Welcome to the first Bulletin of 2012! The Christmas holidays have given us the gift of renewed energy in order to confront the concerns and challenges facing the world today. The Intellectual Property (IP) domain will not be exempt from the present set of circumstances and strives to tackle major problems in order to find a way out from the crisis and help small businesses take advantage of the system.

This is the line followed by the Obama administration which recently passed a bill reforming the US patent law. One of the goals of this reform is to reduce costs and facilitate access to the benefits that patents can provide for SMEs in order to enhance their competitiveness. This is because small businesses are considered a key engine for innovation and growth. In this issue, we intend to analyse, at first glance, whether the shift from a ‘first-to-invent’ to a ‘first-to-file’ system could be beneficial for small companies and individual inventors.

Of course, one way to take economic advantage of intangible assets is to exploit and commercialise them by means of transactions negotiated by brokers. But before doing so it is of great importance to recognise the economic value of IP assets. Such an assessment is the subject of the article on IP valuation which endeavours to shed some light on brokers’ IP valuation methods for IP transactions.

In the real world, having the resources to support IP litigation has become onerous even for large companies. A fortiori, SMEs are penalised whether it involves defending a lawsuit or bringing a claim for alleged infringements. Alternative Dispute Resolution (ADR) mechanisms are indeed a convenient tool to avoid the heavy costs of litigation as well as to see the controversy settled faster and in confidential fashion. The article in the present issue highlights the importance ADR procedures have for parties involved in R&D collaboration and, consequently, for consortia participating in projects under the Seventh Framework Programme (FP7).

As repeatedly affirmed, FP7 is a remarkable financial instrument through which the EU supports SMEs, research organisations and inventors to reap the benefit of innovation. One FP7 funding scheme aiming to support individual researcher is Marie Curie Actions. In October, we participated in a workshop organised for Marie Curie Fellows by the EU Research Executive Agency (REA) and the European Patent Office (EPO). You will find a report on this workshop as well as an interview with one of the participants also in this issue. In addition we provide you with a report of an Irish research officer’s experience with the Helpline service.

We have no doubt this new year will be crowded with lots of IP news and surprises. We are pleased to spend it with you. Happy New Year!

Your editorial team
Efficient Resolution of Disputes in Research & Development Collaborations and Related Commercial Agreements

Judith Schallnau
WIPO Arbitration and Mediation Center

In a globalized world, international research collaborations and related commercial transactions are increasing in number, size and complexity. Such complex relationships create considerable uncertainty and an inherent need to manage changes and conflicts occurring during the life of the respective contracts. For example, parties may face intricate questions and conflicts on Intellectual Property (IP) created in research collaborations and exploited subsequently in an academic or commercial context. Such conflicts may relate to ownership of background and foreground IPR, including patents, know-how, copyright, trademarks or design, the scope of exploitation rights, infringement of third party rights, non-fulfillment or termination of a contract.

If the parties to research or commercial contracts are domiciled in different jurisdictions, or the IP is protected in several countries, resolving cross-border disputes through litigation in national courts may involve additional risks. For example, concerns may pertain to the choice of the appropriate forum, conflicting results in simultaneous court proceedings in different countries, the neutrality of the court, unfamiliar procedural practices and a lack of enforceability of court judgments outside the jurisdiction where they were obtained.

As an alternative, parties may choose out-of-court dispute resolution mechanisms. Such so-called alternative dispute resolution (ADR) mechanisms, for example mediation, arbitration or expert determination, are provided by the WIPO Arbitration and Mediation Center (WIPO Center) and offer parties and their lawyers high-quality, efficient and cost-effective ways to resolve their IP disputes out of court. The WIPO Center was established in 1994 as part of the World Intellectual Property Organization (WIPO) in Geneva, Switzerland.

ADR mechanisms can be defined as follows:

- Mediation is a non-binding procedure where a neutral intermediary (the mediator) helps the parties settle their dispute.
- Arbitration: Arbitration is a procedure where parties submit a dispute to a tribunal of one or three arbitrators, who issue an internationally enforceable binding decision.
- Expedited arbitration: Expedited arbitration is an arbitration carried out in a shortened time and at reduced cost.
- Expert Determination: Expert Determination is a procedure used to determine issues of a scientific or technical nature. The parties may choose a binding determination, or a non-binding one.

