



Federal Ministry  
for Economic Affairs  
and Climate Action

# Model agreements for research and development cooperation

*Guidelines for cooperation between science  
and industry*

*4th edition 2022*

*Now includes a consortium agreement for  
research funded projects*

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# Preface to the 4th supplemented edition 2022

Since the publication of the 3rd edition of the Sample agreements for research and development cooperation in 2017, the German Federal Ministry for Economic Affairs and Climate Action (BMWK) and representatives of the expert group have been increasingly approached with requests to address the particular features of multilateral research consortia. This interest is driven in part by the growing importance of multipartite research consortia – especially for the use of public funding in the context of collaborative research – and also by the escalating discussion in recent years about research-appropriate models of cooperation and their legal forms.

In this context, the BMWK gathered a group of experts which developed, over the past two years, a consortium agreement based on the model agreement for bilateral research cooperation to meet the specific needs of multilateral research cooperation. In the meantime, further adaptation became necessary due to the growing importance of software for research cooperation and the enactment of the Trade Secrets Act. The result of these efforts is presented in this 4th supplemented edition of

model agreements along with a revised primer and explanatory remarks. The content of the existing models for contract research and bilateral cooperation remain unchanged.

In the expert group, universities, non-university research and industry were represented in the proven manner in order to adequately take the various interests into account. Patent attorney, Professor Dr Heinz Goddar, Boehmert & Boehmert Anwaltspartnerschaft mbB, Munich, Past President of LES International, was again the moderator. The formulation and editing of the new model contract were the responsibility of Professor Dr Christian Czuchowski, Attorney at Law, NORDEMANN Czuchowski & Partner Rechtsanwältinnen und Rechtsanwälte mbB, Berlin, as well as Professor Dr Sebastian Wündisch, LL.M., Noerr Partnerschaftsgesellschaft mbB, Attorney at Law, who is a new member of the expert group.

For the consortium agreement printed here, the expert group consisted of the following persons:

## Industry

- Mr Ingo Brückner, Daimler Brand & IP Management GmbH & Co. KG
- Dr Martina Eberle, BASF SE
- Mr Caspar Grothe, BASF SE
- Dr Alexander Jung, Airbus
- Dr Henning Lütjens, Bayer Intellectual Property GmbH
- Mr Philip Nicolai, Schaeffler AG
- Mr Uwe Schriek, Siemens AG
- Ms Tina Maria Wandel, Robert Bosch GmbH

## Science

- Mr Jacobus Bracker, German Rectors' Conference
- Mr Marcel Buhmann, German Rectors' Conference
- Dr Heinrich Dornbusch, PROvendis GmbH
- Dr Gerhard Duda, German Rectors' Conference
- Ms Alexandra Ehm, Max Planck Society for the Advancement of Science e.V.
- Mr Florian Frank, Technical University of Berlin
- Ms Ulrike Hagens-Schmedding, German Research Foundation (DFG)
- Ms Lisa Hecking, RWTH Aachen University
- Ms Heike Huisken, PROvendis GmbH
- Ms Marte Sybil Kessler, Donors' Association for the Promotion of Sciences and Humanities in Germany e.V.
- Dr Florian Kirschenhofer, Max Planck Innovation GmbH
- Dr Johannes Landes, LL.M, Fraunhofer-Gesellschaft
- Mr Kilian Lorenz, Fraunhofer-Gesellschaft zur Förderung der angewandten Forschung e.V.
- Mr Wolfgang Nagel, Helmholtz Centre Munich
- Dr Alexandros Papaderos, Technical University of Munich
- Ms Verena Rademacher, Technical University of Berlin
- Ms Beate Reiher, AiF Projekt GmbH, Project Management Agency of the BMWK
- Mr Markus Stabler, Brandenburg University of Technology Cottbus-Senftenberg
- Dr Michael Stückradt, University of Cologne
- Ms Christine Wennrich, Wissenschaftsgemeinschaft Gottfried Wilhelm Leibniz e.V.
- Mr Ludwig Witter, Karlsruhe Institute of Technology
- Mr Patrick Wolters, Bielefeld University

And as representatives of the Federal Ministry for Economic Affairs and Climate Action (formerly the Federal Ministry for Economic Affairs and Energy)

- Dr Thomas Zielke, Ministerialrat, Head of Division VI C 5 – National and International Standardisation Policy, Patent Policy
- Mr Jens Brinckmann, Regierungsdirektor, Referat VI C 5 – National and International Standardisation Policy, Patent Policy

and from the EU Commission

- Mr Bernhard von Wendland, European Commission, Directorate General for Research and Innovation

The fact remains for this 4th edition that contractual relationships between science and business can be very diverse. Therefore, it is impossible to develop a uniform contract model suitable for all conceivable partners and contract situations. The aim of negotiations between representatives of industry, universities and non-university research institutes should be to make proposals for formulations that are as simple and transparent as feasible, as well as to provide possible variations and information on the resultant consequences.

The members of the expert group have acted solely on the basis of their personal expertise and experience and not as representatives or agents of their organisations. The model agreements are proposals by the expert group to facilitate work and are not sanctioned by the respective companies, research institutes or their representative organisations.

The model agreements are an offer to potential users from research and industry to simplify cooperation in R&D projects. The use of the model agreements or parts thereof is the sole responsibility of the users. Any liability on the part of the authors and/or the BMWK is excluded.

The differentiation criteria of the model agreements for contract research and research cooperation from the 3rd edition are still included. The criteria are not solely in reference to the EU Community Framework on State Aid, but also indicate the fundamental distinction between the regulatory needs of the two types of agreements. However, it cannot be ruled out that a different classification would be made under State aid law; this would be due primarily to the respective individual subject matter and the scope of the contract.

# From the preface to the 3rd edition 2017

Cooperation between universities, non-university research institutions and industry is an important driver of innovation. Thus in 2007 the Council for Innovation and Growth at the Federal Chancellery recommended to found a working group at the Federal Ministry of Economics and Technology comprising representatives of the private sector, non-university research institutes and universities. The working group has set itself the task of drawing up model agreements for research and development cooperation that are intended to provide practical assistance for companies as well as universities and research institutions.

(...)

(...)

Cooperation between the academic sector and industry can take on different shapes. A distinction can be made between commissioned research activities and research cooperation. A research assignment with which industry more or less outsources research to institutes of higher education/non-university research institutions and bears all of the costs incurred is distinguished by the fact that research is conducted in a targeted and open-ended way, while pursuing a clearly defined path. In cooperation both parties make specific contributions towards the success of research that is conducted in a targeted and open-ended way. There are no set limits concerning its precise implementation and the application purpose is not known or defined in detail. A third form of cooperation is formed by the so-called contracts for work and services that are distinguished by an unequivocal and known objective and a known method of implementation.

Especially regarding the legal aspects of contract research, there often is a considerable need for coordination in small and medium-sized companies and smaller universities.

It is important to bear in mind that the situation of industry, universities and non-university research institutes is characterised by a high degree of diversity. For instance, the spectrum of universities ranges from large universities that have their own contract and patent experts, to universities that have just a few lecturers and students in which contracting is not fixed in organisational terms. Another aspect worth considering is that awareness varies greatly within the various size ranges and types of universities that inventions can be used if an application is filed for a patent. The economic actors are in a similar situation, since different industries and markets require companies to take action that relates to the actual situation.

Correspondingly, the administrative support for this field of tasks also varies, which leads to a wide range of contracts for cooperation with industry that frequently results in new types of contracts during negotiations.

It was therefore both mandate and aim of the expert group to simplify the complex subject matter as much as possible – for not all parties involved have the necessary know-how required for cooperation between the scientific community and the private sector.

The model agreements presented in this document are intended to give small and medium-sized universities and indeed small and medium-sized companies in particular the possibility of concluding

agreements on various types of R&D cooperation between industry and the scientific community that are both practical and ensure legal compliance, without incurring major legal costs.

Large companies and large universities have the possibility of conducting negotiations on individual agreements on this basis in a more structured and hence efficient way.

Allocation of rights	Position of the scientific community	Position of industry
	<ul style="list-style-type: none"> <li>• In principle there is no obligation for the development of inventions</li> <li>• Inventions represent a special value that extends beyond the contractually agreed research and development activities</li> <li>• Premise must be that the legislator has assigned the rights to inventions to the universities</li> <li>• The universities and research institutes must therefore retain ownership of the rights to inventions</li> <li>• Companies' interests in obtaining a secure and exclusive legal position in relation to these rights is acknowledged (e.g. by granting them the right to conduct initial negotiations)</li> <li>• Licence agreements (even exclusive licences) are to be possible at all times</li> <li>• In order to be able to demonstrate "intellectual capital notifications" (catchphrase: visibility), universities are keen to at least be a co-applicant for patents</li> <li>• To establish and develop one's own patent portfolio is necessary for the acquisition of new assignments and contracts</li> <li>• It is the task and hence the policy of universities to facilitate business start-ups and in doing so support the creation of innovative jobs in new companies. That explains why (especially with regard to venture capital) universities need to have an adequate portfolio of intellectual property law</li> </ul>	<ul style="list-style-type: none"> <li>• The services that constitute the subject matter of agreements and the work steps to be implemented are clearly defined in contracts for work and services (so-called extend subcontracting).</li> <li>• Thus there is an obligation for results</li> <li>• Any results achieved become the property of the principal</li> <li>• The subject matter of agreements is also defined in advance in respect of research contracts</li> <li>• It must be acknowledged however that unforeseen events may also occur</li> <li>• As the principal alone is responsible for funding research work, the industry partner should, in principle, have all the rights to inventions</li> <li>• It needs to be clarified what rights to these inventions (e.g. for research purposes) the universities should retain</li> </ul>

*N.B.:* The outline of interests set forth in this paper is by no means exhaustive and should be perceived as a list rather than a juxtaposition

	Position of the scientific community	Position of industry
Remuneration	<ul style="list-style-type: none"> <li>• Universities are entitled to adequate service in return</li> <li>• Service in return is deemed adequate if it is based on the value of the invention</li> <li>• It is therefore meaningful to refrain from launching negotiations on service until the invention has been made</li> <li>• The industry partner must take into account that universities are obliged with a duty of care vis-à-vis their staff. Breaching this obligation by allowing a company to use the latter's inventions on unreasonably favorable terms would lead to a claim under EU law and cannot be expected in fair cooperation</li> </ul>	<ul style="list-style-type: none"> <li>• With research contracts, the industry partner does not have to make any additional payment for the individual inventions nor does it assume any direct obligations vis-à-vis inventors at the institutions of higher education</li> <li>• The number of inventions actually made should not have any retroactive impact on the total contractually agreed amount</li> </ul>

*N.B.:* The outline of interests set forth in this paper is by no means exhaustive and should be perceived as a list rather than a juxtaposition



# Agreement on contract research (licence variant)

concluded between

\*\*\*, represented by \*\*\*, \*\*\* [*fill in as applicable*]

- hereinafter referred to as “industry partner” -

and

\*\*\* university/research institute, represented by \*\*\*, \*\*\* [*fill in as applicable*]

- hereinafter referred to as “university/research institute” -

- The above-mentioned contracting parties are hereinafter collectively referred to as “contracting parties” and individually as “contracting party” -

## Preamble

The university/research institute intends to cooperate with the industry partner in the field of \*\*\*. \*\*\* [*fill in as applicable*]

The aim of this Agreement on contract research is to promote cooperation between the scientific community and industry. This Agreement is intended to serve as a legally validated guideline and to ensure, insofar as possible, that the administrative burden of cooperation is reduced to a minimum so that the Agreement can also be easily used by smaller and medium-sized universities and research institutes or companies.

This Agreement represents a model and, in some places, viable alternative models, under which the sometimes difficult to reconcile objectives and limitations of science and business are contractually regulated through a fair balance of interests. As such, any results achieved during performance of this Agreement unless otherwise specified, remain with the university/research institute and any industrial property rights resulting from it shall be exclusively licensed to the industry partner in the field of use within the contract territory (Clauses 1 and 2) for the duration of the industrial property rights. For the scientific community, this means that its interests in the freedom of research will be maintained, and further development promoted through speedy publication. The industry partner has the assurance that its interest in research investments in the field of use within the contract territory being implemented in its products with planning certainty is also considered. Both contracting parties will also benefit from any outstanding commercial development of joint research results. The results (Clause 1) and a clearly defined subject matter (Clause 2) are of particular significance in view of the rights and obligations of the contractual parties under this Agreement.

## 1. Definitions

<b>Industrial property</b>	Pending or granted patents, utility models, topographies of semiconductor products, supplementary protection certificates for medicinal products or other products for which any such certificates can be obtained, and plant variety rights; designs and Community designs as well as copyrights and related rights
<b>Know-how</b>	The totality of non-patented practical information and data gained from experience and experimentation, which is “secret”, i.e. not public or easily accessible knowledge, “substantive”, i.e. relevant and useful to the subject matter of the Agreement, and “identified”, i.e. described in a sufficiently comprehensive manner so as to determine whether it can be deemed “secret” and “substantive”
<b>Results</b>	Outcomes of research conducted during performance of this Agreement and falling within the subject matter of the Agreement
<b>Old rights</b>	Inventions specified prior to entry into force of this Agreement (Section 5 German Employee Inventions Act; Arbeitnehmererfindungsgesetz – ArbEG), industrial property rights or know-how obtained before entry into force of this Agreement.
<b>New rights</b>	Inventions registered on the basis of results achieved after entry into force of this Agreement (Section 5 ArbEG), industrial property rights or know-how gained from results achieved after entry into force of this Agreement.
<b>Subject matter</b>	The subject matter of the Agreement defined in Clause 2 also includes a definition of the field in which the results may be used.
<b>Contract territory</b>	*** <i>[fill in as applicable – refers to geographical territory]</i>

## 2. Subject matter of the Agreement

- 2.1 The subject matter of the Agreement is the performance of the following contract research  
*\*\*\* [to be filled in individually in specific detail (inter alia because of the significance for the results within the meaning of the Agreement)]* and use in the following field of use:

*\*\*\* [to be filled in individually and very precisely because the field of use defines the scope of the industry partner's exclusive rights of use to the results. The broader the definition of the field of use, the smaller the technical field in which the university/research institute may carry out future research and development using the results of the work.]*

- 2.2 This subject matter of the Agreement and the exact scope of the work to be performed by the university/research institute is specified in the research plan attached as Annex 1 to this Agreement. This research plan shall be updated jointly by the contracting parties based on ongoing developments. The most recent version, which must be signed by all contracting parties, is the valid version. However, insofar as changes in performance become necessary that involve more than a mere adjustment of the research plan, Clause 3.7 shall apply.

[Note: To the extent that the research plan and/or the results exclusively or primarily focus on copyrightable creations (e.g. product design, software), associated industrial property rights (e.g. databases) and/or output protectable as a design, which are not necessary for use of inventions and other industrial property rights under this Agreement, this

Model Agreement is not applicable. In such cases, it is necessary to conclude individual contracts containing specific provisions, especially regarding rights of use, design application, protection of industrial property rights and remuneration.]

## 3. Performance of work

- 3.1 The university/research institute shall perform the work to the best of its ability on the basis of state-of-the-art science and technology, using its own existing knowledge and experience and/or knowledge and experience gained during the period of cooperation, in close contact with the industry partner.
- 3.2 The contracting parties shall, after prior consultation, provide each other in good time with all information required for the performance of the work. Any documents, objects or other resources provided to a contracting party by another contracting party for the performance of the work shall be made available on loan. They shall be used exclusively for the performance of the work and shall be returned to the respective contracting party at its request after completion of the work.

- 3.3 The university/research institute shall permit the industry partner to see any results achieved at any time upon request.
- 3.4 The university/research institute is not entitled to commission third parties to carry out subtasks without the consent of the industry partner.
- 3.5 Neither contracting party is entitled to represent the other contracting party in legal matters or to make legally binding declarations on the other contracting party's behalf. No steering groups, working groups or similar groups that may be set up by the contracting parties shall be entitled to legally represent individual contracting parties or the contracting parties as a whole or to make legally binding declarations on their behalf unless expressly provided for in this Agreement.

#### 3.6 Notifications and declarations

All necessary or permissible declarations of intent and other notifications to be furnished to a contracting party under this Agreement shall be sent in writing to the following addresses:

Industry partner: \*\*\* *[fill in as applicable]*

University/research institute: \*\*\* *[fill in as applicable]*

Failure to observe this provision shall result in the notification and/or declaration of intent being deemed not received.

#### 3.7 Changes in performance

Should it become apparent during the implementation of the Agreement that changes in performance by the university/research institute are necessary which deviate from the research plan, the contracting parties agree as follows:

- 3.7.1 If the university/research institute is responsible for the necessary changes in performance, it shall adjust its performance accordingly at its own expense.
- 3.7.2 If the industry partner is responsible for a necessary change in performance, the university/research institute is entitled to demand the conclusion of a written amendment agreement, prior to any change in individual contractually agreed performance, specifying, in particular, appropriate additional remuneration and the amended deadline. Without such an agreement, the subject matter of the Agreement remains unchanged.

3.7.3 In all other cases, the university/research institute is entitled to demand a written amendment agreement prior to a change in individual performance, particularly to regulate the issue of additional remuneration and changed deadlines. The subject matter of the Agreement shall remain unaltered unless any such agreement is reached.

3.7.4 For cases outlined in 3.7.2 and 3.7.3, the procedure shall be as follows:

- The contracting party requesting the amendment shall specify precisely what technical/organisational changes need to be made.
- The contracting party shall then outline how the amendment will affect the scope of performance, the quality, timeline and additional costs incurred.
- If the contracting parties agree that the amendment is to be implemented, this shall be recorded in an agreement specifying the changes, in particular indicating any delays in the timeline, quality differences and, if applicable, any additional payments to be made.
- This agreement shall only become effective when signed by all contracting parties.

## 4. Deadlines

The deadlines for completion of the work, including the final deadline and the individual phases, shall be included in the schedule attached as Annex 2 to this Agreement. This schedule may be updated by mutual consent of the contracting parties.

## 5. Old rights

5.1 The respective holder shall retain the old rights.

5.2 The university/research institute shall keep the industry partner informed as to the existence of any such old rights, including those over which it has a power of disposal despite not being the holder (e.g. because the rights have been assigned to a patent utilisation agency of the university), to the best of its knowledge, exercising due diligence and in full, insofar as these are likely to be required for the utilisation of the results. The obligation to provide information also encompasses information as to whether and to what extent the respective holder is restricted in the use of these old rights, e.g. by third party rights of use.

- 5.3 The following shall apply to any old rights that are necessary for the performance of this Agreement or for the commercial utilisation of the results by the industry partner:
- 5.3.1 The contracting party entitled to old rights shall grant the other contracting party a non-exclusive right of use limited to the duration and the purposes of this Agreement free of charge in the interest of the performance of this Agreement unless the contracting party is subject to limitations regarding the use of the respective old right.
- 5.3.2 If and insofar as the university/research institute is the holder of old rights and is not limited in the granting of rights to old rights and/or in the use thereof, and if this is necessary for the commercial utilisation of the results by the industry partner, the university/research institute shall grant the industry partner and any affiliated companies an irrevocable, non-exclusive, royalty-bearing licence for the duration of the old right in the field of use within the contract territory.
- If the university/research institute is subject to limitations in the assignment of rights to old rights and/or the utilisation of old rights, it shall ensure that this does not affect the commercial utilisation of the results within the framework of the above assignment of rights, insofar as this is practically and legally possible (i.e. to the best of its ability) by way of suitable legal or practical precautions. In the event that adjustments need to be made or limitations imposed, these shall be subject to coordination between the contracting parties.
- The fees payable for the granting of these old rights are included in the provisions on remuneration in Clause 12; costs for changes in performance are subject to the additional remuneration agreed in accordance with Clauses 3.7.2 and 3.7.3. Insofar as these old rights only become necessary for the implementation of this Agreement after a change in performance, the contracting parties shall agree to incorporate the latter into this Agreement.
- 5.3.3 The licence to old rights shall be limited to the fields of use and contract territories necessary for the performance of this Agreement and/or for the commercial utilisation of the results.
- If, after \*\*\* years [*fill in as applicable*] since the conclusion of this Agreement, the utilisation of the old rights is unreasonably impeded for the university/research institute due to the failure of the industry partner to use the existing licence pursuant to Clause 5.3.2, the contracting parties shall adopt an appropriate new provision regarding to the old rights.

## 6. New rights

- 6.1 The results shall remain the property of the university/research institute.
- 6.2 Upon conclusion of this Agreement, the university/research institute grants the industry partner an exclusive, royalty-bearing licence to the new rights in the field of use and within the contract territory for the duration of the industrial property rights. The licence fee for the exclusive licence to the new rights in the field of use is specified in the provisions on remuneration in Clause 12.
- 6.3 The university/research institute agrees to desist from permitting third parties who are not employees to participate in the subject matter of the Agreement until it has been ensured that the rights to the results have been assigned to the university/research institute for the purposes of granting a licence to the industry partner.
- 6.4 The research and teaching activities of the university/research institute shall remain unaffected by this Agreement. It shall therefore have a non-exclusive, non-transferable right to use the results for these activities. The contractual provisions on the confidentiality of the results shall remain unaffected. Insofar as the university/research institute wishes to use the results in the context of further research with other commercial or non-commercial partners within the scope of the subject matter of the Agreement, the written consent of the industry partner shall be required. However, the industry partner may not unreasonably withhold this consent, in accordance with the principles of good faith.
- 6.5 Insofar as inventions are made in the course of performance of this Agreement in fields not related to the subject matter of the Agreement, the university/research institute shall have full claim to them. Notwithstanding this, the university/research institute shall offer the industry partner a non-exclusive licence at reasonable and customary market conditions in the event that the latter has an interest in utilising the invention. The substantive and spatial scope of the licence, as well as the terms of the licence, shall be regulated in a separate agreement.
- 6.6 Insofar as the above provisions concern results which are protectable by copyright or which fall under related property rights and are necessary for the utilisation of the inventions covered by this Agreement, the aforementioned provisions shall be understood accordingly.

