seamless approach to innovation” and recognises in this context the role of standardisation in supporting the market take-up of innovation.

A standard is a document established by consensus and approved by a recognised body providing for common rules, guidelines or characteristics for activities or their results and aimed at achieving an optimum degree of order in a given context. Standards may include requirements and/or recommendations in relation to products, systems, processes or services. Standards can also be used to describe a measurement or test method or to establish a common terminology within a specific sector.

In Europe, the three recognised European standards organisations are CEN (the Committee for European Standardisation), CENELEC (the European Committee for Electrotechnical Standardisation), and ETSI (the European Telecommunications Standards Institute).

The CEN or CENELEC role is to facilitate, control and guarantee the process whereby their standards are developed by external experts in the concerned field. Both organisations publish a range of documents: European Standards (ENs), Technical Reports (TRs), Technical Specifications (TSs) and Workshop Agreements (CWAs).

European Standards (ENs) are settled in Technical Committees (TCs), composed of representatives of national delegations. The development process includes a public consultation period (enquiry) before standards are voted by the CEN or CENELEC national members. The production of an EN may take up to three years. Thereafter, ENs have to be implemented in each Member State as a national standard.
standard with the consequent withdrawal of any conflicting standards.

TRs, TSs and CWAs entail consensus and approval processes faster than for standards, with delivery times of less than two years for a TR or TS and less than one year for a CWA. While TRs and TSs are developed in TCs under the national delegation principle, CWAs are developed in consensus working groups (called CEN or CENELEC Workshops) which are open to direct participation by any interested party. Since TRs, TSs and CWAs do not require to be implemented as national standards, they may then be prefered in situations where technologies have not yet reached a sufficient level of maturity. Because of their nature they can be considered as stepping stone to ENs. More specifically, while technologies at the experimental stage, and therefore not yet marketable, once the technology is mature for the market exploitation of the research results.

The “integrated approach” thus takes the view that standardisation is valid through the full innovation cycle, from research up to market.

Indeed, already at the project proposal stage, the screening of related standards that capture the state-of-the-art will avoid the research project reinventing the wheel. For instance, a research project on intermodal passenger transport may benefit from knowledge captured in a wide variety of standards, such as standards on the accessibility of transportation and the built environment, standards on the encoding of user requirements on smart cards, etc.

For running projects, linking with standards (applying existing standards as well as contributing research outcomes to standardisation) will bring several benefits, as it will:

- enhance the interoperability of the project’s outcomes with what is already out in the marketplace, and ensure compatibility with what exists,
- enable the comparison of performance of the project’s results with what exists,
- reassure users when the research results are exploited,
- disseminate the research results to a wide community using unambiguous wording, i.e. a standard.

By doing so, a fast and easier market exploitation of the research results will be reached. One should further bear in mind that research results taken up in a standard remain available beyond the project’s life-time, supporting the long-term exploitation of the project results.

Within the CEN-CENELEC Management Centre, a dedicated team informs and supports the research community in understanding and integrating standardisation in their future R&D project, through appropriate tools, such as web pages and a Research Helpdesk. The team provides tailored advice to project consortia, informing them of already relevant standards work, and helping them put together new projects for standards on innovative products.

CEN and CENELEC members can participate in projects to ensure that a standardisation activity is progressed under the dissemination actions of the project. In CEN, the collaboration between the project and the standardisation world is facilitated through Project Liaisons which allows FP7 consortia to participate in CEN Technical Committees and relevant Working Group meetings as observers. CENELEC has a similar (albeit slightly different) approach: the Technical Liaison Partnership.

With regard to IPR in standards, beliefs may exist that standards and patents are in opposition. It is indeed a matter of fact that standardisation is intended to put ideas into the public domain, whereas patents are proprietary rights giving their owner a monopoly over inventions. Notwithstanding the divergent underlying rationales, standards and patents can indeed fit closely together.

