



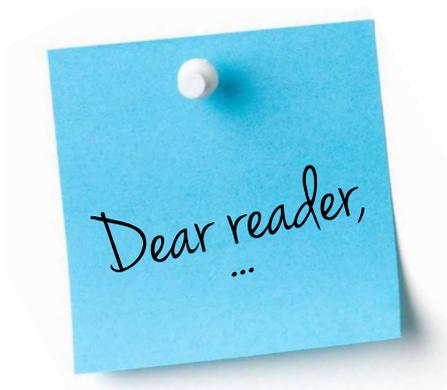
The European IPR Helpdesk

Bulletin

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Intellectual Property (IP) is one of the most efficient tools for generating revenues and that is why we largely devote the first Bulletin issue of this year to IP commercialisation and exploitation!

IP commercialisation is the process of getting your intellectual assets to market and/or creating new income streams on your own, through a partnership or via a combination of both. The first article of this issue, you will discover which options are open to businesses for exploiting IP assets to gain and retain competitive edge.

The second article focuses on licensing, the most common tool of IP commercialisation. Reading this article you will find out the different peculiarities to consider when entering into a licence agreement.

With the spate of technological convergence seen in the past decade or so, Standard Essential Patents (SEPs) are becoming a key issue for more and more industries. In this regard, an article of Ms Alessandra Mosca, R&D Engineer and Mr Matteo Sabattini, Chief Technology Officer at Sisvel, illustrates the main principles and rules to be considered in SEPs licensing.

This issue also provides the point of view of an SME regarding patent portfolio management and exploitation. Our interview with Mr Matteo Monticelli the Managing Director of an Italian company, Pollution, reveals how an SME makes use of effective patent strategies based on real experiences.

Furthermore, our second interview with Mr Maxime Talagas, the Project Manager at DIGICASH, illustrates the crucial role of IP for a Luxembourgish SME receiving funds under the Horizon 2020 SME funding scheme.

As always we also inform you about our past training and events.

This issue also brings you fresh news on the Helpline service. Learn more about hot topics and questions our Helpline team is frequently receiving.

Discover also our dedicated IP crossword and test your knowledge on patent searching through our usual quiz.

Wishing you inspiring reading and a happy and successful new year with full of IP!

Your Editorial Team

How to commercialise IP... That is the question!

The European IPR Helpdesk

As the main goal of companies is to create revenues, the key factor for their success is, without any doubt, the commercialisation of their products and/or services. The capability of commercialising new products is a challenge for companies since successful commercialisation requires multiple proficiencies such as R&D, manufacturing, marketing, contractual law, and human resources supervision.

Among others, Intellectual Property (IP) management is also another essential element for the commercialisation process. Commercialisation of IP consists of bringing intellectual assets into the market in view of future profits and business growth. Therefore it should seriously be considered when drawing the companies' commercialisation strategy.

Different routes of commercialisation serve for different needs of companies. Selecting the most appropriate one highly depends on companies' global strategy that is reflected into their IP strategy. Regardless of the route chosen, there are vital points in order to secure IP during the commercialisation process.

*When the company commercialises by its own*¹

Companies may prefer marketing their products/services on their own, without entering into any business relation with any third party (e.g. assignment or licensing). It is usually the case when the company already has enough resources for commercialisation and does not need to build partnerships, thus keeping its monopoly. In such a case, a successful commercialisation necessitates a structured and experienced organisation

(such as management, marketing and HR competency on commercialisation) with company financials strong enough to carry on all marketing and sales activities.

What to consider when commercialising IP on your own?

- **Secrecy** has utmost importance: make sure that employees, researchers and collaborators have in place confidentiality obligations and that Non-Disclosure Agreements (NDAs) are signed with third parties. It is crucial to keep ideas secret during R&D process in order to ensure the novelty criteria, especially for patents/utility models or designs (as their protection is possible only if they have not been disclosed to the public). Moreover, note that in many countries trade marks and domain names are registered on the first-to-file basis.
- Use **IP databases** to evaluate the registrability of your invention, design or brand.
- Protect your IP in the markets you will enter.
- Perform **Freedom-to-Operate analysis** to assess the marketability of the concerned products/services.
- Take all measures for the **enforcement** of your IP and set up the corresponding business model.

*Commercialisation through assignments*²

Assignments are useful tools for commercialisation, especially when the owner of the IP does not have enough capabilities to market the developed intellectual asset and/or when the owner would like to realise an immediate cash flow from an IP asset, which he does not plan to exploit with its

own resources. However, it must be taken into account that as assignments imply in fact a change in ownership, all rights over IP are transferred to the new owner when an assignment is granted.

What to consider when commercialising IP through assignments?

- **Signing an NDA** is the initial step before any assignment negotiations. As you will be sharing sensitive information during the whole process, you need to secure your IP. Always keep in mind that the negotiations may not reach an agreement.
- **Perform an IP due diligence** to reveal the possible risks and value of the IP assets and liabilities.
- Pay particular **attention to the assignment agreement** and ask a professional advice for drafting the IP clauses: clearly identify of the transferred IP, set forth the terms of payment, dispute resolution mechanisms etc.

Commercialisation through licensing/franchising^{3, 4}

Licensing is a contract under which the holder of an IP (licensor) grants permission for the use of its IP to another person (licensee), within the limits set by the provisions of the contract. Franchising is, on the other hand, a specific type of licensing where the IP owner (franchisor) transfers a business concept together with the related IP to the recipient (franchisee).

The main difference between assignments and licensing/franchising concerns ownership. In assignments the ownership of the IP is changed and transferred to the assignee, while the owner of IP remains the same (licensor/franchisor) in licensing/franchising.

¹ Further information can be found in our fact sheet on "Commercialising Intellectual Property: Internal product development" available in our online [library](#).

² For more information about commercialisation through assignment agreements, please consult our dedicated fact sheet "Commercialising Intellectual Property: Assignment Agreements" available in our online [library](#).

³ Please see our article on [page 5](#) for a more comprehensive outlook on licensing.

⁴ On the same topics, please consult our fact sheets on "Commercialising Intellectual Property: Licence Agreements" and "Technology Licensing-in", as well as and the one on "Commercialising Intellectual Property: Franchising" available in our online [library](#).

Licensing and franchising have vital roles in companies' commercialisation strategies as they create a win-win situation for both parties. Licensing/franchising, for example:

- allow access to new business markets (e.g. new marketing territories for the owner and new products/services to be commercialised for the recipient),
- reduces risks for marketing failure as the transferred IP generally has a proven track record in other markets thanks to the owner or product/service itself,
- licensing/franchising can generate a stream of royalties for the owner and it makes possible for the recipient to generate money from someone else's IP without infringing any IP rights (under the rules set forth by the licensing/franchising agreement).

What to consider when commercialising IP through licensing/franchising?