Referral to ADR procedures is consensual. Party consensus is usually reflected by ADR clauses which can be included in R&D agreements and commercial contracts, including those outlined in the following diagram. It is also possible to submit consensually existing disputes to ADR by way of a submission agreement.

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1 For these procedures the WIPO Center offers recommended clauses, rules, and neutral intermediaries and decision-makers (i.e. mediators, arbitrators, experts). Further information is available at: http://www.wipo.int/amc/en.
Arbitration in the Absence of a Settlement, by WIPO Expedited Arbitration

Where several contracts relating to R&D collaborations and commercial agreements are concluded at different stages of a project, consistent dispute resolution provisions should be included to enable an efficient dispute resolution process and, if necessary, the consolidation of disputes.

Parties involved in R&D collaboration often use model agreements as a basis for drafting and negotiating their research contracts. For example, entities involved in projects funded under the Seventh Framework Program EC (FP7) use the DESCA model consortium agreement which has been developed for multi-party collaborations and which recommends WIPO Mediation followed, in the Absence of a Settlement, by WIPO Expedited Arbitration.

The advantages of ADR mechanisms in general and particularly for research and development activities include the following:

- A single procedure: ADR allows parties to resolve IP disputes covering several jurisdictions in a single proceeding. This avoids the expense and complexity of multi-jurisdictional litigation and eliminates the risk of inconsistent results across national borders.

R&D projects often involve participants from different jurisdictions: e.g. a minimum condition for funding collaborative projects under FP7 is that at least three participants from at least three different countries participate in the project.

- Party autonomy: ADR gives parties greater control over procedural mechanisms than litigation. They can select the mediator, arbitrator or expert who is a specialist in the subject matter in dispute and in ADR. Parties can further select the applicable law, location, and language of proceedings. Neutral parties and the disputing parties can together determine the time frame of procedures.

Time and quality are of the essence in innovation-driven R&D areas. Mediation, arbitration and expert determination reflect such needs as they allow parties to choose a neutral intermediary with relevant expertise in the matter being disputed. Timing is of particular importance for R&D projects where delays can put the whole project at risk when work packages are not carried out on time by project participants. In addition, funding is limited to a certain time period and delaying research puts dissemination and use of results at risk, for example if competitors have published or protected results faster.

- Neutrality: ADR can be neutral to the law, language, or institutional culture of the parties, which prevents litigation “forum shopping” to the disadvantage of other parties.

- Confidentiality: The WIPO Arbitration, Mediation and Expert Determination Rules provide that arbitration, mediation and expert determination proceedings and their results be confidential. This privacy allows the parties to focus on the dispute without concern about its public impact and any potential damage to reputation, which often promotes good-faith negotiations and facilitates settlement.

This is of particular importance to highly sensitive research activities where scientific results must be kept confidential. It also helps improve participants’ good relations and mutual trust which are essential for longstanding collaboration.

Advantages of ADR procedures have been highlighted in several WIPO administered cases, including patent licensing and research and development agreements, among others.

In a case involving a European university and an industry partner in another EU Member State, a mediator helped the parties in a mediation administered by the WIPO Center to determine aspects of a sector specific patent license. The mediator had longstanding experience in drafting specific licensing agreements and in mediation, and the dispute was settled within six months.

In a WIPO arbitration case, a European research institute and an Israeli pharmaceutical company agreed on the development of a pharmaceutical product. Later, the validity of their contract was disputed and problems regarding the payment of royalties occurred. Following a meeting with an arbitrator selected by the parties, they were able to settle the dispute and to continue their collaboration.