Indeed, it is an accepted practice to include in a standard a patent which is “essential”6, provided that the patent holders assure that they are willing to negotiate licences under Fair, Reasonable And Non-Discriminatory terms and conditions (so-called FRAND) with applicants throughout the world. A Patent Information list with information on specific patents in the CEN or CENELEC standards is published on-line.

Contact
CEN - CENELEC Research Helpdesk
Email: research@cencenelec.eu

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6 “Essential patents” in a standard are those patents claiming one or more inventions that are necessary for implementing this standard. Without the permission of the patent holder to use the patented invention when implementing the standard, there would necessarily be an infringement of the patent by the implementer.
Contractual Liability in FP7: Knowing your Obligations and Mitigating Risks

Catarina d’Araujo
European IPR Helpdesk

Solid contracts are key to proper management of R&D projects. They are indeed useful tools to avoid potential disagreements and misunderstandings among partners, but can also assist in mitigating potential financial risks. The present article aims to provide some awareness about how contracts can safeguard the position of the parties, not only by establishing obligations but also by allowing limitations of contractual liability.

Contracts are aimed at establishing voluntary obligations between the signatory parties, giving them the possibility to define the terms of their relationship. Consequently, they allow parties to protect themselves against damages arising as a consequence of a party’s failure to perform its obligations. The reason for this comes from the fact that typically national legal systems establish, under determined circumstances, the legal obligation to provide for compensation (e.g. damages) in the case of a failure to perform a contractual obligation. The party breaching the contract is said to be contractually liable. Therefore, contractual liability puts contractual parties in a safer position.

On the other hand, it also means that parties may be held responsible, under certain circumstances, for the payment of damages. The types and amount of damages depend on the concrete applicable law and the circumstances of each case, which generally means that it might be difficult to anticipate them. Nevertheless, given the principle of contractual freedom, most jurisdictions provide organisations and individuals with the possibility to limit such liability through contracts, for example by establishing a cap for compensation of damages. These clauses may be very advantageous because they provide some certainty in terms of the possible amount of compensation, limiting the parties’ exposure to financial risks. Even so, limitations should be carefully fine-tuned, otherwise they might jeopardise a proper recovery of losses.

In the Seventh Framework Programme (FP7) for Research, participants must deal with many types of contracts, such as the Grant Agreement, Consortium Agreements and several other independent contracts (e.g. licence agreements, material transfer agreements). Often, potential participants also conclude preliminary agreements, in particular Non-Disclosure Agreements. All these contracts impose obligations and therefore, when concluding them, parties should consider and discuss liability, including any limitation.

Below we provide an overview of the main issues concerning liability within the most common contracts concluded in FP7 projects. However, be aware that liability is a complex matter and should be considered carefully. It therefore is important to read very carefully all drafts of any agreement and get the advice of a legal expert.

Liability in Non-Disclosure Agreements (NDAs)

NDAs are legally binding contracts establishing the conditions under which one person discloses information in confidence to another person. Thus, one of the main obligations established in such an agreement concerns the need to keep information confidential and not to disclose it (or permit its disclosure) to any third party.

Failing to comply with confidentiality obligations of an NDA may result in the breach of such contract and consequent liability. Hence, the party receiving confidential information should keep in mind all the obligations agreed and consider the need to establish a proper internal management of this information.

Liability in the Grant Agreement

Despite the collaborative nature of FP7 projects, the Grant Agreement clearly provides for a limitation of liability towards the European Commission in case of a breach of contract by any of the other participants.

In fact, according to article II.20.1 of the standard model Grant Agreement, “the financial responsibility of each beneficiary [i.e. participant] shall be limited to its own debt”. Consequently each participant may only be held responsible for its own actions in case of, for example, a breach of intellectual property rules.

On the other hand, considering the project’s technical performance as defined in Annex I of the Grant Agreement, all consortium partners are liable towards the European Commission in case another partner does not perform its own tasks.