- Defining the **type of licence**: Deciding whether granting an exclusive licence⁵ or a non-exclusive licence depends on several factors such as business goals, the nature of the licensed IP, the market conditions and the business capabilities of the parties.
- Carrying out a **due diligence audit and signing NDAs** help both parties mitigate the risks during the negotiations and towards the licensing period.
- Pay particular **attention to the licensing/franchising** agreement and ask a professional advice when drafting IP clauses: clearly identify the licensed IP, type of licensing, terms of payment, field of use, right for sublicensing, responsibilities in case of third party infringements acts, dispute resolution mechanisms, training and materials to be provided.

*Joint Ventures and spin-offs*⁶

Joint ventures (JVs) are business alliances of two or more independent organisations (venturers) to undertake a specific project or achieve a certain goal by sharing risks. In JVs, venturers bring their own intellectual assets for the success of the alliance.

Besides, spin-offs are also another mean for carrying out commercialisation activities, which are legal entities created by a parent organisation to bring its IP assets to the market. The transfer of IP from the parent organisation to a spin-off company can be made either via assignment or by licensing, as discussed previously.

What to consider when commercialising IP through JVs and spin-offs?

- In JVs, consider each partners' **access rights** to the previously owned IP (background) and also to the generated IP during the life span of the JV (foreground)
- **Protect** your IP, where applicable.
- **The management structure** of JV/spin-off should include an IP management and exploitation structure.
- For risk management purposes, performing a **due diligence audit and signing NDAs** between the partners and investors would be helpful.
- Pay particular **attention to the JV agreement** and ask for professional advice regarding IP clauses.

Other contracts

We should also mention other main contracts used in the IP commercialisation process⁷ which need to be handled with utmost care,

such as NDAs, material transfer agreements, consortium agreements, contract R&D and consultancy agreements.

Contributions of each party, access rights of third parties, confidentiality obligations and responsibilities, limitations and enforcement measures should be clearly defined in each of the mentioned contracts. Furthermore, it is strongly recommended to seek the assistance from an experienced IP lawyer when drafting such agreements to be on the safest side.

Most common IP contracts

- **Non-Disclosure Agreements (NDAs)**: Contracts establishing the conditions under which one party (the disclosing party) discloses information in confidence to another party (the receiving party).
- **Material Transfer Agreements (MTAs)**: Contracts establishing conditions when exchanging tangible materials between parties, to secure the IP rights of the material provider against possible disclosure from the recipient party.
- **Consortium Agreements (CAs)**: Contracts establishing conditions between "consortium partners", to set out the rights and obligations during a temporary partnership for the purposes of carrying out a specific project.
- **Contracts R&D**: Contracts establishing conditions, under which companies outsource R&D activities (to universities or research centres) for the purpose of acquiring new knowledge, when the company has no or insufficient internal resources to carry out such activities.
- **Consultancy Agreements**: Contracts establishing conditions between organisations willing to provide advice to companies on specific matters, in return for payment of a fee.

⁵ Exclusive licences allow only the licensee to exploit the licensed IP, excluding even the licensor from its exploitation. Non-exclusive licences allow the exploitation of the IP also by the licensor who remains free to license the same IP to other licensees.

⁶ For further information about joint ventures and spin-offs, please consult our fact sheets "*Commercialising Intellectual Property: Joint Ventures*" and "*Commercialising Intellectual Property: Spin-offs*" both available in our online [library](#).

⁷ The European IPR Helpdesk's fact sheet on "*Commercialising Intellectual Property: knowledge transfer tools*" provides more detailed information on IP relevance in different types of business contracts. It is available in our online [library](#).

INTERVIEW

Could you tell us about your company and its activities?

POLLUTION is an experienced designer and manufacturer of analytical instruments for the on-site chemical analysis of volatile compounds.

Since 1991 POLLUTION is a leader in microGC and FID technologies. POLLUTION has modern R&D facilities with people focused on high technology and innovative analytical instruments design. The company also drives successful partnerships with universities and research centres in Italy and worldwide, and is involved in co-founded (European and national funds) research projects with its partners.

What did make you realise the importance of Intellectual Property?

We realised the importance of intellectual property as soon as we designed with the Italian National Research Council (CNR) a method for the production of Gas Chromatography (GC) columns based on Micro-Electro-Mechanical Systems (MEMS). In that case, we achieved great technical success by using for the first time a pre-existent technology in a GC column.

We understood that protecting the results of our R&D activities was a necessary step if we wanted to translate our investments in a competitive advantage. Obtaining a patent seemed very important to avoid others use the same technology, to acquire opportunities to commercially exploit the invention and to increase negotiation power with the other economic actors operating in the same industry.

How many patents/patent applications are included in Pollution IP portfolio?

Our patent portfolio is composed of two patent applications concerning methods for the production of GC components. As regards the geographical extension of the protection sought, the applications are filed

at national, European and International level mainly covering Italy, Europe and US.

Which are the main reasons for patenting at Pollution?

In the beginning, the main reason for patenting was obtaining an exclusive right to prevent third parties from using and imitating our inventions. Then we understood that intellectual property rights are often also source of revenues and business opportunities. Currently, I would say that our main reason for patent filing is the commercial exploitation of our inventions. In this regard, we believe that in the future, the ownership of the patents could favour the negotiation of cross licence agreements, thus enhancing our business prospects.

How do you manage your IP portfolio and how would you describe an effective patent strategy for an SME?

We have our Technical Director taking care of this portfolio, and he decides actions together with the Managing/Sales Director. I think there is no single patent strategy working for every company but, regardless of a company's situation, a patent strategy should be part of a business strategy. Indeed, it should be set up in consideration of the organisation's business goals and the resources involved in the organisation's IP processes should work in liaison with the management team.

Do you think that "non-used patents" constitute a valid strategy for SMEs?

Filing patents for blocking third parties without any intent of using the relative technology responds to an aggressive patent strategy. With these blocking patents, you create obstacles to competitors and increase their costs by forcing them to pay a licence. I believe that in order to be effective, such strategy requires strong patents and resources to regularly enforce them in any case of unauthorised use. Considered that SMEs, like us, are generally characterised by limited financial resources to invest in R&D and in



Matteo Monticelli, Managing Director at Pollution s.r.l.

infringement judicial actions, I fear that it could result in an excessively expensive strategy with high risk of failure. According to my experience, SMEs generally adopt a less aggressive strategy mainly addressed to secure the intellectual property rights that are necessary to run their business and to eliminate the possible obstacles existent in a certain market.

Contact

*Mr Matteo Monticelli
Pollution s.r.l.
Managing Director*

[Website](#)

Licensing of Intellectual Property Rights

The European IPR Helpdesk

Creating revenues from existing assets and using appealing brands, innovative technologies and/or creative expressions are key strategies to be successful in the market. In this respect, an option open to businesses for using Intellectual Property (IP) assets to gain and retain competitive edge is licensing. Licensing is a partnership between an IP rights owner (licensor) and another party who is authorised to use such rights (licensee) in exchange for an agreed payment (lump sum or royalties).

When a company turns into licensing its IP (licensing-out), it opens up a whole new world of customers, giving it money to fuel future investments in R&D or in brand awareness/reputation.

When a company obtains a licence to use third parties' IP (licensing-in), it acquires a competitive advantage without incurring costs and risks in developing new products and brands.