Contact
WIPO Arbitration and Mediation Center
Email: arbiter.mail@wipo.int

Further information on WIPO ADR Services in Research and Development/Technology Transfer:
www.wipo.int/amc/en/center/specific-sectors/rd

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2 Development of a Simplified Consortium Agreement for the Seventh Framework Programme (FP7)
3 Parties using the DESCA model agreement can agree to include this clause in their specific consortium agreement or amend it as need may be.
4 Forum shopping refers to a practice of choosing the most favorable jurisdiction or court in which a claim might be heard.
5 Selected WIPO mediation case examples are posted in an anonymized format at: http://www.wipo.int/amc/en/mediation/case-example.html
6 Selected WIPO arbitration case examples are posted in an anonymized format at: http://www.wipo.int/amc/en/arbitration/case-example.html
The Use of IP Valuation in IP Transactions: A Global Survey of IP Brokers

Luca Escoffier
Founder and CEO, Usque Ad Sidera LLC & Adjunct Researcher at Waseda University

Efrat Kasznik
Founder & President, Foresight Valuation Group LLC & Instructor at the Stanford Graduate School of Business

The valuation of Intellectual Property (IP) such as patents, or of non-patented technologies, is still considered by many to be more of an art than a science. While IP valuation might appear to be a routine task for a technology/patent broker, in fact most of the time it can be really difficult to value a patent or technology even for those who transact those assets on a regular basis.

In this article, we set out to explore the usage of standard valuation methods by IP brokers, hoping to shed some light on why brokers rely or don’t rely on IP valuation methods in their transactions, and which valuation methods and/or tools are used the most. By “valuation” we refer to the process of attaching a monetary value to a patented or non-patented technology. It is therefore a quantitative assessment. Conversely, when we look at regulatory, technical, commercial and other hurdles that the technology may encounter before entering a market, we are making a qualitative assessment. This latter approach, more properly defined as “evaluation”, is not related to the calculation of a market price. By “valuation” we refer to the process of attaching a monetary value to a patented or non-patented technology. It is therefore a quantitative assessment. Conversely, when we look at regulatory, technical, commercial and other hurdles that the technology may encounter before entering a market, we are making a qualitative assessment.

During October 2011, we ran a survey through our private network and LinkedIn groups, asking what were the major valuation methods being utilized by IP brokers, if any; the respondents to our survey are distributed as follows:

- Sixteen (16) responses have been received and tabulated;
- Three (3) continents are represented in the survey (America, Europe, Oceania);
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As presented in Figure 1, the majority of the surveyed brokers do not use standard valuation methods; Figure 2 shows that the majority of the respondents are from the European continent. However, since almost all of them operate globally, we could not find a distinction in the use of valuation methods among the different geographic areas.

Below are some additional interesting findings from our survey:

- The top reason quoted for not relying on IP valuation methods is that every technology is unique, which therefore standard methods fail to capture.
- Those brokers using IP valuation methods are primarily relying on the discounted cash flow (DCF) method to calculate the net present value of future cash flows generated by the technology in question, and also take into consideration its market volume and market share.
- As a matter of practice, IP brokers do not rely on valuation software tools and stick to more conventional valuation methods or to a case by case approach.

In interpreting the results of our survey, it is important to understand what are the standard IP valuation methodologies, how the IP transaction marketplace has evolved, and how the two intersect with each other.

**IP Valuation methods**

IP valuation methods fall into three categories:

- Market, Income, and Cost-based methods. Market methods rely on prices of comparable transactions in the marketplace, involving similar assets. Income methods rely on a measurement of future income from the asset, adjusted for risk and time. The most common example would be the DCF methods, already mentioned before, which measure the net present value of future income from the IP asset or technology, such as royalty rates. Cost methods are based on a measure of what it would take to create a similar asset, including all labor and material costs that go into that. In practice, the income methods are used the most, which is consistent with our survey results, due primarily to the lack of good comparable market transaction data. We will discuss the reasons for that lack of data below.

The valuation of intangible assets is a relatively new analytical practice that evolved over the last two decades, emerging from the increased levels of patent litigation in the 1990’s and the need to value patents and other intangibles in the context of litigation damages. The valuation of intangibles has moved into financial reporting, with the passing of new accounting regulations around purchase price allocation in M&A deals (under both US-GAAP and IFRS), and the need to calculate the price of intangibles that are included in an acquisition. IP valuation is also heavily used in tax reporting, with the emergence of IP holding companies and transfer pricing compliance regulations that require the valuation of IP portfolios involved in transactions for tax purposes.