Liability in the Consortium Agreement

The Consortium Agreement is the right document to define responsibilities among all consortium partners (many of those concerning the management of intellectual property rights) and associated liability in case of a breach. The Checklist for a Consortium Agreement for FP7 projects

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2. For further information on NDA, we suggest that you consult Non-Disclosure Agreements: a business tool, a fact sheet available in the library section on our website.


prepared by the European Commission encourages participants to negotiate and define these matters, including the indication of possible limitations and penalties. Following this suggestion, all currently available Consortium Agreement models for FP7 include clauses dealing with liability and establish limitations, which participants should be familiar with. The table provides an overview of such provisions.

For an in-depth understanding of liability in an agreement, you must take into account the applicable law. It is under this law that terms such as “force majeure” or “wilful act” will be defined!

<table>
<thead>
<tr>
<th>DESCA&lt;sup&gt;5&lt;/sup&gt;</th>
<th>EUCA</th>
<th>IMG4</th>
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<tbody>
<tr>
<td><strong>Limitation of liability:</strong></td>
<td><strong>Indirect, consequential loss or similar damages are excluded,</strong> provided they have not been caused by wilful act or breach of confidentiality obligations</td>
<td><strong>Indirect, consequential loss or similar damages are excluded,</strong> provided they have not been caused by wilful act or gross negligence</td>
</tr>
<tr>
<td><strong>fault and negligence</strong></td>
<td><strong>Limitation of liability to cases of negligence (gross negligence may be excluded)</strong></td>
<td><strong>Limitation of liability to cases of negligence</strong></td>
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<tr>
<td><strong>cap</strong></td>
<td><strong>Liability limited to [once or twice] the participant’s share of the total costs of the project</strong></td>
<td><strong>Liability limited to twice the amount of the participant’s share in the contribution by the European Community</strong></td>
</tr>
<tr>
<td><strong>no warranty</strong></td>
<td><strong>Limitation of liability on information or material supplied, including that concerning the absence of a potential infringement of third parties’ IPR</strong></td>
<td><strong>Limitation of liability on information or material supplied, including that concerning the absence of a potential infringement of third parties’ IPR</strong></td>
</tr>
<tr>
<td><strong>Force majeure</strong></td>
<td>No liability in the case of force majeure</td>
<td>No liability in the case of force majeure</td>
</tr>
<tr>
<td><strong>Subcontractors</strong></td>
<td>The participant engaging a third party in the project is liable for damages resulting from the performance of the third party.</td>
<td>The participant engaging a third party in the project is responsible for the work performed by the third party</td>
</tr>
<tr>
<td><strong>Liability towards third parties</strong></td>
<td>Each participant is liable for any damages to third parties resulting from its own performance</td>
<td>The participant who caused the damage is liable. In the case where it is not possible to attribute the fault to any participant, all consortium members are liable in the proportion of their respective share in the community financial contribution.</td>
</tr>
</tbody>
</table>

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<sup>5</sup> For an in-depth understanding of the FP7 Grant Agreement model and the DESCA model in the perspective of Belgium Law, we suggest that you consult *Consortium Agreements for Research Projects: Multiparty Agreements under Belgium Contract Law*, eds. Ilse Samoy and Bruno Lambrecht, Intersentia, 2011.
Efficient Dispute Resolution – Multiple Parties and Contracts in R&D and Related Commercial Transactions

Judith Schallnau
WIPO Arbitration and Mediation Center

Contemporary international R&D and technology transactions are frequently complex and involve multiple parties and contracts. This has made multi-party disputes in all areas of industry increasingly common. A strategy to manage risks arising in disputes is vitally important to allow for securing the value of technologies and associated assets, such as intellectual property (IP) rights, in a rapid and cost-effective manner.

Disputes involving multiple parties and contracts can arise, for example, in the following contractual scenarios:

Scenario 1
A number of parties, who have signed an R&D consortium agreement, also sign different contracts related to the R&D project: a licence agreement, a purchase contract or a sub-contract.