Depending on the IP right involved, a variety of licence agreements are available, which may be broadly categorised as follows¹:

- Technology licence
- Trade mark licence
- Copyright licence

All of these agreements, either on their own or in combination², will provide a company, as a licensor or licensee, a wide variety of possibilities in conducting business in domestic and/or foreign markets.

Nevertheless, licensing also implies risks that are sometimes connected with the IP rights involved. As a consequence, bearing in mind

the specificities³ of each type of licence is crucial to weigh the opportunity of entering into such agreements and to get prepared for future negotiations.

Technology licence

Broadly speaking, technology refers to end results of scientific research and technological development in the form of inventions, know-how and computer programs.

Innovative technological solutions are often inspired by existing technology. As a consequence, a new invention may come about as a result of an improvement of a licensed technology. The treatment of the improvements of the licensed technology, either achieved by the licensor or the licensee, should be clearly stated in the agreement since each party of the contract will be interested in the technological advancement developed by the other party.

Indeed, when the licensor improves the licensed technology, the licensee could risk paying royalties for a technology that is obsolete. On the other hand, licensor could be interested in licensee's improvements to maintain its competitive advantage and may want to insert a clause limiting the rights of the licensee on these improvements.

Although provisions relating to improvements can be various depending on the specific situation at hand, a contractual balance of rights and obligations in this respect is often achieved through:

- the express inclusion of the future licensor's improvements in the licensed technology;
- the insertion of a non-exclusive grant

back clause allowing the licensor to use the licensee's improvements on a non-exclusive basis⁴.

Trade mark licence

The main function of a trade mark is to distinguish the goods and services of one enterprise from those of another, thereby often identifying their origin and making an implied reference to quality and reputation.

This function is to some extent at risk if the trade mark owner authorises another enterprise to use the trade mark through a trade mark licence agreement.

Indeed, a trade mark represents the trade mark owner's reputation for producing goods and services of a certain level of quality. Consumers tend to rely on this reputation in making purchasing decisions and, if the trade mark owner does not monitor the quality of the goods and/or services offered by the licensee, the trade mark may deceive the public and, in some jurisdictions⁵, become vulnerable of being declared invalid.

A licence will provide for quality control by the licensor by including provisions such as the followings:

- **Quality control monitoring:** The licensor may require pre-approval of production samples and access the licensee's facilities to monitor the licensee's adherence to the standards of quality associated with the licensor's trade mark;
- **Trade mark usage:** The licensor may specify how the trade mark will be used on or in connection with the goods and/or services of the licensee

¹ Please consider that any IP right can be licensed. Nevertheless, for sake of simplicity, this article refers to the most common licensing schemes that companies can consider. However, the use of other IP rights (such as industrial designs and plant varieties) can be authorised under a licence.

² All or some of these agreements can form part of one single contract since in partnerships of this nature many rights are sometimes involved and not simply one IP right.

³ General considerations concerning the basic structure of any licence agreement and its main clauses can be found in our factsheet entitled "Commercialising Intellectual Property: Licence Agreements" available in our online [library](#).

⁴ For further information on technology licences, see the WIPO Manual on "Successful Technology Licensing" available at the following [link](#).

⁵ The invalidity of the trade mark becoming misleading after its registration is expressly provided for by Article 51 of the [Community Trade Mark Regulation](#) and by some national trade mark legislations (e.g. United Kingdom and Italy).

and on advertising and promotional materials. The licence may also specify that the licensee must get the licensor's permission before presenting the trade mark in any manner that was not established in the agreement⁶.

Copyright licence

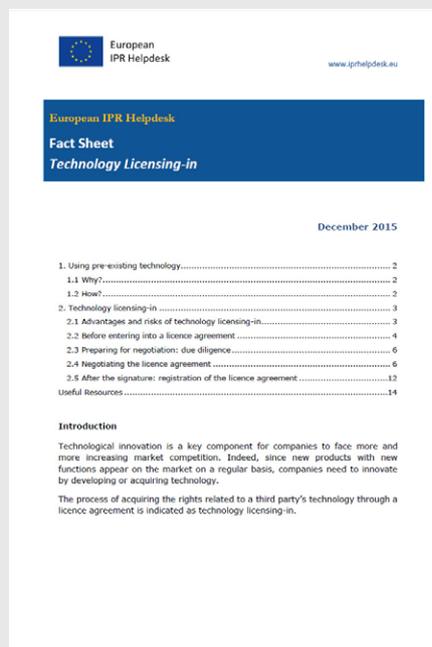
Under a copyright licence, the owner of rights authorises a use of copyrighted works in return for the remuneration and at the agreed contractual conditions. Although this contractual model, commonly indicated as individual licence, is relatively simple, complexities may arise from the nature of the exclusive rights involved.

Indeed, even if copyrights are by definition intangible, their effective use often requires access to physical copies. For example, to produce copies of a movie or sound recording may require access to a master copy suitable for reproduction.

To ensure that the licensee has not only the right but also the ability to continue producing copies in the event of a default by the licensor or perhaps the licensor's bankruptcy, the parties may agree that master copies of copyrighted works be held by a third party (so called "escrow agent"), who can only release a copy to the licensee if determined events occur (releasing events).

The parties will typically agree, in the licence agreement itself or in a separate escrow agreement among

Technology Licensing-in



Technological innovation is a key component for companies to face more and more increasing market competition: since new products with new functions appear on the market on a regular basis, companies need to innovate by developing or acquiring technology. The process of acquiring the rights related to a third party's technology through a licence agreement is indicated as technology licensing-in.

The European IPR Helpdesk has recently published a fact sheet analysing the most relevant issues related to technology licensing-in, giving readers an overview of the preliminary steps and practical suggestions to follow in order to get prepared for future negotiations.

The fact sheet is available in our [library](#).

themselves and the escrow agent:

- what is to be deposited in escrow;
- whether the deposit materials need to be updated at any times;
- what constitutes a releasing event.

Another specificity of copyright licences to be mentioned is that, due to the exclusive rights involved, many owners find it difficult to manage their rights on their own; let's imagine if an author should contact every

single radio or television station to negotiate licences and remuneration for the use of its works. For this purpose, Collective Management Organisations (CMOs) represent them and manage their rights on their behalf. Consequently, if a company is interested in acquiring certain rights, it may have to negotiate a collective licence with the appropriate collective management organisation that is authorised to license the rights of its members⁷.

⁶ For further information on trade mark licensing, see the WIPO "Guide on Trademark Licensing" available at the following [link](#).

⁷ For further information on collective management of copyright see the document "Educational Material on Collective Management of Copyright and Related Rights" published by the WIPO at the following [link](#).

Standard Essential Patents and Licensing

Mr Matteo Sabattini, Chief Technology Officer and Ms Alessandra Mosca, R&D Engineer, Sisvel S.p.A.

Role of Standard Setting Organisations (SSOs) in the innovation life-cycle

Since the advent of the pan-European GSM telephony standard, the EU and its Member States have been active proponents of an open platform to spur innovation and enhance participation by all stakeholders, especially in the ICT sector. A vibrant and effective innovation ecosystem based on Open Standards has emerged also thanks to the European Telecommunications Standards Institute (ETSI).