*[Annotation: If the results which are necessary for the utilisation of the inventions covered by this Agreement include software within the meaning of Sections 69a et seq. of the Act on Copyright and Related Rights (Urheberrechtsgesetz – UrhG), the following additional provisions should be included: management of access to source code, specification of the scope of use of the software (purpose transfer doctrine – Übertragungszwecklehre), relationship to third-party software, especially open source software.]*

- 6.6a Insofar as the above provisions concern know-how, each contracting party shall remain entitled to use the know-how. Reference is made to the provisions on confidentiality in Clause 15.
- 6.7 Insofar as the results comprise works that are protectable as design or Community design and which are necessary for the utilisation of the inventions covered by this Agreement, the following shall apply:

The university shall assign to the industry partner the right to apply for registration and to use the designs in its own name as national and/or international designs and/or Community designs if and to the extent that the design and/or Community design is necessary to achieve the purpose associated with the research project. The designers must be named as such in the applications.

As a precautionary measure in the event of non-registration, the university shall assign to the industry partner the right to utilise the designs after their initial publication within the European Union as unregistered Community designs if and to the extent that such utilisation is necessary within the scope of the purpose associated with the research project. The industry partner shall be regarded as the holder of the right to the unregistered Community designs even if the university or the inventors were the first to publish them.

## 7. Freedom of disclosure and non-disclosure

- 7.1 The university/research institute shall inform the industry partner without delay should a member of the university make use of his or her freedom of non-disclosure within the meaning of Section 42 number 2 ArbEG.
- 7.2 The contracting parties agree that the university/research institute has an interest in publishing and disseminating the results of its research on a non-exclusive and non-discriminatory basis. The parties intend to make allowances for this interest while also taking into account the interests of the industry partner, who may be interested in non-disclosure. Accordingly, the university/research institute affirms vis-à-vis the industry partner that it will not publish the results without the written consent of the industry partner or make them available to third parties, for example in the peer review process, as long as the results are subject to the confidentiality obligation pursuant to Clause 14. The university/research institute therefore undertakes to submit any manuscripts intended for presentations or publications to the industry partner for review at least six (6) weeks prior to such presentation or publication. At the same time, the university/research institute undertakes to inform the industry partner at an early stage as to whether and to what extent academic theses are affected by the subject matter of the Agreement.

If, within three (3) weeks of receipt of these documents and a corresponding reference to the commencement of this period, the industry partner informs the university/research institute that it considers its confidentiality interests to be affected by the publication or presentation, the university/research institute shall either refrain from the publication and/or presentation or remove the information which the industry partner has cited as subject to confidentiality. Consent to publication and/or presentation shall, however, be deemed granted if the industry partner does not respond to the university/research institute after a further reminder stating the consequences of non-response and setting a deadline of fourteen (14) days.

## 8. Rules governing the technical handling of patent applications

The contracting parties shall endeavour to protect the results achieved in performance of the Agreement by means of industrial property rights. The following rules apply to patent applications aimed at protecting these new rights:

- 8.1 After receiving what the university/research institute deems to be a complete notice of invention, the university/research institute shall immediately notify the industry partner of the content of the notice of invention.
- 8.2 The industry partner shall notify the university/research institute in writing within \*\*\* days [*fill in as applicable*] of receiving the notice of invention whether and to what extent it intends to submit an initial priority patent application. If the industry partner fails to make a representation or to give its consent to an assignment of rights within this period, the university/research institute shall be entitled to the substantive rights to the relevant invention. The university shall then have the right to release the invention or alternatively to agree with the inventor(s) that no patent application needs to be filed pursuant to Section 13 ArbEG. If, in such a case, the university/research institute decides not to release the invention, it shall grant the industry partner a non-exclusive, irrevocable and non-transferable worldwide right to use the relevant invention and any resulting industrial property rights. In the event that such an invention is later released, this right shall be granted by the other employees of the university/research institute who have signed declarations on the assignment of rights pursuant to Clause 6.3. The industry partner's right to use such inventions is limited to the use of the results of this Agreement in the specified field of use.
- 8.3 If the industry partner wishes to file an initial priority application, the university/research institute shall desist from releasing the invention but shall ensure that the effects of the claim occur via the fiction of claim under Section 6 (2) ArbEG, or claim the invention under Section 6 (1) ArbEG. The university/research institute shall then immediately file the initial priority application on behalf of the university/research institute.

- 8.4 The contracting parties are obliged to support the entitled contracting party in obtaining new rights, in particular to submit and provide all necessary declarations and signatures in a timely and factually correct manner. The contracting parties shall, moreover, refrain from taking any actions that may be detrimental to the granting and retention of new rights.
- 8.5 The university/research institute shall have the right to engage a patent exploitation agency to handle processing of the application and therefore to disclose to this processing company, to the extent necessary, information to which it has access under this Agreement, provided that the processing company has entered an obligation vis-à-vis the university/research institute and the industry partner to maintain confidentiality in accordance with the provisions of this Agreement prior to the disclosure of the information.

## 9. Other patent applications, surrender of IP rights in individual countries

- 9.1 The industry partner shall notify the university/research institute within eight (8) months of the date of initial application whether it wishes the priority to be claimed and, if so, for what countries.

If, after receiving this notification from the industry partner, the university/research institute does not wish to file a priority application in any of the countries desired by the industry partner, it shall assign the right to file priority patent applications to the industry partner in the countries listed in Annex 3, if the industry partner so wishes.

The university/research partner shall undertake its best efforts to set aside the rights of the inventor in accordance with Sections 14, 16 ArbEG in exchange for a reasonable one-time payment after the notice of invention.

- 9.2 If the university/research institute intends to relinquish individual new rights in whole or in individual countries, it shall offer them to the industry partner six (6) months in advance free of charge. The industry partner shall indicate within one (1) month of receiving this offer whether it intends to take ownership of the relevant new right. In this case, the university/research institute is obliged to make all necessary declarations without delay. If the industry partner does not respond within the specified period, the takeover right expires.

## 10. Patent costs

The costs associated with the application, retention, defence and enforcement of the new rights shall be borne by the university/research institute unless it has reassigned its substantive right to the industry partner, or the licence covers the entire respective IP right.

## 11. Remuneration for work

The university/research institute shall receive appropriate remuneration from the industry partner for performance of the contract research, including the material and the use of all facilities necessary for the performance of this Agreement, in accordance with Annex 4. The aforementioned Annex also specifies the conditions for the granting of the rights of use to the old and new rights.

## 12. Remuneration for IP rights and, if applicable, know-how

- 12.1 Annex 4 describes the remuneration referred to in Clause 11 for old and new rights. When determining the remuneration, industry-specific features and experience with regard to the number and value of the inventions likely to be created during performance of the Agreement shall be considered, as well as the licensing fees customary in the relevant industry, so that the university/research institute can derive the customary economic benefit from the rights.
- 12.2 If the university/research institute has assigned one or more new rights to the industry partner, or granted a licence in relation to them, subject to terms and conditions resulting in the agreed remuneration (Clause 11), taking into account the terms of this Agreement, being obviously disproportionate to the direct income and benefits from the use of the new right, such that it constitutes a material change in the basis of the transaction, the contracting parties shall, upon request from either party, amend the Agreement to afford the university/research institute an adequate participation. If, at the time of the conclusion of the Agreement, the contracting parties foresaw these circumstances arising, the above entitlement shall not apply.
- 12.3 The contracting parties mutually assure each other that the information provided by the respective contracting party for calculation of the remuneration under this Clause meets the requirements of the applicable law on State aid and budget. In the event that, contrary to expectations, the remuneration should contain an unlawful State aid, the contracting parties agree that the remaining contractual provisions shall remain effective irrespective of any invalidity of the agreed upon remuneration. The parties agree to bring the remuneration in violation of State aid regulations into alignment. The decisive point in time is the time of the conclusion of the Agreement.

## 13. Mediation, arbitration

- 13.1 All disputes arising out of or in relation to this Agreement or any subsequent amendments to this Agreement, including (but not limited to) its formation, validity, binding effect, interpretation, performance, breach or termination, as well as non-contractual claims and disputes as to whether a case under Clause 12.2 exists and/or the amount of adequate participation in such a case, shall

be submitted to mediation in accordance with the World Intellectual Property Organisation (WIPO) Mediation Rules. The place of mediation shall be \*\*\* [fill in as applicable]. In the mediation process, \*\*\* [fill in as applicable] shall be the language used.

- 13.2 If and insofar as any such disputes are not settled by way of mediation within sixty (60) days of commencement of the mediation process, they shall be subject to the arbitration process following submission of a request for arbitration by either party pursuant to the World Intellectual Property Organization (WIPO) Arbitration Rules and shall be adjudicated definitively by way of arbitration. Alternatively, if one of the parties fails to participate in the mediation process or ceases to participate in the mediation process within the above-mentioned sixty (60)-day deadline, the dispute shall be subject to the arbitration process following submission of a request for arbitration by the other party pursuant to the World Intellectual Property Organization (WIPO) Arbitration Rules and shall be adjudicated definitively by way of arbitration. The arbitral tribunal shall comprise three arbitrators. The place of arbitration shall be \*\*\* [fill in as applicable]. In the arbitration process, German shall be the language used. The dispute shall be settled under German law.

## 14. Confidentiality

The confidentiality agreement dated \*\*\* [fill in as applicable] between the contracting parties shall continue to apply/is herewith cancelled [delete what is not valid]. Furthermore, the contracting parties undertake to maintain secrecy for an unlimited period of time / \*\*\* years [fill in as applicable] any and all information of the other contracting party made available to them in connection with this Agreement and which is designated confidential or which is otherwise obviously recognisable as business or trade secrets of a contracting party and – unless required to achieve the purpose of the Agreement – neither to record nor pass on nor utilise the information and to apply to it confidentiality measures appropriate to the circumstances. They shall ensure by appropriate contractual agreements with their employees and other third parties working for them that these also refrain from their own exploitation or unauthorised recording of such business and trade secrets for an unlimited period / \*\*\* years [fill in as applicable], to the extent permitted by law.

The foregoing obligations do not apply to such information in respect of which the party receiving the information demonstrates that:

- The information was already known to the recipient at the time obtained;
- The information was already public on the date obtained or became apparent thereafter without any breach of this Agreement by the recipient;
- The information was received from a third party unless the recipient was aware that the third party had breached a confidentiality obligation vis-à-vis the disclosing party by making the recipient aware of the information; or

- The information was developed independently by the recipient without the use of confidential information of the disclosing party; or
- The information was subject to a disclosure obligation on the basis of an official or court order.

## 15. Warranties of title and defects

- 15.1 The university/research institute shall provide its services under this Agreement on the basis of recognised rules and making the best possible use of the state-of-the-art science and technology known to it at the time of performance.
- 15.2 In the event of a warranty claim, the industry partner shall first give the university/research institute the opportunity to improve its performance.
- 15.3 The university/research institute conducts contract research in the field of applied sciences and seeks to break new ground in technology. The associated risks include the possibility that research and development goals may not be achieved, or not fully achieved. Under no circumstances shall the university/research institute furnish guarantees and/or warranties with regard to the subject matter of the Agreement.
- 15.4 Both contracting parties are aware of the risk of the revocation of a patent. The revocation of one or more patents shall not affect the validity of this Agreement. The entry into force of an annulment judgement also shall not entitle the contracting party eligible under this Agreement to terminate this Agreement. Claims for withdrawal and/or damages are excluded.
- 15.5 Except in the case of positive knowledge and/or grossly negligent ignorance, the respective contracting party under this Agreement shall not be liable either for the future existence of the industrial property right or for a specific scope of protection of the same. Likewise, the respective contracting party shall not be liable for prejudicial rights of third parties unless it was aware of them or remained unaware of them owing to gross negligence.
- 15.6 Except in the case of positive knowledge or grossly negligent lack of knowledge, the respective contracting party also shall not be liable for any suitability defects, such as lack of technical feasibility or usability. The respective contracting party also shall not be liable for the commercial exploitability of the patent.
- 15.7 Claims for damages in lieu of performance due to initial objective impossibility or quality defects pursuant to Section 311a (2) of the German Civil Code (Bundesgesetzbuch – BGB) are limited to the reliance interest.

- 15.8 Reciprocal claims for damages of the contracting parties are limited to the compensation of typical damages. Claims for compensation of lost profit are excluded. These limitations shall not apply in cases of wilful intent or gross negligence on the part of a contracting party.
- 15.9 The above limitations of liability shall not apply to cases involving injury to life, limb or health or to claims under the Product Liability Act (Produkthaftungsgesetz).

## 16. Defence of challenges ensuing from industrial property rights

- 16.1 The university/research institute is obliged in accordance with Clause 9 to maintain the new rights for the duration of this Agreement; the costs for this shall be borne by the industry partner in the case of the assignment of rights or granting of a licence that is not limited to a field of use but fully covers the entire respective industrial property right.
- 16.2 Each contracting party shall inform the other of any infringements of the new rights of which they become aware and shall consult each other on a case-by-case basis concerning a reaction to any challenges and defence of the industrial property rights.

*[Alternative: comprehensive, individual agreement on responsibilities and cost allocation as well as roles in the event of challenges and defence]*

The contracting parties shall reach an agreement if reference to the cooperation is to be made in the marketing of any products and services which are based on the results of this Agreement.

## 18. Term of the Agreement and provisions governing the post-contractual period

- 18.1 This Agreement shall enter into force on \*\*\*. *[fill in as applicable]* at the latest, however, upon commencement of the cooperation and shall remain effective until \*\*\*. *[fill in as applicable]*. If the objective of the Agreement has not yet been achieved by this time, the contracting parties shall mutually agree on an extension of the cooperation.
- 18.2 Premature termination of the Agreement is excluded. Termination without notice for cause is the only early termination option available pursuant to statutory regulations. Good cause shall be deemed to exist, in particular, if

- 18.2.1 facts exist owing to which the terminating party, considering all the facts of the individual case and weighing the interests of both contracting parties, can no longer be reasonably expected to continue with the Agreement;
  - 18.2.2 significant changes in the legal status or in the distribution of ownership or changes in the management of a contracting party occur in such a way that it is no longer reasonable for the other contracting party to adhere to this Agreement;
  - 18.2.3 a contracting party challenges the validity of the industrial property rights or supports third parties in such a challenge.
- 18.3 If the stipulations contained in individual provisions of this Agreement extends beyond the term of the Agreement, these shall remain effective even after the Agreement has expired.

## 19. Legal succession

If industrial property rights are licensed under this Agreement, the contracting party issuing the licence shall ensure that, in the event of assignment of the industrial property right underlying the licence, the encumbrances under this licence are also assumed by the assignee.

## 20. Export controls

The contracting parties undertake to apply and comply with the relevant export control regulations in the context of the performance of the work. In the event of a transfer of information or know-how, the transferring contracting party shall be obliged to inform the receiving party in writing, unsolicited, of the assessment under export control law, in particular under EU and US law.

## 21. Final provisions

- 21.1 No ancillary verbal agreements have been made and no such agreements shall be valid. Any additions and amendments to this Agreement shall require the written form in order to be binding. This written form requirement also applies to any changes to this section.
- 21.2 If a provision of this Agreement is or becomes invalid or null and void, this shall not affect the remaining provision of the Agreement. The contracting parties shall replace any such provisions with new valid provisions that most closely approximate the purpose of the Agreement.

21.3 Place of performance and jurisdiction is \*\*\*. [fill in as applicable, if the statutory requirements for agreement on jurisdiction are met (see Section 38 Code of Civil Procedure; Zivilprozeßordnung – ZPO) and only if the mediation procedure above has not been selected)]

21.4 [if foreign partner involved:] This Agreement and the interpretation thereof shall be subject exclusively to German law under exclusion of the UN Convention on the International Sale of Goods.

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\_\_\_\_\_, Date \_\_\_\_\_ , Date \_\_\_\_\_

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University/research institute

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Industry partner

Seen and noted:

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\_\_\_\_\_, Date \_\_\_\_\_

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Project Manager

**Annexes:**

**Annex 1:** Research plan [not attached, to be created individually]

**Annex 2:** Schedule [not attached, to be created individually]

**Annex 3:** Countries in which patent applications are likely to be filed  
[not attached, to be created individually]

**Annex 4:** Remuneration [not attached, to be created individually]



# Agreement on contract research (assignment variant)

concluded between

\*\*\*, represented by \*\*\* [fill in as applicable]

- hereinafter referred to as "industry partner" -

and

\*\*\* university/research institute, represented by \*\*\* [fill in as applicable]

- hereinafter referred to as "university/research institute" -

- The above-mentioned contracting parties are hereinafter collectively referred to as "contracting parties" and individually as "contracting party" -

## Preamble

The university/research institute intends to cooperate with the industry partner in the field of \*\*\*. \*\*\* [fill in as applicable]

*[Note: The aim of this Agreement on contract research is to promote cooperation between the scientific community and industry. This Agreement is intended to serve as a legally validated guideline and to ensure, insofar as possible, that the administrative burden of cooperation is reduced to a minimum so that the Agreement can also be easily used by smaller and medium-sized universities and research institutes or companies.*

*This Agreement represents a model and, in some places, viable alternative models, under which the sometimes difficult to reconcile objectives and limitations of science and business are contractually regulated through a fair balance of interests. As such, any results achieved during the performance of this Agreement and which come under the subject matter of the Agreement and under the scope of application of the Agreement (Clauses 1 and 2) and relevant industrial property rights under this Agreement shall remain the property of the commissioning industry partner unless otherwise specified. The scientific community has the assurance that its interest in the freedom of research will be maintained, and that further development will be promoted through speedy publication.*

*The industry partners have the assurance that their interest in research investments being implemented in their products with planning certainty is also considered. Both contracting parties will also benefit from any outstanding commercial development of joint research results. Individual tailoring of the Agreement is possible at any time and is a matter of negotiation between the contracting parties.*

*The results (Clause 1) and a clearly defined subject matter (Clause 2) are of particular significance in view of the rights and obligations of the contractual parties under this Agreement.]*

## 1. Definitions

<b>Industrial property</b>	Pending or granted patents, utility models, topographies of semiconductor products, supplementary protection certificates for medicinal products or other products for which any such certificates can be obtained, and plant variety rights; designs and Community designs as well as copyrights and related rights.
<b>Know-how</b>	The totality of practical information gained from experience and experimentation, which is “secret”, i.e. not public or easily accessible knowledge, “substantive”, i.e. relevant and useful to the subject matter of the Agreement, and “identified”, i.e. described in a sufficiently comprehensive manner so as to determine whether it can be deemed “secret” and “substantive”.
<b>Results</b>	Outcomes of research conducted during performance of this Agreement and falling within the subject matter of the Agreement.
<b>Old rights</b>	Inventions specified prior to entry into force of this Agreement (Section 5 German Employee Inventions Act; Arbeitnehmererfindungsgesetz – ArbEG), industrial property rights or know-how obtained before entry into force of this Agreement.
<b>New rights</b>	Inventions registered on the basis of results achieved after entry into force of this Agreement (Section 5 ArbEG), industrial property rights or know-how gained from results achieved after entry into force of this Agreement.
<b>Subject matter</b>	The subject matter of the Agreement defined in Clause 2 also includes a definition of the field in which the results may be used.
<b>Contract territory</b>	<i>*** [fill in as applicable – refers to geographical territory]</i>

## 2. Subject matter of the Agreement

- 2.1 The subject matter of the Agreement is the performance of the following contract research \*\*\*.  
*[to be filled in individually in specific detail (inter alia because of the significance for the results within the meaning of the Agreement)]* and use in the following field of use: \*\*\* *[to be filled in individually and very precisely because the field of use defines the scope of the industry partner's exclusive rights of use to the results. The broader the definition of the field of use, the smaller the technical field in which the university/research institute may carry out future research and development using the results of the work.]*
- 2.2 This subject matter of the Agreement and the exact scope of the work to be performed by the university/research institute is specified in the research plan attached as Annex 1 to this Agreement. This research plan shall be updated jointly by the contracting parties based on ongoing developments. The most recent version, which must be signed by all contracting parties, is the valid version. However, insofar as changes in performance become necessary that involve more than a mere adjustment of the research plan, Clause 3.7 shall apply.

*[Note: To the extent that the research plan and/or the results exclusively or primarily focus on copy-rightable creations (e.g. product design, software), associated industrial property rights (e.g. databases) and/or output protectable as a design, which are not necessary for use of inventions and other industrial property rights under this Agreement, this Model Agreement is not applicable. In such cases, it is necessary to conclude individual contracts containing specific provisions, especially regarding rights of use, design application, protection of industrial property rights and remuneration.]*

## 3. Performance of work

- 3.1 The university/research institute shall perform the work to the best of its ability on the basis of state-of-the-art science and technology, using its own existing knowledge and experience and/or knowledge and experience gained during the period of cooperation, in close contact with the industry partner.
- 3.2 The contracting parties shall, after prior consultation, provide each other in good time with all information required for the performance of the work. Any documents, objects or other resources provided to a contracting party by another contracting party for the performance of the work shall be made available on loan. They shall be used exclusively for the performance of the work and shall be returned to the respective contracting party at its request after completion of the work.