Scenario 2
Party A signs a contract with party B, a second contract with party C and a third contract with party D – for example the owner of several patents signs several licensing agreements with different licensees.

Scenario 3
Party A signs a contract with party B, and B with party C – for example a company (A) which outsources part of a project to a sub-contracting company (B) which itself subcontracts part of the project to another subcontractor (C).

Companies and R&D entities involved in such contractual relationships are increasingly turning to alternative dispute resolution (ADR) mechanisms to resolve issues that were previously directed to the courts. ADR mechanisms include several procedures, such as mediation and (expedited) arbitration that allow parties to resolve their disputes out of court in a private forum, with the assistance of a qualified neutral intermediary of their choice.

Direct negotiations
Direct negotiations will be often employed by parties before commencing ADR procedures. In such negotiations, finding an acceptable solution in multi-party situations depends to a large extent on established rules to manage negotiations and to allow for decision-making procedures. For example, the DESCA model consortium agreement, which has been developed for multi-party collaborations, contains a recommended governance structure for collaborative R&D projects including decision-making bodies and voting rights.

Alternative Dispute Resolution (ADR)
If direct negotiations do not lead to a settlement, parties may commence ADR proceedings.

Mediation and arbitration are based on party consent expressed in an agreement to mediate or arbitrate. Parties often agree on WIPO Mediation followed, in the absence of a settlement, by WIPO Expedited Arbitration, as included, for example, in the DESCA model consortium agreement.

Consent does not usually raise any difficulty if a dispute involves two (or more) parties who have agreed in writing to mediate or to arbitrate their disputes and where the procedure is initiated by one party against the other(s), when such dispute arises. Additional questions may arise, where the parties to a mediation or arbitration are not the same as the parties to the mediation or arbitration agreement or where they are additional to those signatory parties, as illustrated in the following case example below.

CASE EXAMPLE
Two companies (A and B) and a research institute (C) enter into a consortium agreement. The consortium agreement contains provisions on co-ownership of IP providing that, in the case of an invention, A is allowed to apply for a patent and grant licences, and, in return, bear all patent-related costs. The other parties, who contribute to the invention, are entitled to a percentage of royalty rates paid by future licensees, in order to finance further related research.

Further to an invention by the parties and the completed patent application process, A concludes a licence agreement with a third party X, but refuses to provide information and to make payment of the agreed percentage of royalty rates to B and C. B and C commence dispute resolution proceedings requesting payment of their respective shares from A, or directly from X.

The consortium agreement includes a dispute resolution clause providing for WIPO Mediation followed, in the absence of a settlement, by WIPO Expedited Arbitration.

The licence agreement contains an identical dispute resolution clause.

3 Development of a Simplified Consortium Agreement for the Seventh Framework Programme (FP7) which is available at: www.desca-fp7.eu.
In this case, X is not a party to the consortium agreement. In mediation, the parties need to consider that, if X is interested in participating in the mediation, and the other parties agree, they need to sign a separate mediation agreement to confirm their consent to conduct a mediation including X. However, should X decide not to participate in the mediation, it cannot be forced to do so.

If the parties commence arbitration proceedings, the arbitral tribunal will, taking into account the dispute resolution clause, determine which parties have consented to participate in the arbitration and thus define over which parties it has jurisdiction. Firstly, the parties could clarify such question before the dispute arises by adding some language to the dispute resolution clause. Such added language could read as follows:

Consolidation

"If more than one arbitration is commenced under this Consortium Agreement and any separate contracts related to the subject matter of this Consortium Agreement (Related Contract) and any party to this Consortium Agreement and to a Related Contract on the basis that two or more arbitrations are substantially related and/or involve the same parties contends that the issues should be heard in one proceeding, the sole arbitrator appointed in the first-filed of such arbitral proceedings shall have the power to determine whether, in the interests of efficiency, the whole or part of the matters at issue should be consolidated before that sole arbitrator."

The term Related Contract includes (but is not limited to) related licenses concluded by a party to the Consortium Agreement and third parties.