A typical standard development is a collaborative process in which companies and universities propose their own technology to change or refine parts of a next standard. Indeed, before disclosing an invention, a large number of these proposals might have been protected by a patent application. Being an Open Standard made available to the general public, it becomes crucial to manage in an effective way the IPR associated with it. How?

“Open Standards” are standards made available to the general public and are developed (or approved) and maintained via a collaborative and consensus driven process. “Open Standards” facilitate interoperability and data exchange among different products or services and are intended for widespread adoption.

ITU definition of Open Standard: <http://www.itu.int/en/ITU-T/ipr/Pages/open.aspx>

Let us take a look at some distinctive characteristics of IP in the context of standardisation. Patents that have claims that read on standard specifications or, in other words, claims that would be necessarily infringed by implementing standard specifications in a commercial product are referred to as Standard Essential Patents, or SEPs. In an effort to guarantee transparency to future implementers and identify those standard specifications that may be covered by patents, most SSOs (ETSI or MPEG¹) require participants at standardisation activities to disclose any such SEP they own

“Standardisation and Intellectual Property Rights (IPRs) encourage innovation and facilitate the dissemination of technology. The Commission supports the view that standards should be open for access and implementation by everyone. IPRs relevant to the standard should be taken into consideration in the standardisation process. This would help ensure a balance between the interests of the users of standards and the rights of owners of intellectual property (European Commission).”

http://ec.europa.eu/growth/single-market/european-standards/policy/benefits/index_en.htm

through a process usually called “declarations of essentiality”.

We should remind the reader that SEPs, although they find specific applications in the context of standardised technologies, are still patents, and ultimately a time-limited monopoly giving the patent owner a right to exclude others from using the patented invention.

On the other hand, Open Standards aim at achieving the broadest market penetration through interoperability and participation by the broadest possible base of stakeholders. Hence, at least at first glance, the two concepts – a right to exclude vs. broad interoperability – would seem antithetic and incompatible. In order to solve this inevitable tension between

at substantially the same terms, including royalty rates, to all implementers who require such licence. Hence, patent owners that accept to grant FRAND licences will not hold-up the market penetration of the standard.

FRAND is a compromise to allow the coexistence of SEPs and Open Standards. More importantly, FRAND is a “two way street” where patent owners commit to granting FRAND licences and implementers agree to take such FRAND licences in order to implement the standardised technologies covered by SEPs.

Royalty income through licensing is the only way to reward innovators who actively participate to the standardisation process and renounce their rights to a monopoly on a certain patented technology. The current innovation framework based on Open Standards has guaranteed adequate rewards to innovators, making such rewards accessible through licensing on FRAND terms. Such framework has enabled all stakeholders to take an active role in the innovation and standardisation process.

patents and Open Standards, the concept of Fair, Reasonable and Non-Discriminatory (FRAND) licensing terms has been developed and embraced by courts worldwide. So, what is FRAND?

Most SSOs, when inquiring about SEPs owned by participating companies, also ask whether said companies are willing to guarantee that they will grant non-exclusive licences under FRAND terms to those who require such licence to implement the standard. By committing to FRAND, a patent owner basically guarantees that it will offer licences

Role of patent pools and aggregation for SEPs

One effective tool to enhance efficiency for SEP licensing is aggregation through patent pools. A “patent pool” is a portfolio of patents generally owned by different parties covering the same technology domain. Patent pools, which aggregate patents relating to a specific standard, facilitate licensing of SEPs by creating a “one stop shop”. Indeed, they reduce transaction and

¹ The Moving Picture Expert Group (MPEG) is a working group providing standards for audio and video compression. See <http://mpeg.chiariglione.org>

administrative costs, lower barriers of entry (hence increasing competition) and provide certainty and predictability on the applicable royalty rates. In addition, patent pools ensure FRAND compliance through an independent, professional administrator. Besides decreasing transactional costs and duplicative investments to “invent around”, patent pools have substantial pro-competitive effects, including:

- Establishing a single reasonable royalty rate (that, according to economic theory, will be lower than the cost of separately negotiated licences);
- Clearing blocking patents that would otherwise prevent competitive entry into a field;
- Ensuring a level playing field for all implementers;
- Lowering costs for patent owners in collecting royalties (with benefits for licensees as well), and
- Increasing overall efficiency of the licensing framework.

Some authors² have even suggested and encouraged the use of “pools of pools” in order to further enhance efficiency and offer a licence to all non-competitive, standardised technologies that are implemented in a product.

Indeed, a balanced, transparent licensing framework based on aggregation contributes to provide transparency in the licensing offer, confidence about the value proposition, and certainty in the economics.

Recent evolution of FRAND

As already mentioned, FRAND commitments are meant to protect technology implementers while ensuring that patent holders receive an appropriate reward for their investments in research and development³. However, it has become difficult to identify a consensual approach to SEPs licensing among different parties; on the one side, SEPs owners' behaviour is often qualified as an abuse of dominant position, on the other side

implementers frequently deliberately avoid seeking licences for SEPs.

One of the most disputed issue concerns the injunction relief, the right of patent owners to stop the sale of infringing products. It has been argued that injunctions are not appropriate for SEPs, and should be heavily regulated or entirely avoided. In reality, injunctions are a matter of justice: they are a fundamental property right and the only remedy to maintain a balance between patent owners and implementers.

A well-known challenge that most individuals or small companies owning technologies and patents have come to face is the issue of what is usually called “Patent Ogre”⁴.

“A patent ogre is a large company that has a significant market position in a product or service category and protects its economic interest by suppressing, bullying and/or simply grinding into the ground smaller, more innovative competitors that have patented technologies. Faced with a small innovator with patents that potentially read on its products or services, the patent ogre [...] may refuse to license the technology at market rates, [...] create publicity campaigns to label the inventors as trolls, and drag them through endless legal maneuvers until they run out of money [...]. Then the patent ogre continues to derive economic benefit from the technology that someone else invented or perfected.”

http://ec.europa.eu/growth/single-market/european-standards/policy/benefits/index_en.htm

Without a strong patent system that can rely on injunctive relief and fair court treatment with respect to awards and fees, smaller entities will be left without recourse against larger corporations, with greater resources to engage in drawn out disputes. SEP owners, like any other patent owners, should have the ability to seek injunctions and monetary damages when facing with unwilling licensees. A recent decision of the Court of Justice of the European Union (CJEU)⁵ confirms the importance of maintaining all remedies against these unwilling licensees in the context of licensing Standards Essential Patents.

The mentioned judgment involves Huawei Technologies Co. Ltd and ZTE Corp., ZTE Deutschland GmbH. The parties entered into negotiations on FRAND terms for Huawei's

patent on LTE technology but failed to reach an agreement. As a result, Huawei brought an action for infringement, seeking an injunction prohibiting the continuation of the infringement, an order for the rendering of accounts, and an award of damages. ZTE's defence was that Huawei's application for a preliminary injunction was an abuse of its dominant position since ZTE was willing to negotiate a licence to use Huawei's patent.