- 3.3 The university/research institute shall permit the industry partner to see any results achieved at any time upon request.
- 3.4 The university/research institute is not entitled to commission third parties to carry out subtasks without the consent of the industry partner.
- 3.5 Neither contracting party is entitled to represent the other contracting party in legal matters or to make legally binding declarations on the other contracting party's behalf. No steering groups, working groups or similar groups that may be set up by the contracting parties shall be entitled to legally represent individual contracting parties or the contracting parties as a whole or to make legally binding declarations on their behalf unless expressly provided for in this Agreement.

#### 3.6 Notifications and declarations

All necessary or permissible declarations of intent and other notifications to be furnished to a contracting party under this Agreement shall be sent in writing to the following addresses:

*Industry partner: \*\*\* [fill in as applicable]*

*University/research institute: \*\*\* [fill in as applicable]*

Failure to observe this provision shall result in the notification and/or declaration of intent being deemed not received.

#### 3.7 Changes in performance

Should it become apparent during the implementation of the Agreement that changes in performance by the university/research institute are necessary which deviate from the research plan, the contracting parties agree as follows:

- 3.7.1 If the university/research institute is responsible for the necessary changes in performance, it shall adjust its performance accordingly at its own expense.
- 3.7.2 If the industry partner is responsible for a necessary change in performance, the university/research institute is entitled to demand the conclusion of a written amendment agreement, prior to any change in individual contractually agreed performance, specifying, in particular, appropriate additional remuneration and the amended deadline. The subject matter of the Agreement shall remain unaltered unless any such agreement is reached.

3.7.3 In all other cases, the university/research institute is entitled to demand a written amendment agreement prior to a change in individual performance, particularly to regulate the issue of additional remuneration and changed deadlines. The subject matter of the Agreement shall remain unaltered unless any such agreement is reached.

3.7.4 For cases outlined in 3.7.2 and 3.7.3, the procedure shall be as follows:

- The contracting party requesting the amendment shall specify precisely what technical/organisational changes need to be made.
- The contracting party shall then outline how the amendment will affect the scope of performance, the quality, timeline and additional costs incurred.
- If the contracting parties agree that the amendment is to be implemented, this shall be recorded in an agreement specifying the changes, in particular indicating any delays in the timeline, quality differences and, if applicable, any additional payments to be made.
- This agreement shall only become effective when signed by all contracting parties.

## 4. Deadlines

The deadlines for completion of the work, including the final deadline and the individual phases, shall be included in the schedule attached as Annex 2 to this Agreement. This schedule may be updated by mutual consent of the contracting parties.

## 5. Old rights

5.1 The respective holder shall retain the old rights.

5.2 The university/research institute shall keep the industry partner informed as to the existence of any such old rights, including those over which it has a power of disposal despite not being the holder (e.g. because the rights have been assigned to a patent utilisation agency of the university), to the best of its knowledge, exercising due diligence and in full, insofar as these are likely to be required for the utilisation of the results. The obligation to provide information also encompasses information as to whether and to what extent the respective holder is restricted in the use of these old rights, e.g. by third party rights of use.

5.3 The following shall apply to any old rights that are necessary for the performance of this Agreement or for the commercial utilisation of the results by the industry partner:

- 5.3.1 The contracting party entitled to old rights shall grant the other contracting party a non-exclusive right of use limited to the duration and the purposes of this Agreement free of charge in the interest of the performance of this Agreement unless the contracting party is subject to limitations regarding the use of the respective old right.
- 5.3.2 If and insofar as the university/research institute is the holder of old rights and is not limited in the granting of rights to old rights and/or in the use thereof, and if this is necessary for the commercial utilisation of the results by the industry partner, the university/research institute shall grant the industry partner and any affiliated companies an irrevocable, sublicensable, non-exclusive, licence for the duration of the old right in the field of use within the contract territory, insofar as necessary for the utilisation of the results.

If the university/research institute is subject to limitations in the assignment of rights to old rights and/or the utilisation of old rights, it shall ensure that this does not affect the commercial utilisation of the results within the framework of the above assignment of rights, insofar as this is practically and legally possible (i.e. to the best of its ability) by way of suitable legal or practical precautions. In the event that adjustments need to be made or limitations imposed, these shall be subject to coordination between the contracting parties.

The fees payable for the granting of these old rights are included in the provisions on remuneration in Clause 12; costs for changes in performance are subject to the additional remuneration agreed in accordance with Clauses 3.7.2 and 3.7.3. Insofar as these old rights only become necessary for the implementation of this Agreement after a change in performance, the contracting parties shall agree to incorporate the latter into this Agreement.

- 5.3.3 The licence to old rights shall be limited to the fields of use and contract territories necessary for the performance of this Agreement and/or for the commercial utilisation of the results.

If, after \*\*\* years [*fill in as applicable*] since the conclusion of this Agreement, the utilisation of the old rights is unreasonably impeded for the university/research institute due to the failure of the industry partner to use the existing licence pursuant to Clause 5.3.2, the contracting parties shall adopt an appropriate new provision regarding to the old rights.

## 6. New rights

- 6.1 The industry partner shall be substantively entitled to any results, especially the new rights, even if the contracting parties set out deviating provisions in Clause 8 regarding the external registration of industrial property rights.
- 6.2 The university/research institute shall immediately inform the industry partner when it receives a notice of service inventions or free inventions of the person involved in the implementation of the Agreement on the side of the university/research institute by transmitting relevant copies of the notices/reports after complete notification in accordance with the ArbEG and shall offer the assignment of these new rights to the industry partner in writing. The industry partner can accept this offer within a period of 2 months in writing. In the event that the industry partner does not respond, the university/research institute shall issue a one-time written reminder with a notice period of one month. If there is no reaction from the industry partner even then, it is assumed that the industry partner accepts the offer/[Alternative: the offer is deemed not to have been accepted and the university/research institute is free to release the invention or file the application itself]. The respective fees payable for the ownership transfer are due upon acceptance of the offer and after issuance of an invoice by the university/research institute. As remuneration for the transfer of new rights, the industry partner shall pay to the university/research institute a fee for each new right assigned to it, which shall be accounted separately in the remuneration pursuant to Clause 13. Immediately after acceptance of the offer, the industry partner is obliged to provide the university/research institute with all information necessary for invoicing.

The industry partner, or a third party designated by the industry partner, is entitled to register the new rights obtained from the university/research institute as an industrial property right in its own name. [Note: Provisions on applicant status and other of patent applications in accordance with Clauses 9 and 10]

In all cases where the industry partner does not accept the aforementioned offer within the period specified, the university/research institute is entitled, at its own discretion, to apply for industrial property rights in its name and at its own expense or to release them to the inventor in accordance with the ArbEG.

- 6.3 In order to ensure that the assignments referred to in Clause 6.1 can take effect, the university/research institute is obliged to claim any inventions according to the rules in Clause 8, if necessary.
- 6.4 The university/research institute shall not include additional employees covered under Section 42 (2) ArbEG in the subject matter of the Agreement until they have agreed to adhere to the obligations under this Agreement by way of a declaration based on the example declaration attached

as Annex 3. This includes in particular, but not solely, the project manager. In Annex 4, the contracting parties have already specified the employees of the university/research institute covered under Section 42 ArbEG who are to be involved in performance of the Agreement. Relevant declarations of these persons in accordance with Annex 3 are attached to this Agreement.

- 6.5 Furthermore, the university/research institute agrees that it will not allow third parties to participate in the subject matter of the Agreement until they have assumed the obligations of the university/research institute under this Agreement mutatis mutandis and, in particular, have ensured the corresponding assignment of their rights to the results to the industry partner as well as corresponding compliance with confidentiality obligations vis-à-vis the contracting partners.
- 6.6 The research and teaching activities of the university/research institute and the research privilege pursuant to Section 11 of the Patent Act (Patentgesetz – PatG) shall remain unaffected by this Agreement. It shall therefore have a non-exclusive, non-transferable right to use the results for these activities. The contractual provisions on the confidentiality of the results shall remain unaffected. If the university/research institute and/or the project manager wishes to use the results within the framework of the subject matter of this Agreement – as far as still secret or unpublished – within the framework of further research conducted with other commercial and non-commercial partners, the written consent of the industry partner shall be required. However, the industry partner may not unreasonably withhold this consent, in accordance with the principles of good faith.
  - 6.6a Insofar as the above provisions concern know-how, each contracting party shall remain entitled to use the know-how. Reference is made to the provisions on confidentiality in Clause 15.
- 6.7 Insofar as inventions are made in the course of performance of this Agreement in fields not related to the subject matter of the Agreement, the partner making the invention shall have full claim to them. Notwithstanding this, the university/research institute shall offer the industry partner a non-exclusive licence at reasonable and customary market conditions in the event that the latter has an interest in utilising the invention.

*[Addition possible/annotation:]* If the university/research institute intends to relinquish individual inventions covered by the above paragraph in whole or in individual countries, it shall offer them to the industry partner two (2) months in advance free of charge. The industry partner shall indicate within one (1) month of receiving this offer whether it intends to take ownership of the relevant industrial property right. In this case, the university/research institute is obliged to make all necessary declarations without delay. If the industry partner does not respond within the specified period, the takeover right expires.

- 6.8 [optional] If the industry partner intends to relinquish individual new rights which also fall under the aforementioned paragraph in whole or in individual countries, it shall give the university/research institute the option of taking over parts of the inventions for which the latter is responsible two (2) months in advance free of charge while retaining a free licence. The university/research institute shall indicate within one (1) month of receiving this offer whether it intends to take ownership of the relevant industrial property right. In this case, the industry partner is obliged to make all necessary declarations without delay. The costs for the ownership transfer are borne by the university. If the university/research institute does not respond within the specified period, the takeover right expires.
- 6.9 Insofar as the above provisions in Clause 6 concern results which are protectable by copyright or related property rights and are necessary for the utilisation of the inventions covered by this Agreement, the aforementioned provisions shall be understood accordingly. If an assignment of rights is not possible under the relevant industrial property rights statutes, the above wording is to be understood as referring to a grant, identical in scope, to the extent required for the purpose of this Agreement, to the scope of the assignment of the actual industrial property rights forming the subject matter of the Agreement, e.g. patents.
- 6.10 Insofar as the results comprise works that are protectable as design or Community design and which are necessary for the utilisation of the inventions covered by this Agreement, the following shall apply:

The university shall assign to the industry partner the right to apply for registration and to use the designs in its own name as national and/or international designs and/or Community designs if and to the extent that the design and/or Community design is necessary to achieve the purpose associated with the research project. The designers must be named as such in the applications.

As a precautionary measure in the event of non-registration, the university shall assign to the industry partner the right to utilise the designs after their initial publication within the European Union as unregistered Community designs if and to the extent that such utilisation is necessary within the scope of the purpose associated with the results. The industry partner shall be regarded as the holder of the right to the unregistered Community designs even if the university or the inventors were the first to publish them.

*[Annotation: If the results which are necessary for the utilisation of the inventions covered by this Agreement include software within the meaning of Sections 69a et seq. of the Act on Copyright and Related Rights (Urheberrechtsgesetz – UrhG), the following additional provisions should be included: management of access to source code, specification of the scope of use of the software (purpose transfer doctrine – Übertragungszwecklehre), relationship to third-party software, especially open source software].*

## 7. Freedom of disclosure and non-disclosure

- 7.1 The university/research institute shall inform the industry partner without delay should a member of the university make use of his or her freedom of non-disclosure within the meaning of Section 42 number 2 ArbEG.
- 7.2 The contracting parties agree that the university/research institute has an interest in publishing and disseminating the results of its research on a non-exclusive and non-discriminatory basis. The parties intend to make allowances for this interest while also considering the interests of the industry partner, who may be interested in non-disclosure. Accordingly, the university/research institute affirms vis-à-vis the industry partner that it will not publish the results without the written consent of the industry partner or make them available to third parties, for example in the peer review process, as long as the results are subject to the confidentiality obligation pursuant to Clause 15. The university/research institute therefore undertakes to submit any manuscripts intended for presentations or publications to the industry partner for review at least six (6) weeks prior to such presentation or publication. At the same time, the university/research institute undertakes to inform the industry partner at an early stage, at least three (3) months prior to submission, as to whether and to what extent academic theses are affected by the subject matter of the Agreement.

If, within three (3) weeks – six (6) weeks in the case of academic theses – of receipt of these documents and a corresponding reference to the commencement of this period, the industry partner informs the university/research institute that it considers its confidentiality interests to be affected by the publication or presentation, the university/research institute shall either refrain from the publication and/or presentation or remove the information which the industry partner has cited as subject to confidentiality. Consent to publication and/or presentation shall, however, be deemed granted if the industry partner does not respond to the university/research institute after a further reminder stating the consequences of non-response and setting a deadline of fourteen (14) days.

## 8. Rules governing the technical handling of patent applications

The contracting parties shall endeavour to protect the results achieved in performance of the Agreement by means of industrial property rights. This shall not affect the industry partner's basic right of disposition with respect to the results. The following rules shall apply to the registration of new rights:

- 8.1 After receiving what the university/research institute deems to be a complete notice of invention, the university/research institute shall immediately notify the industry partner of the content of the notice of invention.

- 8.2 The industry partner shall notify the university/research institute in writing within \*\*\* days *[fill in as applicable, see also Clause 6.2]* of receiving the notice of invention whether and to what extent it intends to submit an initial priority patent application. If the industry partner fails to make a representation or to give its consent to an assignment of rights within this period, the university/research institute shall be entitled to the substantive rights to the relevant invention, which shall be reassigned to it by the industry partner. The university shall then have the right to release the invention or alternatively to agree with the inventor(s) that no patent application needs to be filed pursuant to Section 13 ArbEG. If, in such a case, the university/research institute decides not to release the invention, it shall grant the industry partner a non-exclusive, irrevocable and non-transferable, but sublicensable, worldwide right to use the relevant invention and any resulting industrial property rights. In the event that such an invention is later released, this right shall be granted both by the project manager and the other employees of the university/research institute who have signed declarations on the assignment of rights pursuant to Clause 6.3. The industry partner's right to use such inventions is limited to the use of the results within the subject matter of the Agreement.
- 8.3 *[The contracting parties may opt for either of the following alternatives which shall apply to the filing of patent applications:]*

*Alternative 1:*

If the industry partner wishes to file an initial priority application, the university/research institute shall desist from releasing the invention but shall ensure that the effects of the claim occur via the fiction of claim under Section 6 (2) ArbEG, or claim the invention under Section 6 (1) ArbEG. The industry partner shall then immediately file the initial priority application or have it filed by a lawyer or patent attorney on behalf of the university/research institute and on its own behalf. The industry partner is the owner of the process and has the right to formulate all texts and claims as well as to conduct review proceedings.

*Alternative 2:*

If the industry partner wishes to file an initial priority application, the university/research institute shall desist from releasing the invention but shall ensure that the effects of the claim occur via the fiction of claim under Section 6 (2) ArbEG, or claim the invention under Section 6 (1) ArbEG. The university/research institute shall then immediately file the initial priority application on behalf of the university/research institute and the industry partner (Clause 9). The university/research institute undertakes to engage a lawyer or patent attorney to be named by the industry partner in the notification pursuant to Clause 8.2 sentence 1 to file the application. The contracting parties shall agree on the selection of a patent attorney and on the content of the application.

- 8.4 The contracting parties are obliged to support the entitled contracting party in obtaining new rights, in particular to submit and provide all necessary declarations and signatures in a timely and factually correct manner. The contracting parties shall, moreover, refrain from taking any actions that may be detrimental to the granting and retention of new rights.
- 8.5 The university/research institute shall have the right to engage a patent exploitation agency to handle processing of the application and therefore to disclose to this processing company, to the extent necessary, information to which it has access under this Agreement, provided that the processing company has entered an obligation vis-à-vis the university/research institute and the industry partner to maintain confidentiality in accordance with the provisions of this Agreement prior to the disclosure of the information.

## 9. Applicant status, trustee relationship (if applicable)

- 9.1 The university/research institute and the industry partner shall be joint applicants for the initial priority application unless the university/research institute waives its right to file as applicant in writing to the industry partner until the latter submits its notification pursuant to Clause 8.2. As a rule, the initial priority application is a German or European patent application.
- 9.2 The university/research institute's applicant status is merely that of a trustee acting on the industry partner's behalf. In the relationship between the university/research institute and the industry partner, the latter shall be exclusively entitled to the new right. The university/research institute will therefore follow instructions issued by the industry partner regarding the exercise of rights ensuing from the application and the rights ensuing from the new right granted.
- 9.3 Once eighteen (18) months have elapsed from the date of application, the university/research institute shall immediately assign its share of the application to the industry partner or, if the relevant new right has already been granted, its share of the new right and shall issue all the necessary declarations.

## 10. Other patent applications, patent validations, surrender of patents in individual countries

- 10.1 The industrial partner shall file additional patent applications or patent validations based on the initial priority application on its own behalf. It shall decide at its own discretion how and for what countries it will file any such patent applications or issue patent validations.
- 10.2 The industry partner shall be at liberty to surrender new rights in full or in individual countries at any time or to refrain from pursuing the application process in other countries. Clause 6.8 must be observed.

## 11. Patent costs

The costs associated with the application, retention, defence and enforcement of the new rights shall be borne by the industry partner unless it has reassigned its substantive right to the university/research institute pursuant to Clause 8.2.

## 12. Remuneration for work

The university/research institute shall receive appropriate remuneration from the industry partner for performance of the contract research, including the material and the use of all facilities necessary for the performance of this Agreement, in accordance with Annex 6.

## 13. Remuneration for IP rights and, if applicable, know-how

- 13.1 The remuneration referred to in Clause 12 shall also include fees for rights of use to the old rights and for the transfer of the new rights. When determining the remuneration, industry-specific features and experience with regard to the number and value of the inventions likely to be created during performance of the Agreement, including the licensing fees customary in the relevant industry, shall be considered so that the university/research institute can derive the customary economic benefit from the industrial property rights.
- 13.2 If the university/research institute has assigned one or more new rights to the industry partner, or granted a licence in relation to them, subject to terms and conditions resulting in the agreed remuneration (Clause 12), taking into account the terms of this Agreement, being obviously disproportionate to the direct income and benefits from the use of the new right, such that it constitutes a material change in the basis of the transaction, the contracting parties shall, upon request from either party, amend the Agreement to afford the university/research institute an adequate participation. If, at the time of the conclusion of the Agreement, the contracting parties foresaw these circumstances arising, the above entitlement shall not apply.
- 13.3 The contracting parties mutually assure each other that the information provided by the respective contracting party for calculation of the remuneration under this Clause meets the requirements of the applicable law on State aid and budget. In the event that, contrary to expectations, the remuneration should contain an unlawful State aid, the contracting parties agree that the remaining contractual provisions shall remain effective irrespective of any invalidity of the agreed upon remuneration. The contracting parties agree to bring the remuneration in violation of State aid regulations into alignment. The decisive point in time is the time of the conclusion of the Agreement.

## 14. Mediation, arbitration

- 14.1 All disputes arising out of or in relation to this Agreement or any subsequent amendments to this Agreement, including (but not limited to) its formation, validity, binding effect, interpretation, performance, breach or termination, as well as non-contractual claims and disputes as to whether a case under Clause 13.2 exists and/or the amount of adequate participation in such a case, shall be submitted to mediation in accordance with the World Intellectual Property Organization (WIPO) Mediation Rules. The place of mediation shall be \*\*\* [fill in as applicable]. In the mediation process, \*\*\* [fill in as applicable] shall be the language used.
- 14.2 If and insofar as any such disputes are not settled by way of mediation within sixty (60) days of commencement of the mediation process, they shall be subject to the arbitration process following submission of a request for arbitration by either party pursuant to the World Intellectual Property Organization (WIPO) Arbitration Rules and shall be adjudicated definitively by way of arbitration. Alternatively, if one of the parties fails to participate in the mediation process or ceases to participate in the mediation process within the above-mentioned sixty (60)-day deadline, the dispute shall be subject to the arbitration process following submission of a request for arbitration by the other party pursuant to the World Intellectual Property Organization (WIPO) Arbitration Rules and shall be adjudicated definitively by way of arbitration. The arbitral tribunal shall comprise three arbitrators. The place of arbitration shall be \*\*\* [fill in as applicable]. In the arbitration process, German shall be the language used. The dispute shall be settled under German law.

## 15. Confidentiality

The confidentiality agreement dated \*\*\* [fill in as applicable] between the contracting parties shall continue to apply/is herewith cancelled [delete what is not valid]. Furthermore, the contracting parties undertake to maintain secrecy for an unlimited period of time / \*\*\* years [fill in as applicable] any and all information of the other contracting party made available to them in connection with this Agreement and which is designated confidential or which is otherwise obviously recognisable as business or trade secrets of a contracting party and – unless required to achieve the purpose of the Agreement – neither to record nor pass on nor utilise the information and to apply to it confidentiality measures appropriate to the circumstances. They shall ensure by appropriate contractual agreements with their employees and other third parties working for them that these also refrain from their own exploitation or unauthorised recording of such business and trade secrets for an unlimited period / \*\*\* years [fill in as applicable], to the extent permitted by law.

The foregoing obligations do not apply to such information in respect of which the contracting party receiving the information demonstrates that:

- The information was already known to the recipient at the time obtained;
- The information was already public on the date obtained or became apparent thereafter without any breach of this Agreement by the recipient;
- The information was received from a third party unless the recipient was aware that the third party had breached a confidentiality obligation vis-à-vis the disclosing party by making the recipient aware of the information;
- The information was developed independently by the recipient without the use of confidential information of the disclosing party; or
- The information was subject to a disclosure obligation on the basis of an official or court order.