The parties expressly accept that any dispute, controversy or claim under this Consortium Agreement may be resolved in the same arbitration proceedings as any other dispute, controversy or claim arising from another Related Contract, even in the presence of parties other than the parties to this Consortium Agreement.

Joinder and Intervention

Each party agrees that the Claimant shall transmit the Request for Arbitration to all parties to the consortium agreement.

Each party agrees that it may be joined as an additional party to an arbitration involving other parties to this Consortium Agreement and/or to a Related Contract. A party shall inform the existing parties and the party to be joined in writing within 14 days from the receipt of the Request for Arbitration of its intent to join another party as a party to a dispute related to the Consortium Agreement and/or a Related Contract.

A party to this Consortium Agreement may intervene in any arbitration proceedings hereunder by submitting a written notice to be sent to all the parties to the existing proceedings setting out a claim, counterclaim or cross-claim against any party to this consortium agreement within 30 days from receipt of the Request for Arbitration by the intervening party.”

Secondly, if in an existing clause there is no such added language, the parties could sign a separate written agreement stating that the arbitration shall involve all of them, including X. Thirdly, in the absence of such express consent, the arbitral tribunal will determine whether the arbitration agreement in the initial contract binds non-signatories based on an analysis of the facts of the case.

The WIPO Arbitration and Mediation Center is available for further questions on these complex issues.

Further information

Email: arbiter.mail@wipo.int
Phone +41 22 338 8247

Fancy a little quiz?

As you know every issue includes a quiz especially prepared by our expert of the European Patent Office, Mr. Paul Schwander, to help you develop your patent searching skills using Espacenet.

The solution of the quiz will be given in the following issue. Why don’t you try using Espacenet today? Here comes our quiz:

QUIZ

Never cold arms when reading in bed.

A French company “Couettabra.com” has developed and sells a duvet with long sleeves. This can be particularly useful during wintertime when reading in your bed.

The picture illustrates this innovation. Using Espacenet try finding patents relating to similar inventions.
Treating Migraines the Drug-free Way

A Belgian SME has developed an interesting product to treat headaches. The device uses electrical impulses to offer drug-free treatment of migraines and headaches. This product is worn like a headband and applies an electrode on the forehead. Try finding patent documents relating to similar products using Espacenet.

Step one: To find similar patents, identify the most pertinent aspects of the invention – common technical features that may be found in related patents – and for each aspect, define a comprehensive set of synonyms. To perform the search, the following concepts – groups of synonyms covering the different aspects of the invention – can be defined:

1. migraine, headache
2. forehead, front
3. electr*
4. impuls*, puls*

The combination migraine head electr* yields a preliminary list of relevant patent documents:

US6402678 – Means and method for the treatment of migraine headaches

Step two: Use the classification assigned to relevant documents to refine and complete the search.

In this case, we can take the classification symbols assigned to the above document in its largest scope Electrotherapy-Magnetotherapy A61N

Using the latter symbol, as a search criterion and adding some keywords migraine* or headache* we obtain the following list.

From this list, following patents are relevant:

US2009210028 – Device for the electrotherapeutic treatment of tension headaches

WO2006051370 – Electrotherapy device and method

The several retrieved patents show that this field is quite heavily patented. The second retrieved patent appears to be one held by a researcher of the Belgian SME.

Any company developing such medical appliance is well advised performing such patent searches both to avoid redeveloping existing devices and to gain knowledge of the IPR landscape in the field.

This search – even if using a classification symbol – cannot claim to be exhaustive. This is always to be kept in mind when performing such basic searches.
The Importance of IP Services for Universities

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Growth is likely to come from the ‘knowledge economy’, according to some scholars who have affirmed that knowledge economy service sectors will lead the way in the 2010s. This statement derives from the assumption that the economic recession, which the world has been facing during the last three years, has arguably accelerated long-term structural change across all OECD countries from a manufacturing and heavy industry base to the knowledge economy.