In summary, the CJEU ruled that injunctive relief may be available if an alleged infringer fails to respond diligently and in good faith to a detailed written offer from an SEP holder. Moreover, if the alleged infringer rejects the SEP holder's offer, then it must promptly submit a specific written counter offer and,

if no licence results, the implementer must provide appropriate security in accordance with recognised commercial practices in the field (for example by providing a bank guarantee or by placing the amounts necessary on deposit).

The views, opinions and positions expressed by the authors in this article are theirs alone, and do not necessarily reflect the views, opinions or positions of the Sisvel Group or any employee thereof.

² See, for example, <http://cmr.berkeley.edu/search/articleDetail.aspx?article=5733> for a discussion about licensing in the optical disk industry

³ Fair, Reasonable and Non-Discriminatory (FRAND) Licensing Terms, JRC Report, http://is.jrc.ec.europa.eu/pages/ISG/EURIPIDIS/documents/05_FRANDreport.pdf

⁴ See <http://www.iam-media.com/blog/Detail.aspx?g=dba41734-acfa-4759-93fc-26fcb2c0b98a>

⁵ Case C-170/13, Huawei Technologies Co. Ltd v ZTE Corp., ZTE Deutschland GmbH. [2015]

INTERVIEW

Digicash is the first Luxembourgish company funded under the Horizon 2020 SME Instrument scheme (phase 1) who developed an innovative mobile payment solution.

Mr Maxime Talagas, Project Manager at Digicash, has shared with us the ideas behind the company's innovative approach and IP strategy.



Why have you decided to apply for funding under the Horizon 2020 SME Instrument?

After having built a successful m-payment product for banks and created a whole ecosystem in Luxembourg already live for three years, Digicash Payments aims now at becoming a leading European premium payment technology provider for the financial industry based on its powerful and disruptive mobile payment product.

In fact, being a bank-centric product in a highly competitive market, Digicash is in a good position to set the most efficient m-payment model on the European market together with banks. The solution allows them to enhance their relationship with their clients. Thus, Digicash enables them to offer consumers a convenient, secure and trustworthy payment solution with enhanced value-adding services and incentives. Furthermore, it guarantees merchants a true added value, speeding up their point of sale processes, enhancing the sales experience by integrating features, and reducing merchant commissions based on a less costly infrastructure. For banks, this is a real opportunity to drive innovation in a fast changing environment.

In this framework, the funding we applied for under the Horizon 2020 – SME Instrument helped us to undertake a feasibility study and to create a business plan for internationalisation.

Could you please tell us more about the innovative ideas behind your project?

The approach developed by Digicash Payments is based on bank transfers from the payer's to the payee's bank accounts. The

Digicash solution serves as a technological channel between the end user (buyer/seller) and his primary source of financing (bank) providing an easy means to handle payments via a mobile device.

Thus, our company ambition is to widely sale abroad a white-labelled product and platform, entirely customisable for both design and functionality (possibility to link different bank accounts, payment history, geolocation of shops, messaging, personal finance management, expenses dashboard, coupons and loyalty features, payments document management). The product is conceived both as a stand-alone and as part of the bank's App and its existing infrastructure. It also focuses on user experience with a very high level of ergonomics and with particular care given to the fluidity of its functioning: optimisation of payment execution, dynamic connectivity management, etc. The product integrates QR Code, Near Field Communication (NFC) and Bluetooth Low Energy (BLE) technologies, thus making it a highly relevant solution for Point of Sale (POS) or remote payments, which is future-proof since it is technologically neutral (integrating different kinds of technologies).

Intellectual property (IP) and knowledge management are key issues in the SME Instrument. What was your approach to IP within your project proposal?

Digicash Payments has gathered all the intellectual property aspects together within its parent company NG Payments to facilitate the licensing and the transfer of IP to third parties.

To protect itself, the company has registered its trademarks for all Europe through the Benelux Office for Intellectual Property. The

company also registers the source code of all of its work on a regular basis to prove its original authorship.

Finally, Digicash Payments has built a comprehensive contractual framework with its customers. This includes both any software component and trademarks.

Are the intellectual assets that you brought to the project protected by IP?

We perform regular i-DEPOTs as evidence of our intellectual property, which allow us to benefit from related copyright protection.

However, I must say that the results of our work are quite difficult to patent given that innovation cycles in FinTech are very short and most of our products and innovations are composed of software.

Project proposals in the SME Instrument should contain an initial business plan based on the proposed idea/concept. Was it challenging to develop one and what were the main IP issues addressed?

Creating a business plan is always challenging. In our case, everything went very well and we are now ready to go ahead. IP was one of the many issues we had to address in the business plan. Having implemented proven IP procedures for our products on the Luxembourgish market, we decided to keep the same approach beyond the country.

Contact

*Mr Maxime Talagas
Digicash Payments S.A
Project Manager*

[Website](#)

European IPR Helpdesk Ambassador Training in Vienna



It was a real pleasure for us to meet with our European IPR Helpdesk Ambassadors last 30 November and 1 December 2015 at the European Patent Office (EPO) premises in Vienna at the occasion of a training dedicated to the use of the IPscore tools. The European IPR Helpdesk, in cooperation with the EPO and the Executive Agency for Small and Medium-sized Enterprises (EASME) invited all ambassadors to be trained to this tool owned by the EPO for further development of related services in their home countries. IPscore is an

evaluation tool developed for the evaluation and strategic management of patents and technological development projects.

28 of our Ambassadors participated to this event. After an introduction to “patent evaluation and decision making in daily routine”, they had the opportunity to get an overview of the different methods used for the evaluation of patents, before entering into the subject of patent portfolio evaluation using IPscore. Once familiar with the subtleties

of the tool and method used, they had the chance to experiment IPscore on 2 different case studies. Further to the on-site training, it was then proposed to participants to deepen their knowledge of patent evaluation and IPscore off-site and also to review the handling of the tool during a follow-up webinar.

After these very successful two days many ambassadors expressed a strong interest in translating the tool in their language in view of developing IP evaluation services with IPscore. We should therefore certainly see the release of services to SMEs in the IP evaluation field quite soon in Europe!

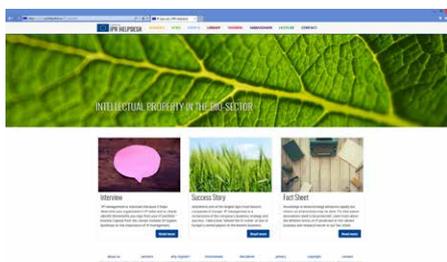
Note that the IPscore tool can be downloaded for free, after registration, from the following EPO webpage: www.epo.org/ipscore. You will need MS Access 2003 to run IPscore on your PC. The European Patent Office also provides regularly IPscore training courses.

Just check the [EPO calendar!](#)

Good Start to the New Year: Two Fresh Online Features and a New Set of Training Sessions

The European IPR Helpdesk starts 2016 with two fresh features on the website.

From now on we will regularly provide you with “IP Specials” that shed a light on IP questions and matters in a particular business



sector or EU Member State. Those thematic packages may include for instance interviews, case studies or fact sheets. We are kicking off this new series with a Special on [IP in the Bio-Sector](#).