## 16. Warranties of title and defects

- 16.1 The university/research institute shall provide its services under this Agreement on the basis of recognised rules and making the best possible use of the state-of-the-art science and technology known to it at the time of performance.
- 16.2 In the event of a warranty claim, the industry partner shall first give the university/research institute the opportunity to improve its performance.
- 16.3 The university/research institute conducts contract research in the field of applied sciences and seeks to break new ground in technology. The associated risks include the possibility that research and development goals may not be achieved, or not fully achieved. Under no circumstances shall the university/research institute furnish guarantees and/or warranties with regard to the subject matter of the Agreement.
- 16.4 Both contracting parties are aware of the risk of the revocation of a patent. The revocation of one or more patents shall not affect the validity of this Agreement. The entry into force of an annulment judgement also shall not entitle the contracting party eligible under this Agreement to terminate this Agreement. Claims for withdrawal and/or damages are excluded.
- 16.5 Except in the case of positive knowledge and/or grossly negligent ignorance, the respective contracting party under this Agreement shall not be liable either for the future existence of the

industrial property right or for a specific scope of protection of the same. Likewise, the respective contracting party shall not be liable for prejudicial rights of third parties unless it was aware of them or remained unaware of them owing to gross negligence.

- 16.6 Except in the case of positive knowledge or grossly negligent lack of knowledge, the respective contracting party also shall not be liable for any suitability defects, such as lack of technical feasibility or usability. The respective contracting party also shall not be liable for the commercial exploitability of the patent.
- 16.7 Claims for damages in lieu of performance due to initial objective impossibility or quality defects pursuant to Section 311a (2) of the German Civil Code (Bundesgesetzbuch – BGB) are limited to the reliance interest.
- 16.8 Reciprocal claims for damages of the contracting parties are limited to the compensation of typical damages. Claims for compensation of lost profit are excluded. These limitations shall not apply in cases of wilful intent or gross negligence on the part of a contracting party.
- 16.9 The above limitations of liability shall not apply to cases involving injury to life, limb or health or to claims under the Product Liability Act (Produkthaftungsgesetz).

## 17. Defence of challenges ensuing from industrial property rights

- 17.1 The university/research institute is obliged in accordance with Clause 9 to maintain the new rights for the duration of this Agreement; the costs for this shall be borne by the industry partner in the case of the assignment of rights or granting of a licence that is not limited to the subject matter of the Agreement but fully covers the entire respective industrial property right.
- 17.2 Each contracting party shall inform the other of any infringements of the new rights of which they become aware and shall consult each other on a case-by-case basis concerning a reaction to any challenges and defence of the industrial property rights.

*[Alternative: comprehensive, individual agreement on responsibilities and cost allocation as well as roles in the event of challenges and defence]*

## 18. Marketing

The contracting parties shall reach an agreement if reference to the cooperation is to be made in the marketing of any products and services which are based on the results of this Agreement.

## 19. Term of the Agreement and provisions governing the post-contractual period

- 19.1 This Agreement shall enter into force on \*\*\*, *[fill in as applicable]* at the latest, however, upon commencement of the cooperation and shall remain effective until \*\*\*, *[fill in as applicable]*. If the objective of the Agreement has not yet been achieved by this time, the contracting parties shall mutually agree on an extension of the cooperation.
- 19.2 Premature termination of the Agreement is excluded. Termination without notice for cause is the only early termination option available pursuant to statutory regulations. Good cause shall be deemed to exist, in particular, if
  - 19.2.1 facts exist owing to which the terminating party, taking into account all the facts of the individual case and weighing the interests of both contracting parties, can no longer be reasonably expected to continue with the Agreement;
  - 19.2.2 significant changes in the legal status or in the distribution of ownership or changes in the management of a contracting party occur in such a way that it is no longer reasonable for the other contracting party to adhere to this Agreement;
  - 19.2.3 a contracting party challenges the validity of the industrial property rights or supports third parties in such a challenge.
- 19.3 If the stipulations contained in individual provisions of this Agreement extends beyond the term of the Agreement, these shall remain effective even after the Agreement has expired.

## 20. Legal succession

If industrial property rights are licensed under this Agreement, the contracting party issuing the licence shall ensure that, in the event of assignment of the industrial property right underlying the licence, the encumbrances under this licence are also assumed by the assignee.

## 21. Export controls

The contracting parties undertake to apply and comply with the relevant export control regulations in the context of the performance of the work. In the event of a transfer of information or know-how, the transferring contracting party shall be obliged to inform the receiving party in writing, unsolicited, of the assessment under export control law, in particular under EU and US law.

## 22. Final provisions

- 22.1 No ancillary verbal agreements have been made and no such agreements shall be valid. Any additions and amendments to this Agreement shall require the written form in order to be binding. This written form requirement also applies to any changes to this section.
- 22.2 If a provision of this Agreement is or becomes invalid or null and void, this shall not affect the remaining provisions of the Agreement. The contracting parties shall replace any such provisions with new valid provisions that most closely approximate the purpose of the Agreement.
- 22.3 Place of performance and jurisdiction is \*\*\*. *[fill in as applicable, if the statutory requirements for agreement on jurisdiction are met (see Section 38 Code of Civil Procedure; Zivilprozeßordnung - ZPO) and only if the mediation procedure above has not been selected]*
- 22.4 *[if a foreign partner is involved:]* This Agreement and its interpretation shall be governed exclusively by German law.

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\_\_\_\_\_, Date \_\_\_\_\_

\_\_\_\_\_, Date \_\_\_\_\_

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University/research institute

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Industry partner

Seen and noted:

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\_\_\_\_\_, Date \_\_\_\_\_

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Project Manager

**Annexes:**

**Annex 1:** Research plan *[not attached, to be created individually]*

**Annex 2:** Schedule *[not attached, to be created individually]*

**Annex 3:** Example declaration of the university members

**Annex 4:** List of members of the university/research institute  
*[not available, as to be compiled individually]*

**Annex 5:** Countries in which patent applications are likely to be filed  
*[not attached, to be created individually]*

**Annex 6:** Remuneration *[not attached, to be created individually]*

## Annex 3: Example declaration of the university members

Subject: Declaration \*\*\*

I, \_\_\_\_\_, am participating in the performance of the contractually agreed work within the framework of the above Agreement as an employee of the university within the meaning of Section 42 number 2 of the German Employee Inventions Act (Gesetz über Arbeitnehmererfindungen – ArbEG). The Agreement between the university and the industry partner also contains rules concerning the obligation to maintain secrecy concerning all technical know-how and information to which the researchers gain direct or indirect access within the scope of cooperation with the industry partner. I therefore undertake to \*\*\* *[industry-specific confidentiality clauses]*.

I also hereby assume the following obligations under the Agreement:

1. My ownership of inventions made by me before the commencement of the research project and of the property rights applied for or granted thereon (hereinafter: old rights) shall remain unaffected by this Agreement. If and as soon as any such old rights are required for the utilisation of the results, and assuming no conflicting rights of third parties exist, I grant the industry partner a non-exclusive licence to these rights at no additional charge.
2. Upon conclusion of this Agreement, I shall assign all rights to any future results to the industry partner in advance, provided they are free inventions.
3. I also retain a non-exclusive, non-transferable right to use the any results for my research and teaching activities. This shall not affect the contractual provisions governing the obligation to maintain secrecy concerning any such results. Furthermore, I may only use my research results in the context of research for or with third parties if I obtain the written consent of the industry partner. The industry partner assures me that such consent may not be unreasonably withheld, in accordance with the principles of good faith assumed. This shall not apply to old rights, know-how available prior to conclusion of this Agreement or objects not subject to secrecy.
4. I undertake vis-à-vis the industry partner to notify the university of all inventions pursuant to Section 5 ArbEG and to notify the university of its respective share in the invention.
5. I waive my right of non-disclosure vis-à-vis the industry partner pursuant to Section 42 number 2 ArbEG in respect of all the results achieved in connection with this Agreement.
6. I undertake vis-à-vis the industry partner not to publish research results or otherwise disclose them to third parties – including as part of preparations for publication – without the written consent of the industry partner, so long as the results are subject to the obligation of confidentiality under this Agreement. I shall submit the manuscript to be used for purposes of printing or

verbal publication (hereinafter: the publication) to the industry partner for review at least six (6) weeks before the manuscript is passed on to third parties or is presented.

If the industry partner gives notice within three (3) weeks of receiving the manuscript that the publication affects confidentiality interests, I shall ensure that the manuscript is not published or that any information deemed confidential by the industry partner is deleted. Consent to publication and/or presentation shall, however, be deemed granted if the industry partner does not respond to me or the university/research institute after a further reminder in which I or the university/research institute explain the consequences of non-response and setting a deadline of fourteen (14) days.

7. If the university/research institute does not use the invention on the basis of a reassignment of rights set out in the Agreement concluded between the university and the industry partner, I shall grant the industry partner a non-exclusive, global, irrevocable, non-transferable right of use to the relevant invention and to any new rights resulting from it.
8. I shall support the entitled contracting party in obtaining new rights, in particular I shall submit all necessary declarations in a timely and factually correct manner. I shall, moreover, refrain from taking any actions that may be detrimental to the granting and retention of new rights.
9. This Agreement is concluded for the duration of my participation in the research project specified in the "Subject". The provisions relating to inventions within the scope of this Agreement shall end with the expiry of the longest-lived property right resulting from this cooperation. This obligation to observe secrecy and the obligation to submit manuscripts shall apply indefinitely/ shall end in \*\*\* years [fill in as applicable] after your \*\*\* involvement in the cooperation designated in the "Subject" ends.
10. If any provisions of this Agreement are or become invalid or null and void, this shall not affect the validity of the remaining provisions. The contracting parties shall replace any such provisions with new valid provisions that most closely approximate the purpose of the Agreement.

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, Date \_\_\_\_\_

, Date \_\_\_\_\_

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Industry partner

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University member



# Agreement on research cooperation

concluded between

\*\*\*, represented by \*\*\* [fill in as applicable]

– hereinafter referred to as “industry partner” –

and

\*\*\* university/research institute, represented by \*\*\* [fill in as applicable]

– hereinafter referred to as “university/research institute” –

– The above-mentioned contracting parties are hereinafter collectively referred to as “contracting parties” and individually as “contracting party” –

## Preamble

The university/research institute intends to cooperate with the industry partner in the field of \*\*\*. \*\*\* [fill in as applicable]

*[Note: The aim of this Agreement on research cooperation is to promote cooperation between the scientific community and industry. This Agreement is intended to serve as a legally validated guideline and to ensure, insofar as possible, that the administrative burden of cooperation is reduced to a minimum so that the Agreement can also be easily used by smaller and medium-sized universities and research institutes or companies. The agreed allocation of rights in the case of joint inventions also lends particularly advantageous support to this aim.]*

*This Agreement represents a model and, in some places, viable alternative models, under which the sometimes difficult to reconcile objectives and limitations of science and business are contractually regulated through a fair balance of interests. For the scientific community this means that its interests, especially in the freedom of research, will be maintained and further development promoted through speedy publication. The industry partners have the assurance that their interest in research investments being implemented in their products with planning certainty is also taken into account. Both contracting parties will also benefit from any outstanding commercial development of joint research results. Individual tailoring of the Agreement is possible at any time and is a matter of negotiation between the contracting parties.]*

The results (Clause 1) and a clearly defined subject matter (Clause 2) are of particular significance in view of the rights and obligations of the contractual parties under this Agreement..

## 1. Definitions

<b>Industrial property</b>	Pending or granted patents, utility models, topographies of semiconductor products, supplementary protection certificates for medicinal products or other products for which any such certificates can be obtained, and plant variety rights; designs and Community designs as well as copyrights and related rights.
<b>Know-how</b>	The totality of practical information gained from experience and experimentation, which is “secret”, i.e. not public or easily accessible knowledge, “substantive”, i.e. relevant and useful to the subject matter of the Agreement, and “identified”, i.e. described in a sufficiently comprehensive manner so as to determine whether it can be deemed “secret” and “substantive”.
<b>Results</b>	Outcomes of research conducted during performance of this Agreement and falling within the subject matter of the Agreement.
<b>Old rights</b>	Inventions specified prior to signing of this Agreement (Section 5 German Employee Inventions Act; Arbeitnehmererfindungsgesetz – ArbEG), industrial property rights or know-how obtained before signing of this Agreement.
<b>New rights</b>	Inventions registered on the basis of results achieved after signing of this Agreement (Section 5 ArbEG), industrial property rights or know-how gained from results achieved after signing of this Agreement.
<b>Subject matter</b>	The subject matter of the cooperation defined in Clause 2 also includes a definition of the field in which the results may be used.
<b>Contract territory</b>	<i>*** [fill in as applicable – refers to geographical territory]</i>

## 2. Subject matter of the Agreement

- 2.1 The subject matter of the Agreement is the joint implementation of the following research cooperation \*\*\*. *[to be filled in individually in specific detail (inter alia because of the significance for the results within the meaning of the Agreement)]*. The results thereof may be used in the following field (hereinafter: Field of use): *\*\*\* [to be filled in individually and very precisely because the field of use has significance for the scope of the industry partner's rights of use]*
- 2.2 This subject matter of the Agreement and the exact scope of the work to be performed by the individual contracting parties is specified in the research plan attached as Annex 1 to this Agreement. This research plan shall be updated jointly by the contracting parties based on ongoing

developments. The most recent version, which must be signed by all contracting parties, is the valid version. However, insofar as changes in performance become necessary that involve more than a mere adjustment of the research plan, Clause 3.7 shall apply.

*[Note: To the extent that the research plan and/or the results exclusively or primarily focus on copy-rightable creations (e.g. product design, software), associated industrial property rights (e.g. databases) and/or output protectable as a design, which are not necessary for use of inventions and other industrial property rights under this Agreement, this Model Agreement is not applicable. In such cases, it is necessary to conclude individual contracts containing specific provisions, especially regarding rights of use, design application, protection of industrial property rights and remuneration.]*

### 3. Performance of work

- 3.1 The contracting parties shall perform the work to the best of their ability on the basis of state-of-the-art science and technology, using its own existing knowledge and experience or knowledge and experience gained during the period of cooperation, in close contact with one another.
- 3.2 The contracting parties shall, after prior consultation, provide each other in good time with all information required for the performance of the work. Any documents, objects or other resources provided to a contracting party by another contracting party for the performance of the work shall be made available on loan. They shall be used exclusively for the performance of the work and shall be returned to the respective contracting party at its request after completion of the work.
- 3.3 The contracting parties shall permit each other to see any results achieved at any time upon request.
- 3.4 No contracting party is entitled to commission third parties to carry out subtasks without the consent of the other contracting party.
- 3.5 No contracting party is entitled to represent another contracting party in legal matters or to make legally binding declarations on the other contracting party's behalf. No steering groups, working groups or similar groups that may be set up by the contracting parties shall be entitled to legally represent individual contracting parties or the contracting parties as a whole or to make legally binding declarations on their behalf unless expressly provided for in this Agreement.
- 3.6 In order to facilitate coordination, management and implementation of this Agreement as well as early identification, prevention and solving of problems, the contracting parties shall set up a joint steering committee that will discuss the status of the overall project at regular intervals. It shall keep a project journal consisting of

- Minutes of meetings and records of correspondence
- Acceptance reports
- \*\*\* *[fill in as applicable]*

Any agreements reached between the contracting parties' representatives at steering committee meetings shall become an integral part of this Agreement if they are set out in writing and are signed by the members of the steering committee.

To resolve any conflicts, the contracting parties shall consult first with the steering committee. The steering committee shall include the following persons:

\*\*\* *[fill in as applicable]*

All members of the steering committee shall have the right vis-à-vis the other contracting party to issue all declarations and give factual and other assurances required within the scope of this Agreement and are obliged to provide binding information.

### 3.7 Changes in performance

Should it become apparent during the implementation of the Agreement that changes in performance by the university/research institute are necessary which deviate from the research plan, the contracting parties agree as follows:

- 3.7.1 If the university/research institute is responsible for the necessary changes in performance, it shall adjust its performance accordingly at its own expense.
- 3.7.2 If the industry partner is responsible for a necessary change in performance, the university/research institute is entitled to demand the conclusion of a written amendment agreement, prior to any change in individual contractually agreed performance, specifying, in particular, appropriate additional remuneration and the amended deadline. The subject matter of the Agreement shall remain unaltered unless any such agreement is reached.

3.7.3 In all other cases, the university/research institute is entitled to demand a written amendment agreement prior to a change in individual performance, particularly to regulate the issue of additional remuneration and changed deadlines. The subject matter of the Agreement shall remain unaltered unless any such agreement is reached.

3.7.4 For cases outlined in 3.7.2 and 3.7.3, the procedure shall be as follows:

- The contracting party requesting the amendment shall specify precisely what technical/organisational changes need to be made.
- The contracting party shall then outline how the amendment will affect the scope of performance, the quality, timeline and additional costs incurred.
- If the contracting parties agree that the amendment is to be implemented, this shall be recorded in an agreement specifying the changes, in particular indicating any delays in the timeline, quality differences and, if applicable, any additional payments to be made.
- This agreement shall only become effective when signed by all contracting parties.

## 4. Deadlines

The deadlines for completion of the work, including the final deadline and the individual phases, shall be included in the schedule attached as Annex 2 to this Agreement. This schedule may be updated by mutual consent of the contracting parties.

## 5. Old rights

5.1 The respective holder shall retain the old rights.

5.2 All contracting parties shall keep the other party informed as to the existence of any such old rights, including those over which they have a power of disposal despite not being the holder (e.g. because the rights have been assigned to a patent utilisation agency of the university), to the best of their knowledge, exercising due diligence and in full, insofar as these are likely to be required for the utilisation of the results. The obligation to provide information also encompasses information as to whether and to what extent the respective holder is restricted in the use of these old rights, e.g. by third party rights of use.

- 5.3 The following shall apply to any old rights that are necessary for the performance of this Agreement or for the commercial utilisation of the results by the industry partner:
- 5.3.1 The contracting party entitled to old rights shall grant the other contracting party a non-exclusive right of use limited to the duration and the purposes of this Agreement free of charge in the interest of the performance of this Agreement.
- 5.3.2 Insofar as the university/research institute is in a position to grant usage rights to old rights required for the commercial use of the results, the university/research institute shall grant the industry partner a non-exclusive licence at reasonable and customary market conditions within the framework of the subject matter of the Agreement.

*[in the case of public funding, e.g. under Wipano, this must be aligned with the funding rules.]*

## 6. New rights

Insofar as the results relate to new rights, the contracting parties distinguish between inventions/patents/utility models (in this Clause and in Clause 8: inventions), copyrights or design protected works and know-how as follows:

- 6.1 The contracting parties shall be substantively entitled to any inventions, based on their share in the invention under the following rules, even if the contracting parties set out deviating provisions in Clause 8 regarding applicant status. Reference is made to the provisions on remuneration in Clause 13.

### 6.1.1 Industry partner inventions

Industry partner inventions are any results generated exclusively by the industry partner's employees (hereinafter: "industry partner inventions"). The industry partner shall have all rights to these inventions.

*[The following alternatives are available for joint results/university new rights:]*

*Alternative 1:*

#### 6.1.2 Joint inventions

Joint inventions are the results achieved by the employees of the university/research institute together with employees of the industry partner, in relation to which the share of the university/research institute in the invention is 50 percent or less (hereinafter: "joint new rights"). Regardless of the regulations set forth in Clause 8 on application status, the industry partner shall have all substantive rights to these inventions.

#### 6.1.3 University inventions

University inventions are those that were developed exclusively or with an invention share of more than 50 percent by employees of the university/research institute (hereinafter: "university inventions"). The university/research institute shall have all rights to these inventions.

*Alternative 2 (joint ownership):*

#### 6.1.2 Joint inventions

Joint inventions are the results achieved by the employees of the university/research institute together with employees of the industry partner, and whose respective shares in the invention cannot be registered as an industrial property right by the contracting parties separately. Here, the contracting parties are jointly entitled to an industrial property right (hereinafter: "joint inventions"). The contracting parties shall agree on the administration and usage (inter alia application, retention, enforcement, utilisation, assignment and licensing) of the joint inventions in a separate contract.

#### 6.1.3 University inventions

University inventions are any results generated exclusively by the employees of the university/research institute (hereinafter: "university inventions"). The university/research institute shall have all rights to these inventions.

[Clause 6.2 only under Alternative 1]

- 6.2 After their establishment, the contracting party entitled to the inventions under Clause 6.1 shall be assigned all rights to the relevant inventions by the other contracting party.

- 6.3 In the event that an application is filed in accordance with Clause 8, the university/research institute shall grant the industry partner an exclusive option to obtain an exclusive, worldwide and unlimited licence (with the right of sub-licensing) to use the university inventions within the scope of the subject matter of the Agreement upon conclusion of the Agreement. The industry partner shall have the right to exercise this option by issuing a written declaration to the university/research institute within ten (10) months after filing of a patent application for university invention, and the contracting parties shall subsequently negotiate a licence agreement under the conditions specified in Clause 13, acting in good faith and assuring that the university/research institute receives an appropriate remuneration. The industry partner shall have the right to request that the university/research institute extend the deadline in relation to this option at reasonable conditions, to be agreed in each individual case.
  - 6.4 In order to ensure that the allocations referred to in Clause 6.1 can take effect, each contracting party is obliged to fully avail of any inventions or assign them according to the rules in Clause 8.
  - 6.5 The university/research institute shall not include additional employees covered under Section 42 (2) ArbEG in the subject matter of the Agreement until they have agreed to adhere to the obligations under this Agreement by way of a declaration based on the sample declaration attached as Annex 3. In Annex 4, the contracting parties have already specified the employees of the university/research institute covered under Section 42 ArbEG who are to be involved in performance of the Agreement. Relevant declarations of these persons in accordance with Annex 3 are attached to this Agreement.
  - 6.6 Furthermore, the university/research institute agrees that it will not allow third parties who are not covered by the ArbEG to participate in the subject matter of the Agreement until they have assumed the obligations of the university/research institute under this Agreement mutatis mutandis and, in particular, have ensured the direct assignment of their rights to the results to the university/research institute.
  - 6.7 The research and teaching activities of the university/research institute and the research privilege pursuant to Section 11 of the Patent Act (Patentgesetz – PatG) shall remain unaffected by this Agreement. It shall therefore have a non-exclusive, non-transferable right to use the results for these activities. The contractual provisions on the confidentiality of the results shall remain unaffected. If the university/research institute wishes to use the results within the framework of the subject matter of this Agreement – as far as still secret or unpublished – within the framework of further research conducted with other commercial and non-commercial partners, the written consent of the industry partner shall be required. However, the industry partner may not unreasonably withhold this consent, in accordance with the principles of good faith.
- 6.7a Insofar as the above provisions concern know-how, each contracting party shall remain entitled to use the know-how. Reference is made to the provisions on confidentiality in Clause 15.