In this scenario, Intellectual Property (IP) may certainly play a fundamental role, given the numerous advantages that the system can offer to knowledge creators. However, an efficient management of the intangible is essential in order to reap the full benefits, mostly in terms of financial income. A proper management is a cornerstone for any company but it is particularly vital for universities, where most of the knowledge is created. In its recommendation on the management of intellectual property in knowledge transfer activities and Code of Practice for universities and other public research organisations, the European Commission (EC) itself points out that, “the active engagement of public research organisations in intellectual property management and knowledge transfer is essential for generating socio-economic benefits, and for attracting students, scientists and further research funding”.

Following this line of thought, several IP services have been created within universities to offer first-line advice to students and university staff. Own-it at the University of the Arts London (UAL) and the Innovation and Technology Transfer Office at the Università degli Studi di Genova are two amongst those.

Own-it: Intellectual Property Advice for the Creative Sector

Own-it, which is part of the Student Enterprise and Employability department of the UAL, saw the need of advising on and teaching IP within an arts and design practice-based university since its graduates are meant to contribute to innovation not only in the creative sector itself but also in the business one. In the opinion of Own-it, while intellectual property rights (IPR) provide security, it is often business know-how, the so-called ‘informal IP’, which represents the larger part of a company’s intellectual asset base. Therefore understanding the full range of IP rights and how to protect and exploit them are key business skills.

The Own-it service is delivered through the development of learning resources (including e-learning and webinars), case studies, live workshops and an innovative IP student learning project.

Additionally, Own-it provides training for staff throughout UAL and serves as a first point of contact for students that have questions about IP. Staff development training raises awareness of UAL’s IP policy, on procedures to follow when working with external companies on student projects and underlines the value of IP to increase the potential of commercialisation throughout UAL.

Students, staff and alumni have access to Own-it’s online resources such as fact sheets, podcasts and FAQs. Access to service provision such as IP clinics (45-minute consultations with lawyers), sample contracts and events are provided free of charge to the UAL community. Furthermore, Own-it events and workshops give creative students and graduates the opportunity to network, make valuable contacts and gain knowledge about professional practice.

Since its inception in August 2011, Own-it received and responded to a great number of enquiries and advised many students and graduates in one-to-one consultations with lawyers. Furthermore, 55 students are currently participating in an IP learning pilot project, which gives students access to their own solicitor during their final year’s project.

It is the belief of Own-it that IP and knowledge transfer is essential for all students and graduates, including creative students from an art and design field involved in less scientific works. Indeed, raising awareness of IP among graduates is critical to help them transfer their knowledge and to avoid losing commercial opportunities. This is certainly in line with the aforementioned recommendation of the EC. Through the principles outlined for an internal intellectual property policy in fact, the EC expressly requests the development of an IP policy and to “publicise it internally and externally, while establishing a single responsible contact point”. Going further, the recommendation asks to “promote the identification, exploitation and, where appropriate, protection of intellectual property, in line with the strategy and mission of the public research organisation and with a view to maximising socio-economic benefits”. Another important concern raised by the recommendation, which the Own-it activity matches, is to “raise awareness and basic skills regarding intellectual property and knowledge transfer through training actions for students as well as research staff, and ensure that the staff responsible for the management of IP/KT have the required skills and receive adequate training”.

University of Genova Innovation and Technology Transfer Office

Equivalent actions and activities are carried out for free by the Innovation and Technology Transfer Office. Yet this service, embedded within
the department of research, innovation and technology transfer of the University of Genova, even goes beyond providing hands-on support for knowledge transfer activities. The Office was set up in 2008 with the purpose to establish organisational structures that help to promote and foster a culture of IP protection and entrepreneurship within the university. Likewise, activities related to technology transfer aim to enhance and exploit the university’s research results, and to make the university of Genova “more competitive” through the establishment of a network of contacts and collaborations with agencies, businesses and business associations.