Additionally, we have launched a new online section called “[IP and Innovation in the Spotlight](#)” offering articles, interviews, success stories, Helpline cases as well as news from the team and the world of IP in an online magazine way.

Both new sections aim to give you additional access to the broad range of IP-related content that our team constantly develops. Should you have any ideas, comments or suggestions related to topics you would like us to cover in either of these formats, please get in touch with us.

Apart from this news, we are of course also starting a new year of web-based and on-site training sessions. Please have a look at our current list of upcoming events:

Upcoming IP training events:

- **March 8th, 2016**
From Invention to Innovation: Strategies for the successful exploitation of Horizon 2020 results.
RWTH Aachen, Germany
- **March 14-18, 2016**
CeBIT 2016. Hannover, Germany

Upcoming webinars:

- **February 2nd, 2016**
Introduction to IP
- **March 2nd, 2016**
IP in EU funded projects
- **March 23, 2016**
Technology Transfer
- **April 13, 2016**
IP Commercialisation

For further information, please have a look at our [online event calendar](#).

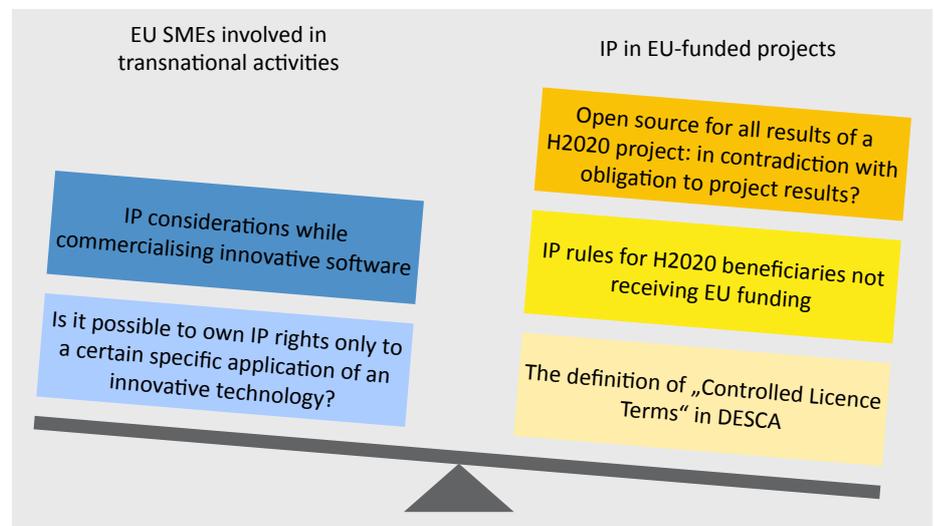
Your IPR queries matter to us: Ask the Helpline

The European IPR Helpdesk Helpline answers your questions concerning intellectual property (IP) within three working days. You get practical, first-line support directly from our IP experts, and free-of-charge.

If you are curious about the type of IP queries that the Helpline has recently been dealing with, these are shown in this illustration.

If you would like to talk to one of the IP experts of our helpline, please dial +352 - 25 22 33 – 333

www.iprhelpdesk.eu/helpline



Frequently Asked Questions

I coordinate an EU NCP project (MSCA). We were contacted by a Swedish lawyer representing a Swedish company which claims to have a registered trade mark in the whole of EU which is the same as the name of our project. We are, therefore, requested to immediately stop using and making reference to the aforementioned trade mark. I want to avoid the change of our project name. Hence, I would like to propose an agreement in which we commit ourselves to use the name of our project exclusively in connection with research activities and scientific community and with no commercial interest. We would also change the name of our website and social media platform accounts names. What is your view on the above situation?

As a general principle, participants of EU funded projects should refrain from using acronyms which are identical or similar to registered trade marks of others, especially when applying such acronyms in similar area of activities. In certain circumstances, this could be regarded as an unauthorised use of a trade mark and lead to a trade mark infringement. On the other hand, not all uses of logos which are identical or similar to registered trade marks must lead to legal consequences. We will get back to this later on.

We also suggest you to check whether the

mentioned trade mark is indeed registered, and if so, for which kind of activity and on which territory (the geographic scope of protection for trade marks is limited and depends on the place of their registration). You can perform searches on your own by using well-known and free online tools, such as [TMView portal](#) - (more on [trade mark searches](#)) or by hiring dedicated professionals skilled in trade mark searches. You may also request more in-depth information/ evidence concerning the trade mark registration from the lawyer representing a Swedish company.

According to European rules, a trade mark registration confers on the proprietor exclusive rights therein. Hence, the proprietor is entitled to prevent all third parties that do not have his/her consent from using identical or similar signs in relation to similar or identical goods and/or service in the course of trade. Furthermore, such use must create a likelihood of confusion on the part of the public.

Your project acronym is, indeed, identical to the supposed trade mark registration. Hence, the use of such acronym could infringe the registered trade mark, provided you use it for similar activities and in the course of trade and this creates a likelihood of confusion on the part of the public. The second requirement could be crucial here. When checking whether the use of a mark takes place in the course of