- 6.8 Insofar as inventions are made in the course of performance of this Agreement in fields not related to the subject matter of the Agreement, the partner making the invention shall have full claim to them. Notwithstanding this, the university/research institute shall offer the industry partner a non-exclusive licence at reasonable and customary market conditions in the event that the latter has an interest in utilising the invention.
- 6.9 Insofar as the above provisions in Clause 6 concern results which are protectable by copyright or which fall under related property rights and are necessary for the utilisation of the inventions covered by this Agreement, the aforementioned provisions shall be understood accordingly. If an assignment of rights is not possible for statutory reasons, the above wording is to be understood as referring to a grant, identical in scope, to the extent required for the purpose of this Agreement, to the scope of the assignment of the actual industrial property rights forming the subject matter of the Agreement, e.g. patents.

*[Annotation: If the results which are necessary for the utilisation of the inventions covered by this Agreement include software within the meaning of Sections 69a et seq. of the Act on Copyright and Related Rights (Urheberrechtsgesetz – UrhG), the following additional provisions should be included: management of access to source code, specification of the scope of use of the software (purpose transfer doctrine – Übertragungszwecklehre), relationship to third-party software, especially open source software].*

- 6.10 Insofar as the results comprise works that are protectable as design or Community design and which are necessary for the utilisation of the inventions covered by this Agreement, the following shall apply:

The university shall assign to the industry partner the right to apply for registration and to use the designs in its own name as national and/or international designs and/or Community designs if and to the extent that the design and/or Community design is necessary to achieve the purpose associated with the research project. The designers must be named as such in the applications.

As a precautionary measure in the event of non-registration, the university shall assign to the industry partner the right to utilise the designs after their initial publication within the European Union as unregistered Community designs if and to the extent that such utilisation is necessary within the scope of the purpose associated with the research project. The industry partner shall be regarded as the holder of the right to the unregistered Community designs even if the university or the inventors were the first to publish them.

## 7. Freedom of disclosure and non-disclosure

- 7.1 The university/research institute shall inform the industry partner without delay should a member of the university make use of his or her freedom of non-disclosure within the meaning of Section 42 number 2 ArbEG.
- 7.2 The contracting parties agree that the university/research institute has a legal obligation to publish and disseminate the results of its research on a non-exclusive and non-discriminatory basis. The parties intend to make allowances for this interest while also considering the interests of the industry partner, who may be interested in non-disclosure. Accordingly, the university/research institute affirms vis-à-vis the industry partner that it will not publish the results without the written consent of the industry partner or make them available to third parties, for example in the peer review process, as long as the results are subject to the confidentiality obligation pursuant to Clause 15. The university/research institute therefore undertakes to submit any manuscripts intended for presentations or publications to the industry partner for review at least six (6) weeks prior to such presentation or publication. At the same time, the university/research institute undertakes to inform the industry partner at an early stage as to whether and to what extent academic degree theses are affected by the subject matter of the Agreement.

If, within three (3) weeks of receipt of these documents and a corresponding reference to the commencement of this period, the industry partner informs the university/research institute that it considers its confidentiality interests to be affected by the publication or presentation, the university/research institute shall either refrain from the publication and/or presentation or remove the information which the industry partner has cited as subject to confidentiality. Consent to publication and/or presentation shall, however, be deemed granted if the industry partner does not respond to the university/research institute after a further reminder stating the consequences of non-response and setting a deadline of fourteen (14) days.

## 8. Rules governing the technical handling of patent applications

The contracting parties shall endeavour to protect the results achieved in performance of the Agreement by means of industrial property rights. This shall not affect the industry partner's basic right of disposition with respect to the results if it has substantive rights pursuant to Clause 6. The following rules apply to patent applications aimed at protecting these inventions: The contracting parties shall inform each other without delay of the complete notices of invention received by them. After coordination of the invention shares of the respective contracting parties, the patent applications shall be subject to the following rules:

## 8.1 Rights to industry partner results

The industry partner shall solely be responsible for filing applications for new rights.

In the case of Alternative 1 under Clause 6:

## 8.2 Rights to joint new rights

8.2.1 The industry partner shall notify the university/research institute in writing within \*\*\* days [*fill in as applicable*] of receiving the notice of invention whether and to what extent it intends to submit an initial priority patent application. If the industry partner fails to make a representation or to give its consent within this period, the university/research institute shall be entitled to the substantive rights to the relevant invention, which shall be assigned to it by the industry partner. The university shall then have the right to release the invention or alternatively to agree with the inventor(s) that no patent application needs to be filed pursuant to Section 13 ArbEG. If, in such a case, the university/research institute decides not to release the invention, it shall grant the industry partner a non-exclusive, irrevocable and non-transferable, but sublicensable to affiliated companies, worldwide right to use the relevant invention and any resulting industrial property rights at reasonable conditions.

8.2.2 *[The contracting parties may opt for any of the following alternatives at conclusion of the Agreement:]*

*Alternative 1:*

If the industry partner wishes to file an initial priority application, the university/research institute shall desist from releasing the invention but shall ensure that the effects of the claim occur via the fiction of claim under Section 6 (2) ArbEG, or claim the invention under Section 6 (1) ArbEG. The industry partner shall then immediately file the initial priority application or have it filed by a lawyer or patent attorney on behalf of the university/research institute and on its own behalf. The industry partner is the owner of the process and has the right to formulate all texts and claims as well as to conduct review proceedings.

*Alternative 2:*

If the industry partner wishes to file an initial priority application, the university/research institute shall desist from releasing the invention but shall ensure that the effects of the claim occur via the fiction of claim under Section 6 (2) ArbEG. The university/research institute shall then immediately file the initial priority application on behalf of the univer-

sity/research institute and the industry partner (Clause 9). The university/research institute undertakes to engage a lawyer or patent attorney to be named by the industry partner in the notification pursuant to Clause 8.2.1 to file the application. If the industrial partner has not named a lawyer or patent attorney in the notification pursuant to Clause 8.2.1, the university/research institution shall select a lawyer or patent attorney. The industry partner decides on the content of the application.

*[Alternative to 8.2 if joint ownership model (Alternative 2 in Clause 6) has been chosen:]*

## 8.2 Rights to joint inventions

8.2.1 Within \*\*\* days *[fill in as applicable]* of receipt of the notice of invention by both contracting parties, they shall inform the opposite party in writing whether and to what extent they wish to submit an initial priority patent application. If either contracting party denies the request within this period, the substantive rights to the relevant invention shall become the property of the opposite contracting party, which shall be assigned to it by the relinquishing contracting party. The contracting party receiving the rights shall then have the right to release the invention or alternatively to agree with the inventor(s) that no patent application needs to be filed pursuant to Section 13 ArbEG. If, in such a case, this party decides not to release the invention, it shall grant the relinquishing contracting party a non-exclusive, irrevocable and non-transferable, but sublicensable to affiliated companies, worldwide right to use the relevant invention and any resulting industrial property rights at reasonable conditions. Otherwise the industry partner is granted such a right of use.

If both contracting parties decide against filing an application, the contracting parties will agree whether the invention can be released or whether it can be agreed with the inventor(s) that no patent application needs to be filed.

8.2.2 *[The contracting parties may opt for any of the following alternatives at conclusion of the Agreement:]*

If either contracting party wishes to file an initial priority application, the university/research institute shall desist from releasing the invention but shall ensure that the effects of the claim occur via the fiction of claim under Section 6 (2) ArbEG or claim the invention under Section 6 (1) ArbEG. The non-relinquishing contracting party shall then immediately file the initial priority application or have it filed by a lawyer or patent attorney on behalf of both contracting parties. The non-relinquishing contracting party is the owner of the process and has the right to formulate all texts and claims as well as to conduct review proceedings. If both contracting parties wishes to file an initial priority application, both shall desist from releasing the invention, but shall ensure that the effects of the claim occur via the fiction of claim under Section 6 (2) ArbEG or claim the invention under Section 6

(1) ArbEG. Both parties shall coordinate regarding the initial priority application and, as appropriate, file jointly or have it filed by a lawyer or patent attorney on behalf of both contracting parties.

### 8.3 Rights to university results

- 8.3.1 The industry partner shall notify the university/research institute in writing within \*\*\* days [*fill in as applicable*] of receiving the information concerning the notice of invention whether and to what extent it intends to submit an initial priority patent application. If the industry partner fails to make a representation or to give its consent within this period, the university/research institute shall be entitled to claim the relevant invention.
- 8.3.2 If the industry partner wishes to file an initial priority application, the university/research institute shall desist from releasing the invention but shall ensure that the effects of the claim occur via the fiction of claim under Section 6 (2) ArbEG. The university/research institute shall then immediately file the initial priority application on its own behalf. The university/research institute and the industrial partner shall agree on a lawyer or patent attorney who will be engaged to file the application. The contracting parties shall decide on the content of the application.

*[Alternative to 8.3 if joint ownership model (Alternative 2 in Clause 6) has been chosen:]*

### 8.3 Rights to university results

The university/research institute shall solely be responsible for filing applications for new rights to university results.

- 8.4 The contracting parties are obliged to support the entitled contracting party in obtaining new rights, in particular to submit and provide all necessary declarations in a timely and factually correct manner. The contracting parties shall, moreover, refrain from taking any actions that may be detrimental to the granting and retention of new rights.
- 8.5 The university/research institute shall have the right to engage a patent exploitation agency to handle processing of the application and therefore to disclose to this processing company, to the extent necessary, information to which it has access under this Agreement, provided that the processing company has entered an obligation vis-à-vis the university/research institute and the industry partner to maintain confidentiality in accordance with the provisions of this Agreement prior to the disclosure of the information.

## 9. Applicant status in respect of joint new rights; fiduciary relationship

- 9.1 The university/research institute and the industry partner shall be joint applicants for the initial priority application in respect of joint results unless the university/research institute waives its right to file as applicant in writing to the industry partner until the latter submits its notification pursuant to Clause 8.2.2. The university/research institute hereby waives its claim to the new rights unless the share of invention of the employees of the university/research institute exceeds 20 percent. As a rule, the initial priority application is a German or European patent application.
- 9.2 The university/research institute's applicant status in the context of joint new rights is merely that of a trustee acting on the industry partner's behalf. In the relationship between the university/research institute and the industry partner, the latter shall be exclusively entitled to the new right. The university/research institute will therefore follow instructions issued by the industry partner regarding the exercise of rights ensuing from the application and the rights ensuing from the new right granted.
- 9.3 Once eighteen (18) months have elapsed from the date of application, the university/research institute shall on request immediately assign its share of the application to the industry partner or, if the relevant new right has already been granted, its share of the new right relating to the joint results and shall issue all the necessary declarations.

## 10. Applications filed in other countries, surrender of industrial property rights in individual countries

- 10.1 Applications filed in other countries and surrender of industrial property rights in respect of joint results

*[The contracting parties may opt for either of the following alternatives at conclusion of the Agreement:]*

*[Alternative 1,*

especially for globally active companies]: The industry partner shall file applications in other countries on its own behalf in respect of joint results unless the industry partner has assigned the rights to joint results to the university/research institute in accordance with Clause 8.2.1. The industry partner shall decide at its own discretion for what countries it will file any such applications.

The industry partner shall be at liberty to surrender new rights in respect of joint results in whole or in individual countries at any time or to refrain from pursuing the application process in other countries.

[Alternative 2,

especially for regional companies]: The industry partner shall notify the university/research institute within ten (10) months of the date of initial application whether will claim the priority and, if so, for what countries.

If the industry partner does not intend to file a priority application in at least the countries listed in Annex 5, it shall assign the right to file a priority application in the countries listed in Annex 5 to the university/research institute, if the latter so wishes. In such a case, the university/research institute shall grant the industry partner a non-exclusive, irrevocable and non-transferable worldwide right to use the relevant invention and any resulting industrial property rights within the framework of the Agreement.

If the industry partner intends to relinquish individual new rights in whole or in individual countries, it shall offer them to the university/research institute (2) months in advance free of charge. The university/research institute shall indicate within one (1) month of receiving this offer whether it intends to take ownership of the relevant industrial property right. In this case, the industry partner is obliged to make all necessary declarations without delay. If the university/research institute does not respond within the specified period, the takeover right expires.

## 10.2 Applications in other countries and surrender of industrial property rights in respect of university results

Any applications filed in other countries and surrender of industrial property rights in respect of university results shall be the basis for negotiated licensing conditions in the event that the option under Clause 6.3 is exercised. If the industry partner does not exercise the option under Clause 6.3, the university/research institute shall decide at its own discretion in what countries it will file any such applications.

# 11. Patent costs

## 11.1 Industry partner results

The costs associated with the application, retention, defence and enforcement of new rights in respect of industry partner results shall be borne by the industry partner.

## 11.2 Joint results

The costs associated with the application, retention, defence and enforcement of new rights in respect of joint results shall be borne by the industry partner unless it has assigned its substantive right to the university/research institute pursuant to Clause 8.2.1. After such an assignment of rights, the university/research institution shall bear the costs.

### 11.3 University results

The costs associated with applications for new rights in respect of university results filed at the request of the industry partner shall be borne by the industry partner. If the industry partner wishes to exercise the option under Clause 6.3, it shall bear any further costs incurred. If the industry partner does not wish to file an application in accordance with Clause 8.3.1, but nevertheless exercises the option under Clause 6.3, it shall reimburse the university/research institute for the costs incurred in relation to the relevant new right up to that point and bear all further costs for the new right and for applications filed in other countries. Insofar as the university/research institute and the industry partner have agreed on an extension of the option period pursuant to Clause 6.3, the industrial partner shall bear the costs for filing of applications in other countries.

## 12. Remuneration for work

The university/research institute shall receive remuneration at customary market conditions from the industry partner for the research cooperation, including the material and the use of all facilities necessary for the performance of this Agreement, in accordance with Annex 6 as well as Clause 13 in Alternative 2 where applicable.

## 13. Remuneration for IP rights and, if applicable, know-how

### *Alternative 1: (Total remuneration model)*

- 13.1 The remuneration pursuant to Clause 12 also includes the fees for old and new rights. When determining the aforementioned remuneration, industry-specific features and experience with regard to the number and value of the inventions likely to be created during performance of the Agreement, including the licensing fees customary in the relevant industry, shall be considered so that the university/research institute can derive the customary economic benefit from the industrial property rights.
- 13.2 If the university/research institute has assigned one or more new rights to the industry partner, or granted a licence in relation to them, subject to terms and conditions resulting in the agreed remuneration (Clause 12), taking into account the relationship between the university/research institute and the industry partner under this Agreement, being obviously disproportionate to the direct income and benefits from the use of the new right, such that it constitutes a material change in the basis of the transaction, the contracting parties shall, upon request from either party, amend the Agreement to afford the university/research institute an adequate participation. If, at the time of the conclusion of the Agreement, the contracting parties foresaw these circumstances arising, the above entitlement shall not apply.

*Alternative 2: (Flat-rate model)*

## 13.1 Joint results (university/research institute share of invention &lt; 50 percent)

13.1.1 If the share in the invention attributable to the employees of the university/research institute is less than fifty (50) percent, the industry partner shall pay the university/research institute a contribution towards the costs for the new rights in the amount of € \*\*\* [fill in as applicable] \*\*\* days [fill in as applicable] after an initial application has been filed but at the latest after \*\*\* months [fill in as applicable] following notification of the industry partner pursuant to Clause 8.2 sentence 1.

13.1.2 If an invention based on an initial patent application is to be used for commercial purposes, the industry partner shall remunerate the university/research institute as follows:

*[The contracting parties may opt for either of the following remuneration alternatives at conclusion of the Agreement:]*

*[Alternative 1]:*

The industry partner shall pay the university/research institute a fee of € \*\*\* [fill in as applicable] for each patent family as soon as it begins to use them for commercial purposes. The amount shall increase to € \*\*\* [fill in as applicable] if the industry partner begins using them for commercial purposes more than \*\*\* years [fill in as applicable] after the initial application is filed. In lieu of this, the industry partner may also pay the sum of € \*\*\* [fill in as applicable] to the university/research institute within a period of \*\*\* years. [fill in as applicable].

*[Alternative 2]:*

The industry partner is obliged to render further payment for each patent family if the following turnover thresholds are reached:

- up to € [...] turnover generated from the invention € [...]
- up to € [...] up to € [...] turnover generated from the invention € [...]
- up to € [...] up to € [...] turnover generated from the invention € [...]

*[Alternative 3]:*

If the industry partner is using the new rights for commercial purposes, the university/research institute shall be entitled to adequate remuneration for each patent family, the type, amount and duration of which shall be specified by the contracting parties in due course.

### 13.2 Joint results (50/50 share of invention between university/research institute and industry partner)

In the case of joint results with a share of invention of exactly 50 percent each, the remuneration to be paid shall be based on Clause 13.1.1 and 13.1.2, with the amounts stated there being multiplied by a factor of \*\*\* *[to be filled in individually]*.

### 13.3 University results

In the case of university results and the conclusion of a licence agreement, the industry partner shall pay the university/research institute remuneration in a yet-to-be-negotiated amount/in the following amount, considering the share of invention: \*\*\* *[if applicable, incorporate prior to conclusion of the Agreement]*.

The remuneration shall comprise one or more lump sum payments or a reasonable licence fee based on the net turnover generated by the industry partner or its sub-licensees from sales using products or services based on the university results. The amount of any such remuneration shall depend on the type and scope of the licensed use and the respective financial contribution of the contracting parties to the research project, considering all relevant circumstances.

### 13.4 Invoicing/Settlement

The industry partner shall settle accounts and, in the case of a licence credit, render payment every six months within sixty (60) days after the end of the calendar half-year (30 June and 31 December). Any commissions charged and paid by sub-licensees to the industry partner shall be settled within two (2) months of receiving the relevant invoice, deducting any related taxes, and paid in the case of a licence credit. The invoice shall meet the following minimum requirements:

\*\*\* *[fill in as applicable]*

Payments shall be made in euros. Licences paid by the industry partner's sub-licensees in foreign currency shall be immediately converted into euro at the daily exchange rate following receipt by the industry partner, after deducting any withholding tax or similar taxes in connection with the transfer to be paid by virtue of a law, ordinance or for other legal reasons. The industry partner shall not be liable for delayed settlement of its sub-licensees provided they are not affiliated companies.

The university/research institute reserves the right to have the industry partner's invoicing documents inspected at its own expense by third parties subject to professional secrecy at the industry partner's registered office within three (3) years of receiving the relevant invoice after arranging a convenient date and shall have the right to contest the accuracy of the invoice if discrepancies

are found. If the audit reveals a discrepancy of more than three percent to the disadvantage of the university/research institution, the industry partner shall bear the costs of the inspection. Furthermore, it is obliged to pay the balance without delay plus interest of five (5) percent above the base lending rate from the time it fell into arrears.

- 13.5 Use within the meaning of Clauses 13.1.2 and 13.3 shall mean the actual use of inventions, in particular the types of use set forth in Section 9 of the Patent Act (Patentgesetz – PatG). If the use consists in the industry partner merely using the industrial property rights/patent family within the framework of a cross-licensing patent agreement in a broadly technical area in which the respective licensed industrial property rights are not explicitly mentioned, the remuneration payable in accordance with Clause 13.1.2 shall be reduced by 50 percent.
- 13.6 The contracting parties undertake to pay any inventors involved in the results who are employed by them or with whom they have any other contractual relationship in accordance with statutory provisions.
- 13.7 The contracting parties mutually assure each other that the information provided by the respective contracting party for calculation of the remuneration under this Clause meets the requirements of the applicable law on State aid and budget. In the event that, contrary to expectations, the remuneration should contain an unlawful state aid, the contracting parties agree that the remaining contractual provisions shall remain effective irrespective of any invalidity of the agreed upon remuneration. The parties agree to bring the remuneration in violation of State aid regulations into alignment. The decisive point in time is the time of the conclusion of the Agreement.