The IP marketplace has been quickly evolving into a very dynamic transaction market over the last decade. Contributing factors included: the availability of patents following the dot-com bubble and corporate bankruptcies; the emergence of enforcement as a business model by non-practicing entities (NPEs or “Patent Trolls”); and the presence of large buyers such as Intellectual Ventures and other patent funds and aggregators. This ecosystem gave rise to a class of patent intermediaries, such as patent brokers. Most of the transactions facilitated by brokers are done in private circumstances where the reporting of the transaction is not required, nor is it supported by a formal valuation analysis. This explains why the reliance on standard IP valuation methods is not widely reported by the brokers surveyed in our study. Instead, IP brokers rely on a combination of “rules of thumb” assessments, and some very basic valuation, usually done without

Figure 1. Broker valuation usage distribution

Figure 2. Broker location distribution

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the help of a third party valuation expert. Since many brokered transactions are not reported, there is no solid database of prices, which explains why IP brokers rely on income based methods, such as the DCF, and not on market-based comparable transactions. This situation is likely to persist, unless some radical changes are made to the reporting requirements, which result in widely available pricing data for IP transactions.

Finally, due to the highly specialized nature of IP valuation, it is a task that is not well suited for automated software valuation tools. It is therefore not surprising that just one of the surveyed IP brokers mentioned relying on software valuation tools. There are a limited number of tools for the evaluation and valuation of technologies and IP in the market today, including a free software tool offered by the European Patent Office called IPscore www.epo.org/searching/free/ipscore.html.

Based on our brief review of the tool, though, it is more focused on the evaluation process, and its financial valuation capabilities appear to be limited. With the level of complexity associated with IP valuation, this is likely to remain the domain of valuation experts, rather than software packages.

US Patent Reform: Boom or Bust for Small Businesses?

Roberto d’Erme
European IPR Helpdesk

On September 2011, President Obama signed into law legislation reforming the US patent system called the ‘Leahy-Smith America Invents Act’ (AIA). The Act is considered the largest renovation of US patent law in nearly 60 years. It was the culmination of over six years of debate started by a 2004 US National Academy of Science report that recommended several changes to the existing framework. Major topics of the legislation include: the introduction of a post-grant challenges mechanism, amendments to simplify and reduce the cost of patent litigation, and the harmonisation of the US patent law with European and Japanese patent law.

The terms of the AIA are meant to strike a balance between the interests of large industry (LI), Small and Medium-Sized Enterprises (SMEs), independent inventors and research laboratories. It is, of course, too early to analyse the impact this reform will have on all of these sectors, but a breakdown of its salient aspects might help explain some of the ways that small businesses will be affected by the new provisions.

Under the old ‘first-to-invent’ rule, an inventor could receive the benefit of a patent based on its development and continued use of the invention, and not on who was the first to file for a patent. Under this system any inventor could initiate a review process, governed by the USPTO, which establishes the person or persons who have first conceived of the invention and who are therefore granted a patent to the invention in question (so-called interference practice). In this situation, SMEs needed to pay close attention to the risk of larger companies (having more resources) to challenge their patents. Consequently, a first to invent system did make it more difficult to assess the patentability of an invention.

One major change of the AIA legislation is the switch to the ‘first-to-file’ system which, in keeping with the harmonisation goal, is intended to simplify the application system, reduce costs, and improve the competitiveness of American inventors. This system is the one applied in most jurisdictions throughout the world and entails that the right to a patent is given to the person who first files for a patent. However, it should be added that AIA changes still leave room for patent challenges by means of the newly introduced post-grant review, which will take effect in September 20121.

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This provision allows third parties to stop a patent claim within nine months from grant or termination of the post-grant review. Under post-grant review, the patent can also be challenged on any ground related to the validity of patent under the US code2.

1 With possible 6-month extension.
2 The US Code is a consolidation and codification by subject matter of the general and permanent laws of the United States. Patents are dealt with in Title 35.
The ‘first-to-invent’ rule has been harshly criticised by the small business sector insofar as the change to the filing grace period might disadvantage small companies and independent inventors in favour of larger companies. More precisely, SMEs are used to seek outside financing and strategic partners before filing for a patent, while Li are able to arrange all of their investment, manufacturing, and marketing internally. That would require a disclosure of the SMEs inventions to many potential investors before having the funding to engage in patent prosecution. Yet, it could be argued that the twelve-month grace period\(^3\), that is broader in scope and twice the period foreseen in EU and Japan, allows such small entities to collect funding in order to have the patent process completed, without any harmful consequence for their inventions.