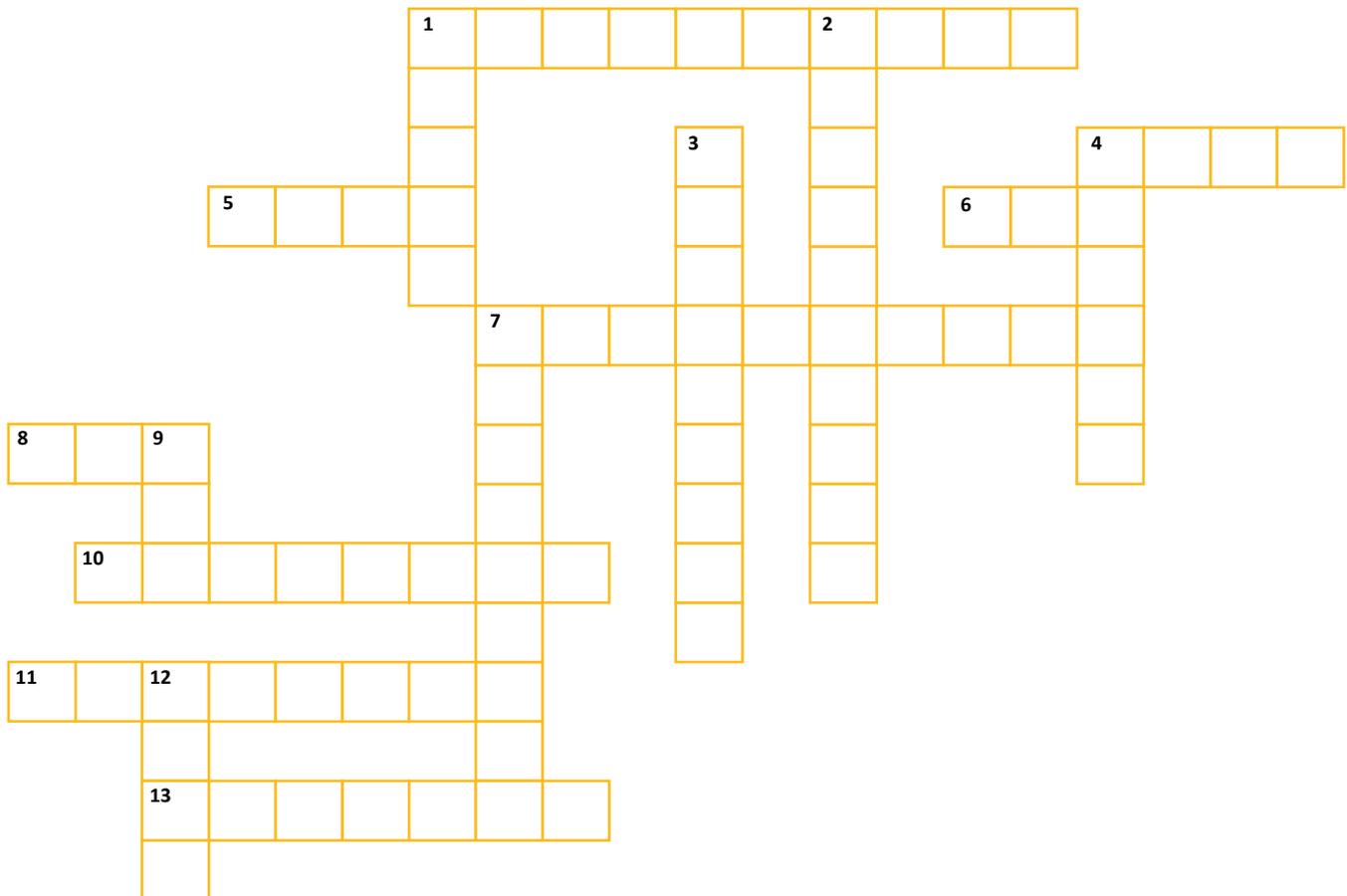
trade, we may refer to the interpretation of the European Court of Justice: in order to be in the course of trade an activity must take place in the context of a commercial activity which has a view to an economic advantage. In practice, the use in the course of trade or business will take place if money changes hands or if an entity uses a mark to promote its products and/or activity whereby it receives income.

Having that in mind, the use of the project acronym by consortium members or NCPs might not be seen as being in the course of trade, and thus, no trade mark infringement takes place. However, you shall be able to prove that you do not act in a commercial way. Hence, changing your project acronym, website name and social media platforms accounts might not be necessary at all.

Last but not least, you should not underestimate the so called “cease and desist” letter you received from the lawyer representing a Swedish company. Your future reply is likely to have legal consequences. Hence, we strongly suggest you to consult further actions with a dedicated legal practitioner. Respective decisions, including the change of the acronym or negotiations with the trade mark owner, should be taken after obtaining legal advice and based on a proper assessment of all relevant facts.

IP COMMERCIALISATION CROSSWORD

How about making a final recap of this Bulletin issue with a crossword puzzle? The answers are hidden in the articles!



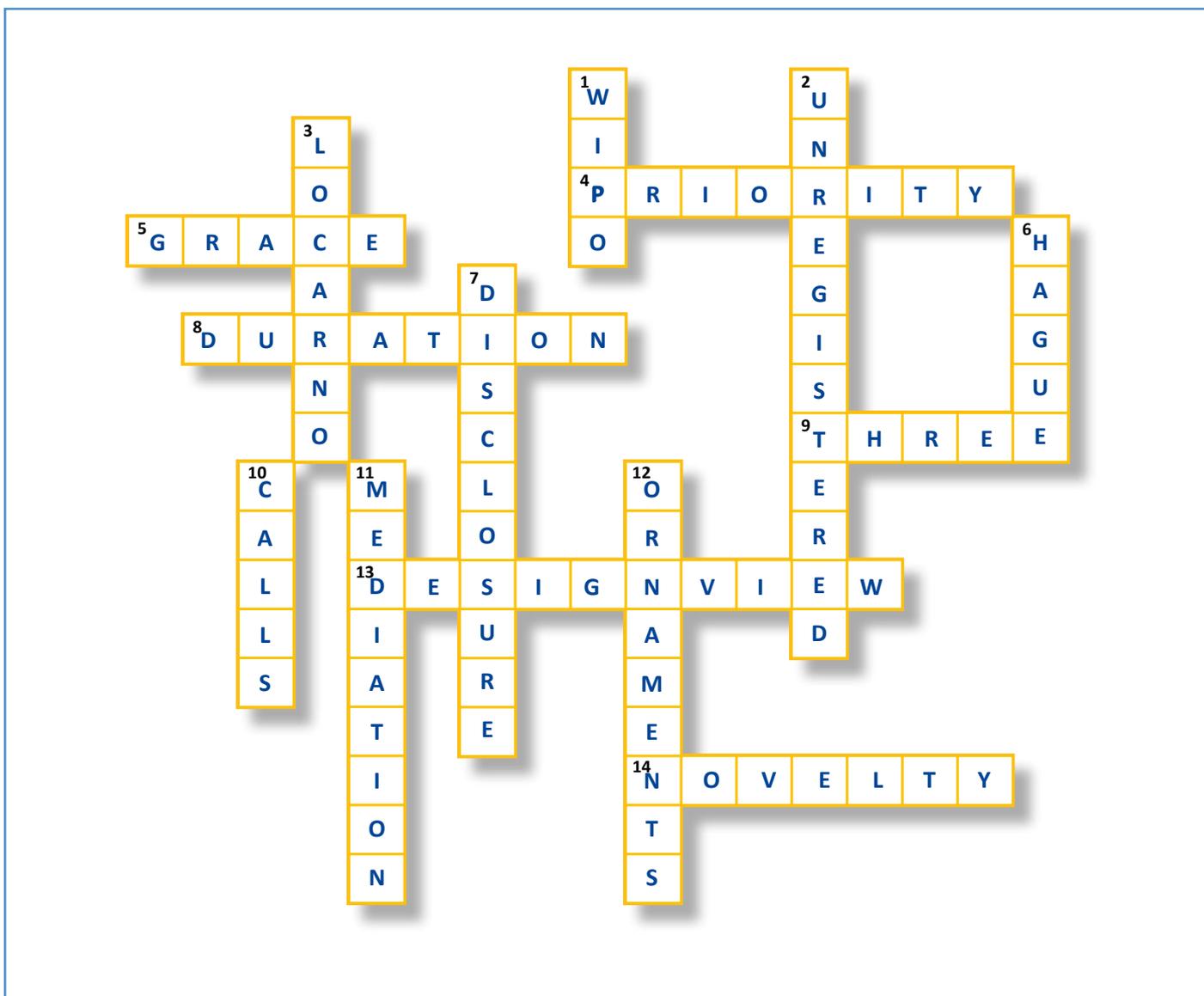
Across

1. A _____ is the recipient party of the franchise.
4. A patent _____ is a portfolio of patents owned by different parties, covering the same technology domain.
5. “_____ standards” are standards made available to public.
6. Signing an _____ helps assignors to secure their sensitive information at the pre-agreement stages. (abbreviation)
7. _____ licences are granted by CMOs representing authors and managing their rights on their behalf.
8. ETSI is an example of _____ (abbreviation).
10. Patents that have claims that read on standard specifications are referred to as “_____ essential patents”.
11. With _____ patents, you create obstacles to competitors by forcing them to pay a licence.
13. _____ is a type of licence fee paid by the licensees in return for the granted licence.