## 14. Mediation, arbitration

- 14.1 All disputes arising out of or in relation to this Agreement or any subsequent amendments to this Agreement, including (but not limited to) its formation, validity, binding effect, interpretation, performance, breach or termination, as well as non-contractual claims and disputes as to whether a case under Clause 13.2 exists and/or the amount of adequate participation in such a case, shall be submitted to mediation in accordance with the World Intellectual Property Organization (WIPO) Mediation Rules. The place of mediation shall be \*\*\*. In the arbitration process, \*\*\* shall be the language used.
- 14.2 If and insofar as any such disputes are not settled by way of mediation within sixty (60) days of commencement of the mediation process, they shall be subject to the arbitration process following submission of a request for arbitration by either party pursuant to the World Intellectual Property Organization (WIPO) Arbitration Rules and shall be adjudicated definitively by way

of arbitration. Alternatively, if one of the parties fails to participate in the mediation process or ceases to participate in the mediation process within the above-mentioned sixty (60)-day deadline, the dispute shall be subject to the arbitration process following submission of a request for arbitration by the other party pursuant to the World Intellectual Property Organization (WIPO) Arbitration Rules and shall be adjudicated definitively by way of arbitration. The arbitral tribunal shall comprise three arbitrators. The place of arbitration shall be \*\*\*. In the arbitration process, German shall be the language used. The dispute shall be settled under German law.

## 15. Confidentiality

The confidentiality agreement dated \*\*\* *[fill in as applicable]* between the contracting parties shall continue to apply/is herewith cancelled *[delete what is not valid]*. Furthermore, the contracting parties undertake to maintain secrecy for an unlimited period of time / \*\*\* years *[fill in as applicable]* any and all information of the other contracting party made available to them in connection with this Agreement and which is designated confidential or which is otherwise obviously recognisable as business or trade secrets of a contracting party and – unless required to achieve the purpose of the Agreement – neither to record nor pass on nor utilise the information and to apply to it confidentiality measures appropriate to the circumstances. They shall ensure by appropriate contractual agreements with their employees and other third parties working for them that these also refrain from their own exploitation or unauthorised recording of such business and trade secrets for an unlimited period / \*\*\* years *[fill in as applicable]*, to the extent permitted by law.

The foregoing obligations do not apply to such information in respect of which the contracting party receiving the information demonstrates that:

- The information was already known to the recipient at the time obtained;
- The information was already public on the date obtained or became apparent thereafter without any breach of this Agreement by the recipient;
- The information was received from a third party unless the recipient was aware that the third party had breached a confidentiality obligation vis-à-vis the disclosing party by making the recipient aware of the information;
- The information was developed independently by the recipient without the use of confidential information of the disclosing party; or
- The information was subject to a disclosure obligation on the basis of an official or court order.

## 16. Warranties of title and defects

- 16.1 The university/research institute shall provide its services under this Agreement on the basis of recognised rules and making the best possible use of the state-of-the-art science and technology known to it at the time of performance.
- 16.2 In the event of a warranty claim, the industry partner shall first give the university/research institute the opportunity to improve its performance.
- 16.3 The university/research institute conducts research in the field of applied sciences and seeks to break new ground in technology. The associated risks include the possibility that research and development goals may not be achieved, or not fully achieved. Under no circumstances shall the university/research institute furnish guarantees and/or warranties with regard to the subject matter of the Agreement.
- 16.4 Both contracting parties are aware of the risk of the revocation of a patent. The revocation of one or more patents shall not affect the validity of this Agreement. The entry into force of an annulment judgement also shall not entitle the contracting party eligible under this Agreement to terminate this Agreement. Claims for withdrawal and/or damages are excluded.
- 16.5 Except in the case of positive knowledge and/or grossly negligent ignorance, the respective contracting party under this Agreement shall not be liable either for the future existence of the industrial property right or for a specific scope of protection of the same. Likewise, the respective contracting party shall not be liable for prejudicial rights of third parties unless it was aware of them or remained unaware of them owing to gross negligence.
- 16.6 Except in the case of positive knowledge or grossly negligent lack of knowledge, the respective contracting party also shall not be liable for any suitability defects, such as lack of technical feasibility or usability. The respective contracting party also shall not be liable for the commercial exploitability of the patent.
- 16.7 Claims for damages in lieu of performance due to initial objective impossibility or quality defects pursuant to Section 311a (2) of the German Civil Code (Bundesgesetzbuch – BGB) are limited to the reliance interest.
- 16.8 Reciprocal claims for damages of the contracting parties are limited to the compensation of typical damages. Claims for compensation of lost profit are excluded. These limitations shall not apply in cases of wilful intent or gross negligence on the part of a contracting party.
- 16.9 The above limitations of liability shall not apply to cases involving injury to life, limb or health or to claims under the Product Liability Act (Produkthaftungsgesetz).

## 17. Defence of challenges ensuing from industrial property rights

Beyond the regulations governing applicant status and the technical implementation of applications (Clauses 8 and 9), it shall be at the discretion of the industry partner to defend industrial property rights and to respond to challenges to industrial property rights.

Each contracting party shall, however, notify the other contracting party of any third-party infringements or challenges to industrial property rights of which they become aware.

## 18. Marketing

The contracting parties shall reach an agreement if reference to the cooperation is to be made in the marketing of any products and services which are based on the results of this Agreement.

## 19. Term of the Agreement and provisions governing the post-contractual period

- 19.1 This Agreement shall enter into force on \*\*\*, *[fill in as applicable]* at the latest, however, upon commencement of the cooperation and shall remain effective until \*\*\*. *[fill in as applicable]*. If the objective of the Agreement has not yet been achieved by this time, the contracting parties shall mutually agree on an extension of the cooperation.
- 19.2 Premature termination of the Agreement is excluded. Termination without notice for cause is the only early termination option available pursuant to statutory regulations. Good cause shall be deemed to exist, in particular, if
  - 19.2.1 facts exist owing to which the terminating party, taking into account all the facts of the individual case and weighing the interests of both contracting parties, can no longer be reasonably expected to continue with the Agreement;
  - 19.2.2 significant changes in the legal status or in the distribution of ownership or changes in the management of a contracting party occur in such a way that it is no longer reasonable for the other contracting party to adhere to this Agreement;
  - 19.2.3 a contracting party challenges the validity of the industrial property rights or supports third parties in such a challenge.
- 19.3 If the stipulations contained in individual provisions of this Agreement extends beyond the term of the Agreement, these shall remain effective even after the Agreement has expired.

## 20. Export controls

The contracting parties undertake to apply and comply with the relevant export control regulations in the context of the performance of the work. In the event of a transfer of information or know-how, the transferring contracting party shall be obliged to inform the receiving party in writing, unsolicited, of the assessment under export control law, in particular under EU and US law.

## 21. Final provisions

- 21.1 No ancillary verbal agreements have been made and no such agreements shall be valid. Any additions and amendments to this Agreement shall require the written form in order to be binding. This written form requirement also applies to any changes to this section.
- 21.2 If a provision of this Agreement is or becomes invalid or null and void, this shall not affect the remaining provisions of the Agreement. The contracting parties shall replace any such provisions with new valid provisions that most closely approximate the purpose of the Agreement.
- 21.3 Place of performance and jurisdiction is \*\*\*. *[fill in as applicable, if the statutory requirements for agreement on jurisdiction are met (see Section 38 Code of Civil Procedure; Zivilprozeßordnung – ZPO) and only if the mediation procedure above has not been selected]*
- 21.4 *[if a foreign partner is involved:]* This Agreement and its interpretation shall be governed exclusively by German law.

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\_\_\_\_\_, Date \_\_\_\_\_ , Date \_\_\_\_\_

University/research institute

Industry partner

Seen and noted:

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\_\_\_\_\_, Date \_\_\_\_\_

Project Manager

**Annex 1:** Research plan *[not attached, to be created individually]*

**Annex 2:** Schedule *[not attached, to be created individually]*

**Annex 3:** Sample declaration of the university members

**Annex 4:** List of members of the university/research institute  
*[not available, as to be compiled individually]*

**Annex 5:** Countries in which patent applications are likely to be filed  
*[not attached, to be created individually]*

**Annex 6:** Remuneration *[not attached, to be created individually]*

## Annex 3: Example declaration of the university members

Subject: Declaration \*\*\*

I, \_\_\_\_\_, am participating in the performance of the contractually agreed work within the framework of the above Agreement as an employee of the university within the meaning of Section 42 of the German Employee Inventions Act (Gesetz über Arbeitnehmererfindungen – ArbEG).

The Agreement between the university and the industry partner also contains rules concerning the obligation to maintain secrecy concerning all technical know-how and information to which then researchers gain direct or indirect access within the scope of cooperation with the industry partner. I therefore undertake to [...] *industry-specific confidentiality clauses*

I also hereby assume the following obligations under the Agreement:

1. My ownership of inventions made by me before the commencement of the research project and of the property rights applied for or granted thereon (hereinafter: old rights) shall remain unaffected by this Agreement. If old rights are necessary for the purpose of using results achieved exclusively by employees of the industry partner (hereinafter: “industry partner results”), results that were developed by the employees of the university together with the industry partner’s employees in respect of which the share of the university’s employees accounts for a fifty (50) percent share of the invention or less (hereinafter: “joint results”) or of all other results (hereinafter: “university results”) after exercise of an option to which the industry partner is entitled, and if third parties have no rights to the contrary, I shall grant the industry partner a non-exclusive licence to these old rights at customary market conditions.
2. Upon conclusion of this Agreement, I shall assign to the industry partner all rights to any future results within the framework of this Agreement in advance, provided they are free inventions or inventions that have been released for general use.
3. I also retain a non-exclusive, non-transferable right to use the any results for my research and teaching activities. The contractual provisions on the confidentiality of the results shall remain unaffected. Furthermore, I may only use my research results in the context of research for or with third parties if I obtain the written consent of the industry partner. The industry partner assures me that such consent may not be unreasonably withheld, in accordance with the principles of good faith assumed. This shall not apply to old rights, know-how available prior to conclusion of this Agreement or objects not subject to secrecy.

4. I undertake vis-à-vis the industry partner to notify the university of all inventions pursuant to Section 5 ArbEG and to notify the university of its respective share in the invention.
5. I waive my right of non-disclosure vis-à-vis the industry partner pursuant to Section 42 number 2 ArbEG in respect of all results achieved in connection with this Agreement.
6. I undertake vis-à-vis the industry partner not to publish results or otherwise disclose them to third parties – including as part of preparations for publication – without the written consent of the industry partner, so long as the results are subject to the obligation of confidentiality under this Agreement. I shall submit the manuscript to be used for purposes of printing or verbal publication (hereinafter: the publication) to the industry partner for review at least six (6) weeks before the manuscript is passed on to third parties or is presented.

If the industry partner gives notice within three (3) weeks of receiving the manuscript that the publication affects confidentiality interests, I shall ensure that the manuscript is not published or that any information deemed confidential by the industry partner is deleted. Consent to publication and/or presentation shall, however, be deemed granted if the industry partner does not respond to me or the university/research institute after a further reminder in which I or the university/research institute explain the consequences of non-response and setting a deadline of fourteen (14) days.

7. If the university/research institute does not use the invention on the basis of a reassignment of rights set out in the Agreement concluded between the university and the industry partner, I shall grant the industry partner a non-exclusive, global, irrevocable, non-transferable right of use to the relevant invention and to any new rights resulting from it.
8. I shall support the entitled contracting party in obtaining new rights, in particular I shall submit all necessary declarations in a timely and factually correct manner. I shall, moreover, refrain from taking any actions that may be detrimental to the granting and retention of new rights.
9. This Agreement is concluded for the duration of my participation in the research project specified in the "Subject". The provisions relating to inventions within the scope of this Agreement shall end with the expiry of the longest-lived property right resulting from this cooperation. This obligation to observe secrecy and the obligation to submit manuscripts shall apply indefinitely/ shall end in \*\*\* years *[fill in as applicable]* after my \*\*\* involvement in the cooperation designated in the "Subject" ends.
10. If any provisions of this Agreement are or become invalid or null and void, this shall not affect the validity of the remaining provisions. The contracting parties shall replace any such provisions with new valid provisions that most closely approximate the purpose of the Agreement.

## Example provisions for the annex “Remuneration”

### 1.

The research institute shall receive a fixed contribution toward incurred costs in the amount of  
\*\*\* EUR,

plus applicable value added tax. VAT is to be indicated separately.

### 2.

The funds are transferred by the industry partner to the research institute’s account after conclusion of the Agreement on the basis of an accounting in the following way:

\*\*\* EUR up to 1 week before the commencement of the research

\*\*\* EUR by \*\*\*

\*\*\* EUR by \*\*\*

The details on the payment modalities are set out in the research plan. Itemised proof of expenditure is not required.

### 3.

In the event of default, the research institute is entitled to claim from the industry partner default interest in the amount of 8% above the base interest rate as well as compensation for any other verifiable damage caused by then delay.

*alternative*

### 1.

For performance of the referenced work, the industry partner shall provide funding in the amount of (maximum)

\*\*\* EUR,

plus, applicable value added tax. VAT is to be indicated separately.

**2.**

The funds are transferred by the industry partner to the research institute's account after conclusion of the Agreement on the basis of advance invoices in the following way:

\*\*\* EUR 1 week before the commencement of the research

\*\*\* EUR on \*\*\*

\*\*\* EUR on \*\*\*

Itemised proof of expenditure is not required.

**3.**

Records shall be kept regarding the use of the funds. After project completion, the research institute shall issue a final invoice to the industry partner. Unused advances shall be refunded.

**4.**

In the event of default, the research institute is entitled to claim from the industry partner default interest in the amount of 8% above the base interest rate as well as compensation for any other verifiable damage caused by then delay.

\_\_\_\_\_, Date \_\_\_\_\_, Date \_\_\_\_\_

\_\_\_\_\_  
Industry partner



# Consortium agreement for research cooperation

concluded between

\*\*\*, represented by \*\*\*, \*\*\* [fill in as applicable]

– hereinafter referred to as “*industry partner 1*” –

and

\*\*\*, represented by \*\*\*, \*\*\* [fill in as applicable]

– hereinafter referred to as “*industry partner 2*” –

and

\*\*\*, represented by \*\*\*, \*\*\* [fill in as applicable]

– hereinafter referred to as “*industry partner 3*” –  
– all also collectively referred to as “*industry partners*” –

and

\*\*\* university/research institution, represented by \*\*\*, \*\*\* [fill in as applicable]

– hereinafter referred to as “*university/research institution 1*” –

and

\*\*\* university/research institution, represented by \*\*\*, \*\*\* [fill in as applicable]

– hereinafter referred to as “*university/research institution 2*” –

and

\*\*\* university/research institution, represented by \*\*\*, \*\*\* [fill in as applicable]

– hereinafter referred to as “*university/research institution 3*” –  
– all also collectively referred to as “*universities/research institutions*” –  
– The above contracting parties are hereinafter collectively referred to  
as “*contracting parties*” and individually as “*contracting party*” –

## Preamble

The contracting parties wish to cooperate with each other in the field of \*\*\* by way of a consortium project (hereinafter: consortium project). This consortium project is a cooperation based on the division of labour between several industry partners and universities/research institutions with the aim of addressing overarching, long-term issues for all contracting parties in the field of \*\*\* [filled in as applicable]. The contracting parties have each applied for a grant for a subtask of the consortium project from \*\*\* [funding body] [fill in as applicable]. This consortium project is supervised by the project owner \*\*\* [fill in as applicable] (hereinafter: project owner).

*[Note: The aim of this Agreement on research cooperation in the special form of a funded consortium project is to promote cooperation between the scientific community and industry. This Agreement is intended to serve as a legally validated guideline and to ensure, insofar as possible, that the administrative burden of cooperation is reduced to a minimum so that the Agreement can also be easily used by smaller and medium-sized universities and research institutes or companies. The agreed allocation of rights in the case of joint inventions also lends particularly advantageous support to this aim.]*

*This Agreement represents a model and, in some places, viable alternative models, under which the sometimes difficult to reconcile objectives and limitations of science and business are contractually regulated through a fair balance of interests. For the scientific community, this means, in particular, maintaining freedom of research, promoting further development through speedy publication and the ability to use and exploit the results of the consortium project itself in accordance with the provisions of this Agreement. The industry partners have the assurance that their interest in research investments being implemented in their products with planning certainty is also considered. Both contracting parties will also benefit from any outstanding commercial development of joint research results. Individual tailoring of the Agreement is possible at any time and is a matter of negotiation between the contracting parties.]*

The results (Clause 1) and a clearly defined **contract subject matter** (Clause 2) are of particular significance in view of the rights and obligations of the contracting parties under this Agreement.

## 1. Definitions

### Old rights

Copyrights and related protective rights, as well as inventions which were reported prior to the signing of this Agreement (Section 5 ArbEG), any industrial **property rights** applied for or granted thereon, or know-how developed prior to the signing of this Agreement.

### Third party

Natural or legal persons who are not contracting parties and do not belong to the affiliated companies listed or defined in **Annex 5**.

<b>Results</b>	Outcomes of work conducted during performance of this Agreement and falling within the <b>subject matter of the Agreement</b> .
<b>Industrial property rights</b>	Pending or granted patents, utility models, topographies of semiconductor products, supplementary protection certificates for medicinal products or other products for which any such certificates can be obtained, and plant variety rights; designs and Community designs.
<b>Know-how</b>	The totality of practical information gained from experience and experimentation, which is “secret”, i.e. not public or easily accessible knowledge, “substantive”, i.e. relevant and useful to the <b>subject matter of the Agreement</b> , and “identified”, i.e. described so that a sufficiently comprehensive manner so as to determine whether it can be deemed “secret” and “substantive”. The definition of trade secrets and the requirements for the effective protection of trade secrets under the Trade Secrets Act (Geschäftsgeheimnisgesetz – GeschGehG) remain unaffected.
<b>Customary</b>	Terms of use, remunerated or gratuitous. Criteria for assessing the market compatibility of the terms of use include the particular circumstances of the grant of the right of use, such as the actual or potential value of the <b>results or old</b> rights for which the rights of use are requested and/or the scope, duration or other characteristics of the intended use. When assessing the usage fee, the contributions made by the respective contracting party to the respective <b>results</b> within the framework of the cooperation must be considered appropriately; in comparison to usage fees of uninvolved third parties, a corresponding deduction shall be granted to the party concerned, which may lead to a waiver of the usage fee in particularly justified cases.
<b>New rights</b>	Copyrights and related rights obtained after entry into force of this Agreement as well as inventions made on the basis of results achieved (Section 5 ArbEG) and any industrial property rights registered or obtained thereon, and know-how gained from results achieved after entry into force of this Agreement.
<b>Copyrights and related rights</b>	Protected works under the Act on Copyright and Related Rights (Urheberrechtsgesetz – UrhG).
<b>Subject matter</b>	The subject matter of the cooperation defined in Clause 2 also includes a definition of the field in which the <b>results</b> may be used.
<b>Contract territory</b>	*** <i>[fill in as applicable – refers to geographical territory]</i>

## 2. Subject matter of the Agreement

- 2.1 The subject matter of the Agreement is the joint performance of the following research project, with funding from \*\*\* [funding body] \*\*\*. *[to be filled in individually in specific detail (inter alia because of the significance for the results within the meaning of the Agreement)]*. The results thereof may be used in the following field (hereinafter: field of use): \*\*\* *[to be filled in individually and very precisely because the field of use has significance for the scope of the industry partner's rights of use]*
- 2.2 This subject matter of the Agreement and the exact scope of the work to be carried out by the individual contracting parties are described in the overall project description attached as **Annex 1** to this Agreement as well as in the individual, factually coordinated applications of the individual contracting parties for funding from \*\*\* [funding body]. This overall project description is to be updated jointly by the contracting parties based on ongoing developments, and is valid in the respective current version which must be expressly approved by all contracting parties insofar as changes relate to the type, scope and timeline of the work. In the event of any conflict between this Agreement and its Annex 1, the Agreement shall prevail.

*[Note: If software is also created as part of the project, this model also sets out some provisions pertaining to rights to this software and the handling of any open-source components used. However, it does not contain any detailed provisions on questions of warranty in relation to software or update obligations and other software-specific provisions. If the contracting parties consider this to be necessary for complete agreement and to the extent that the cooperation deals exclusively with works capable of being protected by copyright (e.g. product designs, software), related property rights (e.g. databases) and/or works that are protectable as design, the contracting parties should conclude a separate agreement]*

- 2.3 Grant conditions

The grant conditions of the contracting parties, including the relevant supplemental requirements, shall remain unaffected.

## 3. Performance of work

- 3.1 The contracting parties shall perform the work under this Agreement on the basis of recognised rules and making the best possible use of the state-of-the-art science and technology known to them at the time of performance.

- 3.2 Each contracting party shall be responsible for the performance of the subtasks it has agreed to perform vis-à-vis \*\*\* *[funding body]* and shall appoint a project manager for this purpose (with office address, telephone number, email address, etc.), who shall be responsible for the execution of the tasks assumed.
- 3.3 The contracting parties shall, after prior consultation, provide each other in good time with all information required for the performance of the work. Any documents, objects or other resources provided to a contracting party by another contracting party for the performance of the work shall be made available on loan. They shall be used exclusively for the performance of the work and shall be returned to the respective contracting party at its request after completion of the work.
- 3.4 The contracting parties shall permit each other to see any results achieved at any time upon request for purposes of the project.
- 3.5 No contracting party is entitled to commission third parties to carry out subtasks without the consent of the other contracting parties if such subcontracting is not provided for in the overall project description.
- 3.6 None of the contracting parties are entitled to act on behalf of all contracting parties vis-à-vis third parties and none of the contracting parties is entitled to represent one or more other contracting parties in legal transactions or to make legally binding declarations or agreements on their behalf without prior written consent. No project manager appointed by the contracting parties, nor any steering groups, working groups or similar groups that may be set up by the contracting parties shall be entitled to legally represent individual contracting parties or the contracting parties as a whole or to make legally binding declarations on their behalf unless expressly provided for in this Agreement.
- 3.7 In order to facilitate coordination, management and implementation of this Agreement as well as early identification, prevention and solving of problems, the contracting parties shall set up a joint steering committee that will discuss the status of the overall project at regular – depending on the grant conditions and project duration, also individually specified in \*\*\* – intervals. It shall keep a project journal consisting of
  - Minutes of meetings and records of correspondence
  - \*\*\* *[fill in as applicable]*

As a rule, these meetings serve to provide comprehensive information on the results achieved and the progress of the work as well as the use of open-source software (see Clause 6.13.) and for the exchange of interim and final reports.