The Office is divided into three sectors, dealing with technology transfer support, IP protection, and marketing and commercial exploitation. In particular with regard to IP protection, the sector concerned mostly provides administrative and legal support to the filing of patents, by carrying out priority searches and liaising with patent attorneys. The Office is also responsible for drafting and reviewing all types of contracts related to patent applications, and in particular management of patents in the case of joint ownership, joint development agreements, assignment or licence contracts. Furthermore, material transfer agreements, studentship agreements for the management of intellectual property as part of doctoral scholarships and confidentiality agreements are also included within the contract consultancy.

Another operational area is related to academia-industry research collaboration. More specifically, within the framework of the related joint projects as well as of the European FP7 programme, the Office is involved in managing the relative results and related IPR.

Further to these considerations, the University of Genova Innovation and Technology Transfer Office is indeed complying with the EC recommendation. The code of practice included therein, in fact, points out that a knowledge transfer policy within a university is necessary to “ensure that the public research organisation has access to or possesses professional knowledge transfer services including legal, financial, commercial as well as intellectual property protection and enforcement advisors, in addition to staff with technical background”.

It is also worth noting that the university owns around 45 patents for which the Office provides commercial exploitation support in terms of contacts and negotiation with business partners. As part of this patent portfolio management, several spin-offs have been set up in order to exploit the results of the research previously carried out at the university. What is more is that the University maintains a long-standing relation with its satellite companies by also offering them all of the free-of-charge services delivered by the Innovation and Technology Transfer Office. This is certainly in line with another principle of the code of practice stating that the academic sector should “develop and publicise a policy for the creation of spin-offs, allowing and encouraging the public research organisation’s staff to engage in the creation of spin-offs where appropriate, and clarifying long-term relations between spin-offs and the public research organisation”.

These two services, to some extent dissimilar to one another but nonetheless greatly consistent with the EC recommendation, constitute examples of good practice to follow in order for the results developed within a research institute to be properly exploited and for the knowledge acquired to be transformed into socio-economic benefits.

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The European IPR Helpdesk on Tour: Take a Look at a Selection of our Recent Events

Upcoming events & training

- “Luxembourgish IP Day” organised by Luxinnovation, Luxembourg/Luxembourg
- “How to be creative and effectively protect intellectual property” – IP conference organised by the Polish Patent Office, Warsaw/Poland
- Open Health Information Day organised by the Health Directorate - DG Research & Innovation, Brussels/Belgium
- IP workshop organised by Austrian Research Promotion Agency (FFG) with participation of Austrian FP/ National Contact Points and Enterprise Europe Network, Vienna/Austria
- IP training at JRC Ispra – coorganised by the European IPR Helpdesk, Joint Research Center (JRC) and APRE, Varese/Italy

For further information, please have a look at our online event calendar.

Library

The European IPR Helpdesk offers a wide range of different publications (e.g. fact sheets, guides, model agreements, case studies etc.) all aiming at providing you with hands-on information and practical guidance on various aspects of professionally dealing with IP and IPR.

To make these helpful documents easily accessible for you, we have recently published a dedicated library section on our website, where you can find all publishing material conveniently grouped by publication type.

Please have a look at: www.iprhelpdesk.eu/library

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First-Mover Advantage (FMA) is the advantage gained by the first significant occupant of a market sector. It is commonly seen with service innovations (which are generally not patentable in Europe).

Standard refers to a document established by consensus and approved by a recognised body providing for common rules, guidelines or characteristics for activities or their results and aimed at achieving an optimum degree of order in a given context (ISO/IEC Guide 2:2004).

Mediation is a way of alternative dispute resolution (ADR), where a neutral third party (‘mediator’) assists and facilitates the negotiation to reach a mutually satisfactory settlement between parties in dispute.

Joint ownership refers to the situation where two or more persons share the ownership of the same asset. In the context of FP7, joint ownership of foreground arises whenever several participants have jointly carried out work generating the result and their respective single contribution cannot be determined.

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