Down

1. When licensing on _____ terms, a patent owner basically guarantees that it will offer licenses at substantially the same terms to all licensees. (abbreviation)
2. _____ relief is a legal remedy that may be sought in a civil lawsuit to stop an unlawful conduct.
3. In _____ licence, parties agree that no one can exploit the relevant IPRs, except the licensee.
4. The transfer of IP from the _____ organisation to spin-off company can be made either via assignment or by licensing.
7. The source code of software is protectable by _____
9. Granting the right to use exclusive rights under a licence is called “licensing-_____”
12. A patent _____ is a large company with a significant market position, who protects its economic interest by suppressing its competitors.

SOLUTION TRADE MARK CROSSWORD



Fancy a little quiz?

As you know in every issue we include a quiz to help you develop your patent searching skills using Espacenet. Why don't you try using Espacenet today? Here comes our new quiz:

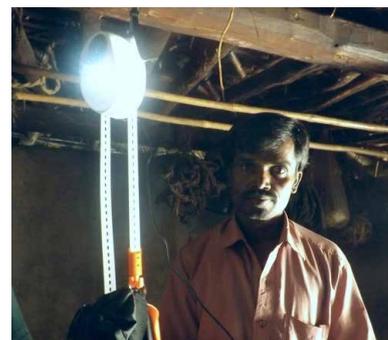
QUIZ

Generating electricity by gravity

It may sound like crazy but two designers in London have built a light using electricity generated by gravity. [GravityLight](#) is a simple a cheap way for people in developing countries to light homes.

The aim is to provide light for the more than 1.5 billion persons who still do not have access to electricity and use dangerous kerosene-powered lamps.

Try finding patents covering similar concepts using [Espacenet](#).



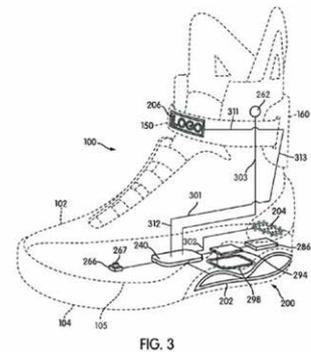
SOLUTION TO PREVIOUS QUIZ

Back to the future

In the 1989 film Back to the Future II, the protagonist travelled to the date of October 21 2015 and discovers all sorts of new technologies like hoverboards, dog-walking drones and self lacing Nike shoes.

Those shoes became reality as can be seen [here](#).

Try finding patents covering such self lacing shoes using [Espacenet](#).

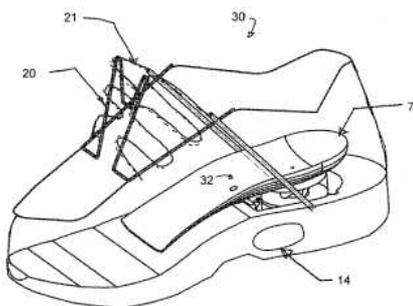


Step one: To find similar patents, identify the most pertinent aspects of the invention – common technical features that may be found in related patents – and for each aspect, define a comprehensive set of synonyms. To perform the search, the following concepts – groups of synonyms covering the different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

- shoe*
- (self or automatic) (lac* or ty*)

The combination *self lacing shoe** yields [this list of patents](#) that contains one relevant document listed below:

[US2005198867 \(A1\) - Self tying shoe](#)



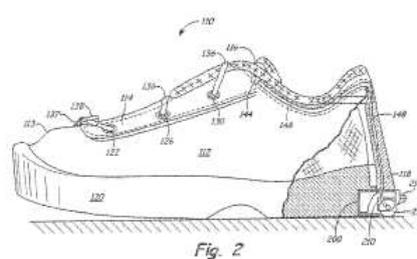
One can quickly move to the second step using relevant classification symbols.

Step two: To continue the search you can use relevant classification symbols assigned to this relevant patent and combine them with properly chosen keywords to cover the concepts that should be present in relevant patents.

Amongst the classification symbols assigned to the relevant found patent, a generic one covers shoe fastener [A43C](#).

Combining A43C with automatic or self results in a [rather long list of documents](#) many of them relating to the invention we were looking for:

[WO2013025704 \(A1\) - AUTOMATED TIGHTENING SHOE](#)



[US2014360047 \(A1\) - Automatic Lacing System](#)

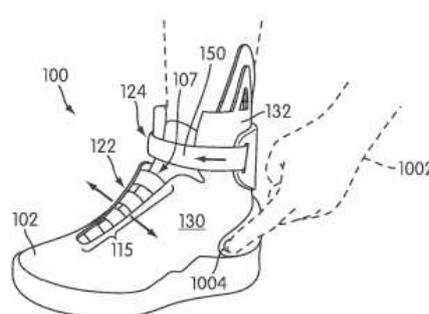
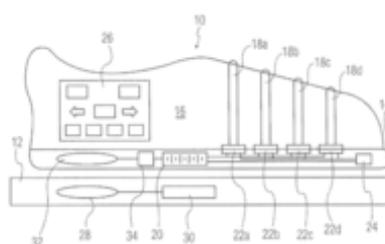


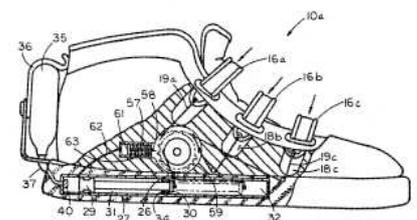
FIG. 10

[US2013104429 \(A1\) - SELF-TIGHTENING SHOE](#)



Checking [the cited documents](#) of the secondly listed shoe gives additional interesting patent documents:

[US5205055 \(A\) - Pneumatic shoe lacing apparatus](#)



To continue the search, one can combine A43C with other relevant keywords covering the automatic or self lacing concept. The number of results shows that this field is quite patented. Obviously, patents are always a good illustration of the forefront of technology.

GLOSSARY

Standard Essential Patents (SEPs): patents on technologies that are comprised in an industry standard and that would be necessarily infringed by implementing standard specifications.

Patent pool: a portfolio of patents in the same technology domain, generally owned by different parties who agreed to jointly license them.

Escrow agreement: it is an agreement by which one party deposits an asset with a third person (called an escrow agent) who will in turn make delivery to another party if and when specified conditions occur.

Injunctive relief: is a legal remedy that may be sought in a civil lawsuit (in addition to, or in place of, monetary damages) to stop an unlawful behaviour.

GET IN TOUCH

Should you have any ideas, comments or suggestions related to topics you would like us to cover in future Bulletin issues, please get in touch with us on LinkedIn:

<https://www.linkedin.com/company/european-ipr-helpdesk>

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