To resolve any conflicts, the contracting parties shall consult first with the steering committee.

All members of the steering committee shall have the right vis-à-vis the other contracting parties to issue all declarations and give factual and other assurances required within the scope of this Agreement and are obliged to provide binding information. This does not include declarations that result in an amendment of this Agreement. At the request of individual contracting parties – subject to the rules on agenda under Clause 3.8 – the parties shall: – prepare the declarations in accordance with sentence 1 above sufficiently in advance notice and provide all information to the contracting parties concerned so that they can obtain any necessary internal approvals.

- 3.8 In addition to the steering committee, \*\*\* *[fill in as applicable]* is responsible for the day-to-day coordination of the subtasks within the framework of the collaborative project (“coordinator”). In the event of deviations from the task plan, the coordinator should immediately make the contracting parties and the project owner aware of these and propose measures to overcome any difficulties encountered. The contracting parties shall inform the coordinator immediately of any deviations from their task plan (in particular as they relate to compliance with the project schedule or the achievement of the purpose of the Agreement). The coordinator is responsible for preparing the working sessions of the steering committee necessary for implementation of the consortium project, issues invitations to these meetings with four weeks’ notice (including the agenda), chairs the meetings of the steering committee and is responsible for preparing and sending out the minutes of the meetings.

The coordinator is not authorised to make legally binding declarations for the contracting parties or to conclude legally binding agreements.

- 3.9 In the event of a breach by a contracting party of material contractual obligations, the coordinator shall, after consultation with the other contracting parties, set the offending party a reasonable period of time in writing to remedy the breach. If the contracting party in question fails to remedy the breach within the time limit, the coordinator shall inform the funding body without delay in accordance with the terms and conditions of the grant. In such cases, the other contracting parties are jointly entitled to terminate this contract vis-à-vis the offending contracting party.

#### 4. Deadlines

The deadlines for completion of the work, including the final deadline and the individual phases, are included in the schedule attached as **Annex 2** to this Agreement. This schedule may be updated by mutual consent of the contracting parties.

## 5. Old rights

- 5.1 The respective holder shall retain the **old rights**.
- 5.2 All contracting parties shall keep the other parties informed as to the existence of any such **old rights** for which use is foreseeable at the beginning and on an ongoing basis during the project. The obligation to provide information also encompasses information as to whether and to what extent the respective holder is restricted in the use of these **old rights**, e.g. by third party rights of use.
- 5.3 The respective contracting party shall inform all other contracting parties at the time of and/or at times to be mutually determined after conclusion of the Agreement *[to be decided individually depending on the project; ideally, the determination is included in the overall project description]* in the form of an explicit declaration to the coordinator, who shall keep a corresponding list, as to which old rights in the form of industrial property rights and copyrights/related rights it is contributing to the project.
- 5.4 The following shall apply to such **old rights** which are necessary for the performance of this Agreement or for the commercial use of the **results** by a contracting party – for industrial property rights only to the extent that the respective contracting party has contributed them to the research cooperation pursuant to Clause 5.3:
  - 5.4.1 If and insofar as a contracting party is able to do so, it shall grant the other contracting party or parties a non-exclusive right of use limited to the duration and the purposes of this Agreement free of charge for the purpose of performance of this Agreement.
  - 5.4.2 If and insofar as a contracting party is able, upon request to be made within 24 months after the end of the Collaborative Project, to grant rights of use to any old rights that are necessary (in the case of **know-how**, indispensable) for the commercial exploitation of the **results**, the respective contracting party shall be prepared to grant to the other contracting party or parties a non-exclusive licence to such old rights within the **scope of use** at customary market conditions. The foregoing granting of rights requires the conclusion of a separate agreement. If a contracting party intends to grant exclusive rights of use to third parties within the aforementioned period, it shall inform the other contracting parties of this in writing and give them the opportunity to acquire a licence in accordance with the terms of this Agreement within a period of 3 months.

## 6. New rights

Insofar as the results relate to new rights, the contracting parties distinguish between inventions and industrial property rights (in this Clause and in Clause 8: inventions), copyrights or design protected works and know-how as follows:

- 6.1 The contracting party with whom an invention originated shall be substantially entitled to that invention.
- 6.2 If two or more contracting parties jointly achieved results leading to the invention, they shall be jointly entitled to the invention. An invention shall be deemed to have been jointly created if each of the contracting parties involved has contributed sufficiently to establish joint inventorship through their employees or other agents, which contribution is not insignificant in relation to the contributions of the other contracting parties and in relation to which a separate application for industrial property rights cannot be filed. The parties concerned shall agree on this joint inventorship, including all related issues such as shares of invention, filing of applications for industrial property rights (process ownership and administration), costs, proceeds and utilisation (the latter in accordance with the following sentence), in a separate agreement at the earliest possible time. In any case, the contracting parties involved in the joint invention shall have the right to use it for their own purposes and to licence it non-exclusively to third parties. Unless otherwise agreed by the industry partners, there shall be no claim for compensation between the industry partners.

The above also applies in the case of participation of a university/research institute, but with the following proviso:

If, in addition to a company, a university or research organisation within the meaning of the Framework for State aid for research and development and innovation (2014/C198/01) is also involved in a joint invention, the contracting parties involved shall jointly and carefully evaluate contributions in accordance with Section 2.2.2 of the Framework and document the result. Due to the financial and non-financial contributions within the framework of the consortium project, the parties generally assume that pursuant to Section 2.2.2 (28) lit. c of the Framework, the rights of use granted do not constitute indirect State aid. If, contrary to expectations, this should prove otherwise on the basis of the documented evaluation of the contributions, the contracting parties shall compensate for economic advantages resulting from the mutual rights of use and licensing – if necessary – paying additional remuneration by way of a separate agreement in accordance with Section 2.2.2 (28) lit. d to ensure that the industry partners receive no indirect State aid through the conditions of cooperation under this Agreement.

The provisions of this Clause 6.2 – insofar as applicable – shall apply mutatis mutandis to copyrighted works (including software) jointly created by employees of multiple contracting parties in the course of the consortium project as well as – subject to the observance and passing on of the confidentiality obligations – jointly created know-how.

The other contracting parties shall be entitled to rights of use in accordance with Clause 6.3 and 6.4 with respect to joint new rights of other contracting parties.

- 6.4 After completion of the consortium project, the contracting parties shall be prepared to grant each other a corresponding right of use at customary market conditions. Any request for the granting of rights of use in accordance with this Agreement must be asserted by the parties within 24 months of the end of the consortium project. If a contracting party intends to grant exclusive rights of use to third parties within this period, it shall inform the other contracting parties of this in writing and give them the opportunity to acquire a licence in accordance with the terms of this Agreement within a period of 3 months.
- 6.5 Each contracting party acknowledges that acts of use based on information and works obtained from the other contracting parties do not constitute a right of prior use within the meaning of Section 12 PatG.
- 6.6 The university/research institute [shall not include/will endeavour to avoid including] *[select as appropriate]* additional employees covered under Section 42 (2) ArbEG in the **subject matter of the Agreement** until they have agreed to adhere to the obligations under this Agreement by way of a declaration based on the example attached as Annex 3. In Annex 4, the contracting parties have already specified the employees of the university/research institute covered under Section 42 ArbEG who are to be involved in performance of the Agreement. Relevant declarations of these persons in accordance with Annex 3 are attached to this Agreement. In the event that individual employees are unwilling to make such a declaration, the university/research institute is obliged to inform the other contracting parties. In the event that an employee signs the declaration and still exercises his or her rights under section 42 ArbEG, it is the sole responsibility of the industry partners to enforce the declaration accordingly.
- 6.7 Furthermore, the contracting parties agree that they will not allow third parties who are not covered by the ArbEG to participate in the subject matter of the Agreement until they have assumed the obligations under this Agreement mutatis mutandis and, in particular, have ensured the direct assignment of their rights to the results to the relevant contracting party.
- 6.8 The research and teaching activities of universities/research institutes and the research privilege pursuant to Section 11 PatG shall remain unaffected by this Agreement. universities/research institutes shall therefore have a non-exclusive, non-transferable right to use the results for these activities. The contractual provisions on the confidentiality of the **results** shall remain unaffected. If the university/research institute wishes to use joint results or the results of another contracting party within the framework of further research conducted with other commercial and non-commercial partners, the written consent of the relevant contracting party shall be required if the results are still secret or unpublished. However, the respective contracting party may not unreasonably withhold this consent, in accordance with the principles of good faith.

6.9 Insofar as inventions arise during the performance of the Agreement which do not relate to the **subject matter of the Agreement**, the provisions of Clause 5.4.2 shall apply accordingly.

6.10 If, in accordance with the provisions of Clause 6.1 to 6.7 above, a contracting party has a right of use to new rights, this shall also include the results relating to these inventions in the form of know-how and is subject to remuneration to be agreed at customary market conditions in accordance with Clause 6.4. Reference is made to the provisions on confidentiality in Clause 15.

The contracting parties shall inform each other in good time about any additional know-how and shall reach a written agreement on whether and how to make this available, use and exploit the additional know-how, including remuneration.

6.11 The second subparagraph of Clause 6.10 shall apply mutatis mutandis to the use of non-personal data.

6.12 Insofar as the results comprise works that are protectable as design or Community design and which are necessary for the utilisation of the inventions covered by this Agreement, Clause 6.1 to 6.7 shall apply accordingly.

6.13 If the aforementioned provisions in Clause 6 concern **results** that are protectable by copyright or which fall under related property rights, the aforementioned rules shall apply accordingly.

Insofar as the results include software that is protectable by copyright, the contracting parties shall agree on how the source code of this software is to be handled, e.g. whether one contracting party is obliged to make it available to the other contracting parties.

The contracting parties agree that, if the result is copyrightable software, each contracting party is solely responsible for clarifying the compatibility of this software with third-party software and, if other third-party software is necessary for the use of this software, the right to use it. Clause 6.14 remains unaffected. However, each contracting party is obliged to inform the other contracting parties to the best of its knowledge and belief if it is aware of such information on compatibilities or dependencies.

6.14 If results include not only proprietary software but also open source software, the following shall apply: Open source software means any software distributed as “free software” or “open source software” or under licence or distribution terms that (a) require the licensee to permit reverse engineering of the licensed software or other software incorporated into or distributed with the licensed software, (b) require that the licensed software or other software incorporated in, derived from or distributed with the licensed software be (i) distributed in the form of source code or with open access to source code; (ii) licensed for the purpose of creating derivative works; or (iii) distributed free of charge.

The contracting party whose result is likely to contain open-source software shall inform the other contracting parties as to which parts of the software are affected and the licence conditions these are subject to.

Open-source software may not become part of the results, either directly or indirectly (e.g. by linking), without the prior written consent of the other contracting parties unless the contracting parties have agreed within the context of the consortium project on a whitelist of generally permissible open-source licences. A whitelist can be expanded in the course of the project by agreement in text form between the project leaders of all consortium partners.

*[Alternative 1 to the preceding paragraph:]* Open-source software may not become part of the results, either directly or indirectly (e.g. by linking), without the prior written consent of the other contracting parties. The contracting parties shall reach an agreement via the coordinator within the steering committee on how to deal with open-source software as well as whether and, if so, how compliance with the licence conditions can be ensured – also considering the respective grant conditions.

*[Alternative 2 to the preceding paragraph:]* Open-source software may not become part of the results without the prior written consent of the other contracting parties. However, when using open-source software, the contracting parties are obliged to ensure that the software components or software modules are legally and operationally independent such that any copyleft effect contained in the respective open-source software licence does not affect the results in such a way that they are covered by the open-source software licence.

## 7. Freedom of disclosure and non-disclosure

- 7.1 Any university/research institute involved in the project shall inform the industry partner(s) without delay should it become aware that a member of the university has made use of his or her freedom of non-disclosure within the meaning of Section 42 number 2 ArbEG.
- 7.2 The contracting parties agree that the universities/research institutes have a legal obligation to publish and disseminate the results of their research on a non-exclusive and non-discriminatory basis. The parties intend to make allowances for this interest while also considering the interests of the industry partners, who may have an interest in non-disclosure. Accordingly, the contracting parties mutually affirm that they will not publish the results (unless they are solely attributable to one contracting party) without the written consent of all contracting parties or make them available to third parties, for example in the peer review process, as long as the results are subject to the confidentiality obligation pursuant to Clause 11. In recognition of the conventional tasks of the universities/research institutes, a special procedure is available to them to obtain the consent of the other contracting parties: The universities/research institutes submit any manu-

scripts intended for presentation or publication at least six (6) weeks before such publication or presentation to the coordinator for review, who shall forward them to the other contracting parties for comment. At the same time the universities/research institutes commit to the industry partners at an early stage as to whether and to what extent academic degree theses are affected by the **subject matter of the Agreement**.

If, within three (3) weeks of receipt of these documents and a corresponding reference to the commencement of this period, an industry partner informs a university/research institute that it considers its confidentiality interests to be affected by the intended publication or presentation, the university/research institute shall either refrain from the publication and/or presentation or remove the information which the industry partner has cited as subject to confidentiality. Consent to publication and/or presentation shall, however, be deemed granted if the industry partner does not respond to the university/research institute after a further reminder stating the consequences of non-response and setting a deadline of fourteen (14) days.

## 8. Handling of property rights applications

The contracting parties shall endeavour to protect the **results** achieved in performance of the Agreement by means of **industrial property rights**. The contracting parties shall inform each other without delay of the complete notices of invention received by them in the context of the project. Insofar as joint inventions are concerned, the industrial property right applications after allocation of the invention shares of the respective contracting parties involved, shall be subject to the provisions set out in Clause 6.2 and the separate agreement referred to therein. In any case, however:

- 8.1 The contracting parties are obliged to support the entitled contracting party in obtaining new rights, in particular to submit and provide all necessary declarations in a timely and factually correct manner. The contracting parties shall, moreover, refrain from taking any actions that may be detrimental to the granting and retention of new rights.
- 8.2 Each university/research institute shall have the right to appoint a patent exploitation agency (hereinafter: patent exploitation agency) to handle processing of the application on its behalf and therefore to disclose to this patent exploitation agency, to the extent necessary, information to which it has access under this Agreement, provided that the patent exploitation agency has entered an obligation vis-à-vis the university/research institute and the industry partner to maintain confidentiality in accordance with the provisions of this Agreement prior to the disclosure of the information.

## 9. Funding of the consortium project

Each contracting party shall bear its own costs (using the grant from \*\*\* [funding body]).

*[Alternative 1:]*

## 10. Mediation, arbitration

- 10.1 With respect to any dispute arising out of or in relation to this Agreement or any subsequent amendments to this Agreement, including (without limitation) its formation, validity, binding effect, interpretation, performance, breach or termination, and any non-contractual claims (“disputes”), mediation shall be conducted in accordance with the Mediation Rules of the German Institution of Arbitration (Deutsche Institution für Schiedsgerichtsbarkeit e.V. – DIS). The place of mediation shall be \*\*\*. The mediation language is \*\*\*.
- 10.2 If and insofar as such disputes are not resolved through mediation within sixty (60) days from the commencement of the mediation proceedings, they shall be finally settled in accordance with the Rules of Arbitration of the DIS, without recourse to the ordinary courts of law. The same shall apply at the request of a contracting party if, before the expiry of the said period of sixty (60) days, a party fails to participate in the mediation or ceases to participate in the mediation. The arbitral tribunal shall comprise three arbitrators. The place of arbitration shall be \*\*\*. The language of the proceedings shall be German. The applicable law in the matter is German law.
- 10.3 Disputes between more than two contracting parties may be dealt with in a single mediation or arbitration procedure.

*Alternative 2:*

## 10. Place of jurisdiction

The place of jurisdiction for all disputes arising from this Agreement is \*\*\*.

## 11. Confidentiality

- 11.1 The confidentiality agreement dated \*\*\* *[fill in as applicable]* between the contracting parties shall continue to apply/is herewith cancelled. [Strike out that which does not apply.] In any case, the contracting parties undertake to maintain secrecy for an *unlimited period of time / \*\*\** years *[fill in as applicable]* any and all information of the other contracting party made available to them in connection with this Agreement and which is designated confidential or which is otherwise obviously recognisable as business or trade secrets of a contracting party (“confidential

information") and to utilise the information only to the extend necessary for the achieving the purpose of this Agreement. Clause 3.3 shall apply mutatis mutandis to all documents and items containing or embodying confidential information; these the documents and items shall remain the property of the contracting party providing them.

- 11.2 The contracting parties shall take appropriate measures within the meaning of the GeschGehG to ensure the protection of the confidential information of the other contracting parties and to prevent unauthorised use and disclosure. The same obligation shall apply to documents and items containing or embodying confidential information; unless expressly provided for in the overall project description, the contracting parties are prohibited from obtaining the confidential information embodied therein by reverse engineering a product or item. The contracting parties undertake in particular, not to record, disclose or exploit the confidential information unless this is necessary to achieve the purpose of the Agreement.
- 11.3 The contracting party receiving the confidential information agrees to withhold confidential information from its employees and other staff members unless this is prohibited by law and only to the extent that this is absolutely necessary to achieve the purpose of the Agreement on a strict need-to-know basis. Furthermore, it shall take appropriate measures within the meaning of the GeschGehG to ensure the protection of the confidential information and, in particular, by means of suitable contractual agreements which are no less stringent than the provisions of this Clause 11, ensure that the employees and other staff working for it also refrain from any disclosure, own use or unauthorised recording of the confidential information for an *unlimited period / \*\*\* year [fill in as applicable]*.
- 11.4 Disclosure of confidential information of the other contracting parties to third parties is only permitted with the prior written consent of the respective contracting party. If written consent has been given, the provisions of Clause 11.3 shall apply accordingly.
- 11.5 The foregoing obligations do not apply to such information in respect of which the contracting party receiving the information demonstrates that:
  - The information was already known to the recipient at the time obtained;
  - The information was already public on the date obtained or became apparent thereafter without any breach of this Agreement by the recipient;
  - The information was received from a third party unless the recipient was aware that the third party had breached a confidentiality obligation vis-à-vis the disclosing party by making the recipient aware of the information;

- The information was developed independently by the recipient without the use of confidential information of the disclosing party or
- The information was subject to a disclosure obligation on the basis of an official or court order.

11.6 The obligations under this Clause 11 shall also not apply vis-à-vis \*\*\* [funding body] to the extent that such confidential information is available to \*\*\* [funding body] under the terms and conditions of the respective grant award of the consortium project.

11.7 Upon termination of this Agreement, the contracting parties shall return all documents embodying confidential information of the other contracting parties to the respective contracting party, unsolicited, and shall delete digital copies on their own (mobile) devices or storage media. The successful deletion shall be confirmed to the respective contracting party in writing. The obligation to delete does not apply to reproductions that are necessary for the contracting party to comply with statutory retention obligations.

11.8 The provisions of this Clause 11 shall also apply to confidential information provided to the contracting parties by third parties. In the event that the measures taken by the contracting parties do not meet the requirements of the GeschGehG, the provisions of this Clause 11 shall nevertheless apply.

## 12. Warranties of title and defects

12.1 The contracting parties shall perform the work under this Agreement on the basis of recognised rules and making the best possible use of the state-of-the-art science and technology known to them at the time of performance.

12.2 The contracting parties conduct all research in the field of applied sciences, which involves developing novel know-how and seeking to break new ground in technology with the results. The associated risks include the possibility that research and development goals may not be achieved, or not fully achieved. Under no circumstances shall any of the contracting parties furnish guarantees and/or warranties with regard to the subject matter of the Agreement.

12.3 All contracting parties are aware of the risk of the revocation of industrial property rights. The revocation of one or more industrial property rights shall not affect the validity of this Agreement. The entry into force of an annulment judgement also shall not entitle the contracting party eligible under this Agreement to terminate this Agreement. Claims for withdrawal and/or damages based thereon are excluded.

- 12.4 Except in the case of positive knowledge and/or grossly negligent ignorance, the respective contracting party under this Agreement shall not be liable either for the future existence of the industrial property right or for a specific scope of protection of the same. Likewise, the respective contracting party shall not be liable for prejudicial rights of third parties unless it was aware of them or remained unaware of them owing to gross negligence.
- 12.5 Except in the case of positive knowledge or grossly negligent lack of knowledge, the respective contracting party also shall not be liable for any suitability defects, such as lack of technical feasibility or usability. The respective contracting party also shall not be liable for the commercial exploitability of the industrial property rights.
- 12.6 Claims for damages in lieu of performance due to initial objective impossibility pursuant to Section 311a (2) of the German Civil Code (Bundesgesetzbuch – BGB) are limited to the reliance interest.
- 12.7 Mutual claims of the contracting parties against each other, as well as against their executive employees and legal representatives, vicarious agents and assistants, for damages arising from breaches of obligations and from tort are limited to foreseeable and typical damages as well as to intent and gross negligence. Claims for indirect damages, in particular lost profits and wasted expenditure, are excluded unless the contracting party concerned acted intentionally or, in the case of a breach of confidentiality, also grossly negligently.
- 12.8 The above limitations of liability shall not apply to cases involving injury to life, limb or health or to claims under the Product Liability Act (Produkthaftungsgesetz).

## 13. Marketing

The contracting parties shall reach an agreement if reference to the cooperation is to be made in the marketing of any products and services which are based on the results of this Agreement. Clauses 3.6 and 16.1 remain unaffected.