Moreover, it should be noted that the grace period for an inventor to file a patent, as it has been designed in the AIA, is still in favour of inventors since during this period they will be protected from their own disclosures as well as from disclosures by others who received the information directly or indirectly from the inventor. Indeed, this protection could be advantageous to small businesses in terms of pre-filing actions (that otherwise would constitute prior art) and also beneficial to independent and university inventors.

Another criticism is directed at the fact, that because of the ‘first-to-file’ system SMEs will need to file patents quickly to avoid losing rights. That will create a ‘race’ to the patent office for establishing priority with adverse consequences to the patent quality and USPTO backlogs but, mainly, it would harm SMEs as the cost to protect IP will be significantly higher for them.

The first-to-file provision will take effect on March 16, 2013\(^4\). From this date on, the USPTO will almost certainly see an increase in number of patent applications. Yet, we have to wait and see to what extent the AIA will affect the patent quality and be unsuited for the redressing of the USPTO backlogs. It can nevertheless be debated that quality can be improved thanks to the post-grant review process that gives the inspecting patent officer an additional chance to scrutinise the grant. Indeed, while this could push patent costs higher, on the other hand, it can also serve as stimulus to improve patent quality at the outset.

The AIA legislation also provides an extension of the prior use defence to all patents\(^5\). That means that anyone acting in good faith can use a patented invention for commercial and non-commercial purposes. Where the user is subject to patent infringement, he/she can always rely on its prior use as defence as long as it shows that such activity took place at least one year before the patent filing. Expanding prior user rights will supposedly encourage American manufacturing and provide necessary protections for university and independent inventors.

Another meaningful innovation brought by the AIA is the new fee structure. The bill provides that fees for filing, searching, examining, issuing, appealing, and maintaining patent applications and patents be reduced by 50% for small entities and 75% for “micro entities”, the latter defined so as to include inventors and universities, as long as they meet the statutory requirements\(^6\). Such reductions are in addition applied when the choice is made for a prioritised examination and in case of additional fees established for non-electronic applications\(^7\). These provisions are already effective.

Other actions supporting small businesses and independent inventors are the creation of an ombudsman program and a pro bono program. The AIA requires the USPTO Director to establish a Patent Ombudsman Program in order to provide support and services regarding patent filings to small business concerns. However, the implementation is subject to available resources. As far as the Pro Bono Program is concerned, the USPTO Director will undertake collaboration with IP law associations for the establishment of programs designed to assist financially under-resourced independent inventors and small businesses.

The AIA legislation undoubtedly makes an effort to create a more balanced system and to enhance the services offered by the USPTO. It strives to improve patent quality, the work sharing between the USPTO and the rest of the world, and offers alternatives to costly and complex litigation. It remains to be seen what effects the reformed system will have in practice on SMEs as well as on independent and university inventors and consequently if they will still remain the engine for US innovation and growth.

\(^3\) The grace period is a lapse of time before the filing of a patent in which certain disclosures of patent information are permitted without the invention falls within the state of the art.

\(^4\) Under the US first-to-file rule this period runs from the first filing and covers one year, or less, before the filing date.

\(^5\) 18 months after the legislative enactment.

\(^6\) Under the previous Act this defence was available only to prior users of business methods.

\(^7\) In the main, applicants must meet certain household income tests and not have been named as an inventor on more than four previously filed patent applications.

Prioritised examination is $4,800 (above usual fees) and paper applications require additional $400.
Europe needs to attract the brightest talents in research and to support the career development of these researchers to foster the European Research Area and to strengthen the European economy. To this end, the European Union has developed a funding scheme under the Seventh Framework Programme (FP7) to support researchers, called the Marie Curie Actions. Marie Curie Actions encourage the career development of researchers through mobility grants in the context of research projects.

As in any other FP7 programme, Intellectual Property Rights (IPR) are relevant in Marie Curie projects. From the proposal until the end of the project, Marie Curie beneficiaries must take care of the intangible assets brought to the project and created during the project’s implementation. Several obligations concerning the protection, use and dissemination of intangible assets are established by the Grant Agreement concluded with the Research Executive Agency (REA) of the European Commission. These contractual obligations also affect researchers, not only because they are involved in drafting the proposals and in project implementation, but also because they are often requested to sign agreements including IPR-related provisions. Being familiar with IPR is thus essential for them.

To attend to these needs, the European Patent Office (EPO), as in previous years, organised, in cooperation with the REA and the European IPR Helpdesk, a workshop for Marie Curie Fellows on 18-19 October 2011. Twenty-five researchers from several EU countries participated in this two-day event.

On the first day, the European IPR Helpdesk advisor, Ms. Catarina Araujo, presented an overview of the most common Intellectual Property Rights. In the morning, participants learned about the specific IPR legal framework within Marie Curie Actions from Valeria Canetti, a REA legal officer. The rest of the day was dedicated to patents. Martin Huenges, a patent attorney at Maiwald Patentanwalts GmbH, explained in detail the requirements of patentability and answered questions from many interested researchers. Many misunderstandings were clarified and practical hints were given to help these researchers overcome some of the problems they were facing in their projects, especially with regard to the researchers’ possibilities to file patent applications.

The afternoon offered the opportunity to learn more about the European Patent grant procedure and patent searches mechanisms from EPO experts. Stefano Pinna, an EPO examiner, offered insights into the examiners’ way of working giving real examples of how to approach patentability requirements under the European Patent Convention. The day ended with a presentation given by Lisa McDonald followed by Timur Albayarak on how to search for patent applications and granted patents in the “Espacenet” common database.

On the second day, Bruno Dalle Carbonare, CEO of The Business Development Company, focused on the commercial value of research results and explained how to exploit inventions commercially by setting an exploitation strategy. Then Jürgen Meier, a patent attorney at Vossius & Partner, presented the enforcement of IPR through extra-judicial means as well as judicial proceedings. The afternoon started with a presentation from Thomas Frischmuth, CEO at Baseclick GmbH, who shared his practical experience in a research startup company. Andrea Friedrick from the Technology Transfer Office of the Munich University talked about how a Technology Transfer Office could help researchers to protect their inventions. Lastly, Sabine Albrecht from the European IPR Helpdesk closed the session with an overview of IPR within Collaborative Research Projects. The workshop was very interactive and participants showed great interest in the topics, which triggered several rounds of discussions with the speakers.

The next workshop for Marie Curie Fellows will be organised in April 2012.

More information
Research Executive Agency (REA)
http://ec.europa.eu/research/rea/index.cfm

Marie Curie Actions
http://ec.europa.eu/research/mariecurieactions/

Giovanna Oddo, European Patent Office
Email: goddo@epo.org
“Dealing with Intellectual Property matters is very important for every researcher.”

Dr. Rosa Busquets, a Marie Curie Fellow at the University of Brighton, shares with us her training experience in the Marie Curie Fellows workshop.

Why did you participate in this workshop?
Dealing with Intellectual Property matters is very important for every researcher, because sooner or later we will find ourselves in the situation of assessing whether the research that we carry out is patentable or not and if it is worth filing a patent. Being familiar with Intellectual Property gives us therefore the confidence that in the development of research we are taking the right steps without jeopardising the value of what we create.

What were the most relevant topics in the workshop for you?
Most researches that participated in this training had worked in academia only. In my case, I worked as a researcher in several European universities and in an SME. For researchers in academia, publication of scientific articles is essential. We need as many papers as possible, and as soon as possible since our contracts are insecure and may need to apply for our next job soon. However, the importance of patenting is growing, in particular in companies. Before this workshop I thought that filing a patent would cause a delay in the publication of the research I am developing. It was essential to learn that this is not necessarily true!

I also found the presentation of Thomas, a professor who moved from academia to business, very useful. He is a very successful researcher who built up a spin-off based on the technology developed in his research. He also explained the particular case of his patent, which underwent a complex review process with the European Patent Office. It was very enriching to see this real example and understand that working in companies is not incompatible with research. Researchers can indeed be very happy and successful in industry.

For me personally, it was also interesting to learn more about the value of patent searches and how to perform those. Patent searching was something that I did not use to do, but after this workshop I will certainly change this in the future.

Getting to know the EPO patent filing procedure from inside was great. Dr. Stefano Pinna gave us a number of good hints and explanations.

Do you think that your participation in the workshop will have concrete effects on your work?
Definitely. I believe that my understanding of the different options is far better now. The university may file a patent application on an invention I created during my research project, but that will not prevent me from publishing papers related with the invention once the patent has been filed.

Moreover, from now on I will be particularly careful when it comes to any public presentation of my research, since that could destroy novelty, which is essential for future patents I may want to file on that research. Last but not least, I will certainly search for patent information in my bibliographic reviews, because I do not want to miss any relevant information.

I also have to admit, that this workshop showed me that I should not merely focus on research, but also keep in mind potential opportunities for technology transfer. Hence, I will need to look for companies with the purpose of building business partnerships.

Would you recommend this workshop to other Marie Curie Fellows? And why?
Certainly. It was a very comprehensive training on Intellectual Property. On a scale of one to ten, I would rate it a ten.

I would also like to thank the trainers for their availability and sincerity. I benefitted a lot from their will to share with us their practical experience.

The Helpline answers some of the Marie Curie Fellows’ queries

Q – As a result of my work in a Marie Curie Action, a patent application was filed by the host organisation. Will I be able to use this patent after the end of the project?
A – In most cases researchers are not able to use any result of the project after its end. Indeed, the Grant Agreement only foresees that beneficiaries have the obligation to provide researchers with the necessary rights (i.e. access rights) to use, on a royalty-free basis, the project results if these are needed by the researchers to develop their work under the project. Any other further rights, for example to use the patent after the project end, would therefore require negotiation and prior authorisation, from the concerned beneficiary.

Q – What is included under Background?
A – Background is regarded as information which is held by beneficiaries prior to their accession to the Grant Agreement (as well as copyrights or other intellectual property rights pertaining to such information) and which is needed for carrying out the project or for using research results generated in the project, the so-called foreground. What is considered to be “needed” may be defined by the beneficiaries in a written agreement, usually the consortium agreement. Often, the definition is done through the inclusion in the agreement of a negative list (i.e. a list of excluded background) or a positive list (i.e. a list of the background available for access rights) of background items. The definition of Background is thus a matter of negotiation between beneficiaries.
The European IPR Helpdesk on Tour: Take a Look at a Selection of our Recent Events

- Training – IRTA, Barcelona
  27 October 2011

- Legal and Financial NCP Meeting
  Brussels
  23 November 2011

- Training – Health NCP Net, Bucharest
  23-24 November 2011

- Training – CATT/University Linz
  Linz
  18 October 2011

- Training – TSB Berlin (EEN), Berlin
  15-16 November 2011

- Innovation Convention 2011
  Brussels
  5-6 December 2011

- Yeda’s 2011 Conference
  Rehovot
  13 December 2011

- IP Conference
  Fusion for Energy, Barcelona
  28-29 November 2011

- Innovation Convention 2011
  Brussels
  5-6 December 2011
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 forth quiz:

**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.

More on this product.

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Safe Smoking

Smoking is harmful to your health, we all know that. But smoking cigarettes can also be dangerous as they can easily start a fire. Cigarette manufacturers have now found a partial solution to this problem: making cigarettes less likely to burn. If you leave your cigarette unattended in an ashtray or elsewhere, the cigarette will stop burning after a while thanks to its special composition. Try finding patents covering these type of cigarettes 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, this set of synonyms can be combined as keywords in the patent database.

In this case, the following concepts – groups of synonyms covering the different aspects of the invention – can be defined:

- cigaret*
- fire, burn*
- retardant, flammability

The combination cigaret* retardant yields a preliminary list containing a several relevant documents:

WO2010143035^7, Reduced ignition propensity cigarettes and methods for their manufacture

US2009320865^4, Flame-retardant and Fireproof Cigarette

WO2009099011^3, Cigarette packaging material manufacturing method

As we can notice this field is heavily patented. Surprisingly, you will also note that many patents are from China. Certain technical fields like this one are subject to many patent filing in China. Such a search reveals the importance of the patent prior art available in Chinese.

To continue the search, one can check the definition of the assigned classification symbols and try finding the best match.

A24D1/02B^5 relates to cigarettes with covers having material applied to defined areas, e.g. bands for reducing the ignition propensity. This symbol matches our invention. A search using this symbol yields many (946) additional results.

Obviously, this concept is not new and it is likely all types of improvements have also been patented.

In the list you can even retrieve quite old patents like this US one dated 1923:

US1555320^7 Cigarette

"An object of the invention is to provide a cigarette of the above type which is provided with means located intermediate the ends thereof which operates to extinguish the burning of the cigarette both the wrap 20 per and the contents provided the smoking thereof is discontinued"

A last note on using this classification symbol. This symbol is a so called European Patent Classification symbol. As this classification scheme is not applied to Chinese data you will not be able retrieving Chinese documents using this search criteria. You always have to pay great care to the coverage of those fields. Major patent offices are currently working toward a common scheme to address this issue.
“The European IPR Helpdesk certainly enhanced my understanding of the IP issues of our Consortium.”

Dr Helen Grogan, Senior Research Officer at Teagasc, the Agriculture and Food Development Authority of Ireland shares with us her experience with our Helpline service.

Helen Grogan, is a Senior Research Officer in Teagasc, the Agriculture and Food Development Authority of Ireland. Teagasc is the national body providing integrated research, advisory and training services to the agriculture and food industry and rural communities. Their annual research portfolio comprises some 300 research projects, carried out by 174 researchers with the assistance of 280 technical and support staff. Teagasc collaborates extensively with Irish and European universities and research institutes, and has a long history of participation in Framework Programme-funded projects.

An important part of Helen’s time is dedicated to the management and coordination of research projects in Horticulture where Teagasc is involved. Although she has long experience in research, she is new to co-ordinating FP7 projects, and has comes across complex problems for which neither her colleagues, nor the Guide to Intellectual Property Rules for FP7 projects (ftp.cordis.europa.eu/pub/fp7/docs/ipr_en.pdf) are able to provide for a solution.

Recently, she got involved in a project for the benefit of SME Associations within the Capacities programme. This was the first time she had co-ordinated this kind of action. For this reason, she faced some difficulties in dealing with all the issues concerning the management of Intellectual Property (IP) and in making sure that the Description of Work (DoW) was fully in accordance with the specific IP-related rules applicable to this concrete type of action.

Following the suggestion of her REA project officer, she contacted the European IPR Helpdesk for assistance. She sent all her IP-related queries, as well as parts of the DoW to the Helpline. In this way, the IP consultants of the Helpline were given all the necessary information to provide her with answers in as much detail as possible.

With the assistance of the European IPR Helpdesk, Helen was able to better understand and interpret the guidelines, as well as to improve the final version of section 3.2 of the DoW.
SUBSCRIPTION

The Bulletin is published three-monthly by the European IPR Helpdesk and it is distributed free of charge.

All issues of the Bulletin are available on our website.

GLOSSARY

**US-GAAP** stands for the Generally Accepted Accounting Principles, which are accounting rules commonly used in the US.

**IFRS** stands for the International Financial Reporting Standards, which are international principles adopted by the International Accounting Standards Board.

**Transaction** refers to a specific part of the grant agreement (Annex I) in the thematic “Research for SMEs” and “Research for SME associations” where participants agree on the conditions of the ownership of the results, access rights to be provided to any SME participant or SME Association and the remuneration of the RTD performers. The transaction is concluded with the approval of REA.

**Research Executive Agency (REA)** is a funding body created by the European Commission to foster excellence in research and innovation. It manages large parts of the FP7 activities: Marie Curie Actions, Research for the benefit of SMEs, Space and Security Research.

GET IN TOUCH

For comments, suggestions of articles or further information, please contact

European IPR Helpdesk  
c/o infieurope S.A.  
62, rue Charles Martel  
L-2134, Luxembourg  
Phone: +352 25 22 33 - 333 (IP Helpline)  
Fax: +352 25 22 33 - 334 (IP Helpline)  
Email: service@iprhelpdesk.eu  
Web: www.iprhelpdesk.eu

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