## 14. Term of the Agreement and provisions governing the post-contractual period

- 14.1 This Agreement shall enter into force – subject to the award of funding by \*\*\* – on \*\*\*, [filled in as applicable] at the latest, however, upon commencement of the cooperation and shall have a term until \*\*\*/the date of acceptance of the joint final report by the project owner [fill in or select as applicable]. If the objectives of the Agreement have not yet have been achieved by this point in time, the contracting partners shall mutually agree on an extension of the cooperation in accordance with the conditions of the grant.

14.2 Premature termination of the Agreement is excluded. Termination without notice for cause is the only early termination option available pursuant to statutory regulations. Good cause shall be deemed to exist, in particular, if

- 14.2.1 a contracting party's funding is not granted, is substantially reduced, discontinued or reversed, irrespective of whether the contracting party is at fault for the grant refusal, reduction, discontinuation or reversal or whether it is caused by the funding body. In such a case, only the contracting party whose funding is not granted, is significantly reduced, discontinued or reversed shall have the right to terminate the Agreement for good cause.
- 14.2.2 facts exist owing to which the terminating party, taking into account all the facts of the individual case and weighing the interests of all contracting parties, can no longer be reasonably expected to continue with the Agreement;
- 14.2.3 significant changes in the legal status or in the distribution of ownership or changes in the management of a contracting party occur in such a way that it is no longer reasonable for the other contracting parties to adhere to this Agreement.

14.3 In the event of the withdrawal of a contracting party pursuant to Clause 14.2

- Clause 6 shall continue to apply, with the proviso that the rights of the withdrawing contracting party shall be limited to the new rights and old rights achieved up to the point of withdrawal;
- the withdrawing party shall fulfil the obligations assumed up to that point, for example, reporting obligations;
- the rights granted to the other contracting parties shall remain unaffected;
- the cooperation shall be continued by the remaining contracting parties. The contracting parties shall agree on the allocation of the non-performed tasks of the withdrawing contracting party and, on any payments to be made in this context;
- Clause 11 and 12 shall continue to apply.

14.4 If the stipulations contained in individual provisions of this Agreement extend beyond the term of the Agreement, these shall remain effective even after the Agreement has expired.

## 15. Export controls

The contracting parties undertake to apply and comply with the relevant export control regulations in the context of the performance of the work. In the event of a transfer of information or know-how, the transferring contracting party shall be obliged to inform the receiving party in writing, unsolicited, of the classification under export control law, in particular under EU and US law.

## 16. Final provisions

- 16.1 This Agreement does not establish a partnership with legal personality under civil law (Außen- gesellschaft bürgerlichen Rechts). The contracting parties do not participate jointly in legal trans- actions (externally) and do not assume any (joint) rights and obligations vis-à-vis third parties.
- 16.2 No ancillary verbal agreements have been made and no such agreements shall be valid. Any addi- tions and amendments to this Agreement shall require the written form in order to be binding. This written form requirement also applies to any changes to this section.
- 16.3 If a provision of this Agreement is or becomes invalid or null and void, this shall not affect the remaining provisions of the Agreement. The contracting parties shall replace any such provisions with new valid provisions that most closely approximate the purpose of the Agreement.
- 16.4 *[if a foreign partner is involved:]* This Agreement and its interpretation shall be governed exclu- sively by German law.

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\_\_\_\_\_, Date \_\_\_\_\_ , Date \_\_\_\_\_

University/research institute

Industry partner

Seen and noted:

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\_\_\_\_\_, Date \_\_\_\_\_

Project Manager

**Annexes:**

**Annex 1:** Overall project description *[not attached, to be created individually]*

**Annex 2:** Schedule *[not attached, to be created individually]*

**Annex 3:** Example declaration of the university members

**Annex 4:** List of university members *[not attached, to be created individually]*

**Annex 5:** Affiliated companies

## Annex 3: Example declaration of the university members

*[In the event that the contracting parties agree on a provision as in Clause 6.6]*

The declaration must be concluded bilaterally between the employee and the relevant industry partners. Therefore, in the header of the declaration, the respective parties must be clearly identified.

Subject: \*\*\*

Declaration of agreement  
between

\*\*\*, represented by \*\*\*, \*\*\* *[fill in as applicable]*

– hereinafter referred to as “industry partner 1” –

and

\*\*\*, represented by \*\*\*, \*\*\* *[fill in as applicable]*

– hereinafter referred to as “industry partner 2” –

and

\*\*\* [Name of the person],

\*\*\*, *[fill in as applicable]*

– hereinafter referred to as “researcher” –

I, \_\_\_\_\_, am participating in the performance of the contractually agreed work within the framework of the above Agreement as an employee of the university within the meaning of Section 42 of the German Employee Inventions Act (Gesetz über Arbeitnehmererfindungen – ArbEG).

The Agreement between \*\*\* and \*\*\* also contains rules concerning the obligation to maintain secrecy concerning all technical know-how and information to which the researchers gain direct or indirect access within the scope of cooperation with the industry partner. I therefore undertake to [...] *[industry-specific confidentiality clauses]*

I also hereby assume the following obligations under the Agreement:

1. I undertake vis-à-vis the industry partner to notify the university of all inventions pursuant to Section 5 ArbEG and to notify the university of its respective share in the invention.
2. I waive my right of non-disclosure vis-à-vis the industry partner pursuant to Section 42 number 2 ArbEG in respect of all results achieved in connection with this Agreement.
3. I undertake vis-à-vis the industry partner not to publish results or otherwise disclose them to third parties – including as part of preparations for publication – without the written consent of the industry partner, so long as the results are subject to the obligation of confidentiality under this Agreement. I shall submit the manuscript to be used for purposes of printing or verbal publication (hereinafter: the publication) to the industry partner for review at least six (6) weeks before the manuscript is passed on to third parties or is presented.

If the industry partner gives notice within three (3) weeks of receiving the manuscript that the publication affects confidentiality interests, I shall ensure that the manuscript is not published or that any information deemed confidential by the industry partner is deleted. Consent to publication and/or presentation shall, however, be deemed granted if the industry partner does not respond to me after a further reminder stating the consequences of non-response and setting a deadline of fourteen (14) days.

4. I shall support the entitled contracting party in obtaining new rights, in particular I shall submit all necessary declarations in a timely and factually correct manner. I shall, moreover, refrain from taking any actions that may be detrimental to the granting and retention of new rights.
5. This Agreement is concluded for the duration of my participation in the research project specified in the “Subject”. The provisions relating to inventions within the scope of this Agreement shall end with the expiry of the longest-lived property right resulting from this cooperation. This obligation to observe secrecy and the obligation to submit manuscripts shall apply indefinitely/shall end in \*\*\* years *[fill in as applicable]* after my involvement in the cooperation designated in the “Subject” ends.
6. If any provisions of this Agreement are or become invalid or null and void, this shall not affect the validity of the remaining provisions. The contracting parties shall replace any such provisions with new valid provisions that most closely approximate the purpose of the Agreement.

## Annex 5: Affiliated companies

Affiliated companies are the companies defined in Section 15 AktG/are the following companies of the contracting party \*\*\*: \*\*\*/are all companies of the contracting party defined in § 15 AktG \*\*\*, except \*\*\* *[fill in as applicable]*



# Explanatory remarks and primer

Regarding the 4th edition:

During the years 2020-21, the R&D Model Agreements Working Group at the Federal Ministry for Economic Affairs and Climate Action worked intensively on drafting a new model. In view of the many collaborative research funded projects that occur in practice, there is now, in addition to the already existing model contracts, a model consortium agreement for research funded projects.

In this respect, the general remarks on the other contracts presented above also apply, especially with regard to EU State aid law. However, we would like to make specific reference to the following points:

Regarding the 1st-3rd editions:

The expert group singled out what it considers to be the three most important contract variants for regulating cooperation between universities/research institutes and industrial partners (“R&D cooperation”), namely:

- those agreements with contract research as their primary object,
- those regulating cooperation between the addressed stakeholders.

The working group decided to remove the model contract for work and services because its practical importance has been insignificant in recent years and, moreover, it has rather little relevance for the essential questions on industrial property (IP) rights with which the working group was primarily concerned.

In contrast, the agreements for contract research and research cooperation focus on the allocation of property rights and know-how or, more generally, the findings of the research, referred to here as results. For this reason, the following remarks will focus on these two very different forms of R&D cooperation:

- Research commissioned by industry partners: The clients specify to the university/research institute the research goals to be achieved and bear the risk of failure. This form of cooperation is based in principle on performance and consideration; the higher education institution/research institute provides its service at a reasonable price.
- Research cooperation: In contrast to contract research, here universities/research institutes and industrial partners are equal partners. Both bear the risk if the project fails. The university/research institute is therefore involved in the project to a completely different extent than in contract research. However, it is quite possible that the industrial partner bears the costs of the cooperation project alone. In such a case, it is still research cooperation as long as there is a genuine division of labour, the non-financial risks of the project are borne jointly by all participants, and the participating higher education institutions/research institutes participate in the definition of the project goals as equal partners.

The expert group decided to offer two equally valid variants in the area of contract research, namely a variant in which the results are essentially licensed by the university/research institute, and a variant in which they are assigned to the industrial partner – in each case including property rights, especially patents. The practical application of these models in recent years has shown that the assignment variant is the preferred version. Therefore, the expert group paid special attention to this variant when revising the designs, emphasizing that the description of the subject matter of the contract should be as concrete as possible to ensure that no assignment of rights outside the subject matter of the contract occurs. This reinforces the importance of the formulation of the contract subject matter.

The following remarks primarily aim to explain what the individual components of the model contracts mean and why the expert group decided on the corresponding provisions.

## Relationship to publicly funded research

### The DESCA Model Consortium Agreement

Since the 7th research and innovation funding programme of the European Union, the requirements for receiving aid include obtaining a project contract with the Commission and a consortium agreement between involved partners. A select group of interested participants in the programme developed a model contract for this purpose. The group called the model “Development of a Simplified Consortium Agreement”, or DESCA. There are other models.

With the introduction of the new EU Framework Programme for Research and Innovation “Horizon 2020”, the DESCA Core Group adapted the grant agreement to the new conditions of the programme.

The consortium agreement regulates specifically all those matters left out of or not sufficiently addressed in the grant agreement. The grant agreement regulates in detail only those matters which are important for the Commission in its relationship with the consortium. With regard to the relationship between the partners, the Commission tries to limit itself to a minimum of specifications. For example, in the area of intellectual property rights (IPR), there are guidelines within which the partners may shape their relationship according to their interests.

The important issues in the DESCA are:

- Governance structure of the project and voting rules
- Responsibilities of the partners towards each other and towards third parties
- Management and distribution of the subsidies
- Confidentiality

- Liability
- Publications
- Intellectual Property Rights (IPR), results, access rights
- Breach of contract, termination of partner participation
- Dispute resolution.

DESCA was considered when drafting the present model agreements for research and development cooperation, but the regulatory purposes are very different because of the EU funding and DESCA cannot be directly applied.

The working group discussed other special features of R&D cooperation in the broadest sense that result from national funding programmes, especially those of the BMBF (German Federal Ministry of Education and Research) and the BMWK (German Federal Ministry for Economic Affairs and Climate Action). However, due to reasons of time and capacity, they could not be incorporated into these model agreements and are reserved for a future revision.

### **The model agreements and EU State aid law**

R&D cooperation can involve State aid to the university/research institute itself or through it indirectly to the industrial partner, both in the form of contract research and in the form of research cooperation. State aid is generally prohibited under Article 107 (1) of the Treaty on the Functioning of the European Union (TFEU) and can only be approved if it meets certain prohibition exceptions laid down in EU secondary legislation.

In the R&D sector, these prohibition exceptions are laid down in the general block exemption regulation and, for particularly large aid beyond the maximum amounts, they are laid down in the block exemption regulation in the Framework for State Aid to Research, Development and Innovation (2014/C 198/01; **Framework**). Both instruments have been binding for universities and non-university research institutes since 1 January 2009. The current block exemption regulation (EU) No 651/2014 is valid until 31.12.2023 after having been extended. The Framework entered into force on 01.07.2014 and replaced the Community Framework for State Aid for Research and Development and Innovation (Commission Communication 2006/C/323/01), which was in force until then. The Framework not only sets out the assessment principles applicable to State aid for R&D&I, but also explains when aid actually occurs in R&D&I cooperation and how it can be avoided. These latter explanations are to be understood as interpretations of the purely objective concept of aid in Article 107 (1) TFEU, to which the Commission is bound: “aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods”.

The Framework does not have a fixed period of validity, so the European Commission can review or amend it if this proves necessary because of competition policy or other reasons. This does not mean, however, that the Commission can substantially change the very concept of State aid and, accordingly, the methods for avoiding State aid. It can indeed clarify this concept, as it does in the Framework. However, the primary point of reference for the interpretation of the concept of State aid is always the Union judiciary.

One of the objectives of the model agreements presented here is to consider the explanations of the Framework with regard to the concept of aid and the avoidance of aid and thus to avert the unintentional granting of aid.

One could also put it the other way around:

The European Commission's explanations on the occurrence of State aid in public-private R&D&I relationships make it virtually necessary to agree on a case-by-case basis on the provisions recommended by the working group in the model agreements on the remuneration of both services and rights.

### **The university/research institute as aid recipient**

EU State aid law defines an enterprise as any entity, regardless of its legal form or economic character, that carries out an economic activity, i.e. offers goods and/or services on a given market. Therefore, universities and research institutes also fall under this term if they offer services for payment.

In order to avoid the entire public funding of university/research institutes falling under EU State aid rules, these institutions must clearly separate their non-economic and economic activities and their costs, financing and revenues, so that there is no risk of cross-subsidisation of the economic activity (Section 18 of the Framework). This separation requirement is also part of the legal definition of the term 'research institute' within the meaning of the EU State aid law (Section 15 (ee) of the Framework). Proof of appropriate separation accounting had to be provided for the first time with the 2009 annual financial statements.

In order to be considered non-economic, the R&D activities of a university/research institute must be "independent" (Section 19 (a), second indent of the Framework), i.e. not carried out on behalf of enterprises. Where institutions engage in effective research cooperation with companies, i.e. share the risks and results of a joint project with companies as independent partners in the division of labour, even the full financing of the project costs by industry does not jeopardise independence. The nature of the effective cooperation should be clearly stated in the contractual cooperation agreements in order to avoid contract research under the nominal guise of cooperation.

Knowledge transfer is classified as a non-economic activity if the following two conditions are met:

1. The higher education institution (HEI)/research institute carries out the knowledge transfer itself (including its departments or subdivisions) or jointly with other higher education institutions/research institutes or on their behalf; the commissioning of third parties for the transfer activity does not jeopardise the non-economic character of the transfer if the commissioning is carried out by open tender.
2. The profits from these activities are reinvested in the primary non-economic activities of the HEI/research institute (training, independent R&D, wide dissemination of research results; Sections 15 (ee) and 19 (a) of the Framework).

Under the Framework, the term knowledge transfer includes technology transfer (legal definition under Section 15 (v) of the Framework, as a non-economic activity under Section 19 (b) of the Framework). All other forms of knowledge transfer – and thus in particular the transfer described in these model agreements – are subject to the requirements of State aid law.

Whether the higher education/research institute itself becomes a beneficiary of the aid therefore depends first on its financing and structure as well as on the economic nature of its activities. This complex is solely attributable to the higher education/research institutes and precedes the actual cooperation. The question of how aid to the university/research institute can be avoided is therefore outside the scope of the model contracts presented here.

## The industrial partner as aid recipient

### Contract research or research services on behalf of industry

If the universities and indirectly also the companies do not want to be accused of violating EU State aid rules, their economic activities must meet certain conditions. The Framework distinguishes between contract research or research services (Section 2.2.1 of the Framework) and ‚effective‘ cooperation between companies and research institutes (Section 2.2 of the Framework), i.e. the variant referred to as cooperation in these model agreements.

As a general rule, no State aid is passed on by the publicly funded university/research institute to the industrial partner if the former receives ‚adequate remuneration‘ for its services.

The generic term ‚equitable remuneration‘ encompasses three remuneration schemes (Section 25 of the Framework):

1. Service at market price; if the research service or contract research is one-off and there is demonstrably no market for it, the invoice price is generally considered to be the market price if the service is provided for the first time for experimental purposes and for a limited period.

If there is no market price, the following 2 charging schemes are acceptable:

2. Performance for remuneration based on the total cost of the service plus a profit margin, or
3. Remuneration is determined according to the so-called arm's-length principle, i.e. in negotiations with the aim of achieving the maximum economic benefit as a service provider, whereby at least the marginal costs of the service must be covered.

If the ownership of or access to the intellectual property rights created by the contract research or research service remains with the university/research institute, the market value of these rights may be deducted from the price to be paid.

### Research cooperation

In the case of research cooperation, the partners can choose from the following four alternatives (Section 28 of the Framework):

1. The participating companies shall bear all the costs of the project.
2. The results for which no intellectual property rights are established may be further disseminated. Rights to such R&D results arising from the activities of the research organisation shall be fully attributed to that organisation.
3. The allocation of intellectual property rights and related access rights to collaborating partners shall take due account of their work, contributions and respective interests.
4. The research organisation shall receive from the participating companies a market rate of remuneration for the intellectual property rights resulting from its activities which are assigned to the participating companies. The absolute amount of the value of the financial and non-financial contributions of the participating companies to the costs of the activities of the research organisations or research infrastructures which gave rise to the respective intellectual property rights may be deducted from this remuneration.

Payment is considered to be of market value if it is determined by one of the following methods (Section 29 of the Framework):

1. open, transparent and non-discriminatory competitive sales process;
2. independent expert opinion;
3. demonstrably negotiated according to the arm's-length principle;
4. If the industrial partner is granted a right of first refusal on the intellectual property rights, then the university/research institute partner exercises a mutual right to obtain economically more favourable offers from third parties, so that the industrial partner must adjust its offer accordingly.

It is important to clearly distinguish contract research/research services from research cooperation. Firstly, because the contribution made by the university/research institute to the cooperation is usually an independent, i.e. non-economic R&D activity, the public funding for which is exempt from the fundamental ban on State aid. Secondly, because in the case of cooperation, no 'appropriate remuneration' is demanded for the contribution of the university/research institute in order to avoid indirect aid to the industrial partner. Even if the industry partner bears all project costs, R&D cooperation is not contract research of an economic nature on the part of the university/research institute. R&D cooperation agreements must in all cases therefore be designed in such a way that the division of labour and equal character of the cooperation as described in the Framework is maintained (all partners share the work, risks and results of the project and jointly determine the project objectives on an equal footing; see the legal definition of effective R&D cooperation according to Section 15 (h) and Section 27 of the EU Framework). The conditions of a cooperative project must be defined before the project begins. Otherwise, there would be the possibility that the participating companies would be granted the most favourable outcome after determining the economic benefit of the research results, i.e. the risk would be shifted to the disadvantage of the university/research institute, which could imply indirect aid in favour of the industrial partner.

The legal consequence of unlawful aid or 'pass-through' of funding is, first of all, that the higher education institutions or non-university research institutes and the companies cooperating with them may find themselves exposed to claims for repayment. In the case of universities/research institutes, this potentially affects the entire state funding of the institution – especially if the separation calculation mentioned above is not carried out. In addition, the consequences of such unlawful aid with regard to internal compliance regulations and the general publicity effect must of course be considered.

The working group has taken note of and examined the interpretations of the concept of State aid in the Framework and has concluded that the appropriate compensation for services or any assignment of rights or the granting of licences to the companies provided for in the model agreements meets the requirements of EU State aid law.

## Explanations of the individual contract components

### Contract parties

In the case of third-party funded research, different persons may face each other as contract parties. For each project, therefore, attention must be paid to the individual characteristics of the parties involved. These may be, for example, the representative authority of the industry partner or the university/research institute and the project leaders to be appointed, or it may be several project leaders that work together.

Extra attention must be paid to selecting the contract parties also because, especially for project leaders, guaranteed ordinary legal as well as constitutional rights must be respected. The freedom of university teachers to conduct research and teaching under Article 5 (3) of the German Basic Law and the amended Section 42 of the German Employee Inventions Act stand in opposition to the interests of the industry partners in a contractual commitment with university teachers.

Because of the constitutional guarantee of freedom, universities/research institutes have only a limited right to issue instructions to teaching staff. Section 42 of the German Employee Inventions Act guarantees by ordinary law the right of non-disclosure for all university teachers. Because of these freedoms, the contractual commitment of teaching staff is an understandable concern of the industry partners: the industry partners should be aware of this when choosing their contract parties.

Originally, the expert group formulated the contracts for third-party funded research projects as tripartite contracts including the project leader/university lecturer. For practical reasons, it decided to change this in the new edition and to conclude only a bilateral contract, which is, however, signed by the project leader as having been seen and noted. The question of whether the project leader can waive his freedom of non-disclosure under Section 42 (2) of the German Employee Inventions Act vis-à-vis the industrial partner who is not linked to him through an employment relationship ultimately remains undecided. This had originally been one of the reasons given by the expert group in the initial conditions for including the project manager in the contract triangle.

### Definitions

The expert group decided to preface the model contracts with definitions of the most important terms, and in this respect to follow EU as well as Anglo-Saxon legal practice to some extent. Insofar as these definitions concern intellectual property rights and know-how, they are taken from the Block Exemption Regulation on Technology Transfer of 27 April 2004 (EC No. 772/2004). Otherwise, they differentiate in particular the important concepts of results as well as new and old rights and finally the subject matter of the contract including the (material) scope of application and the (territorial) area of the contract.

It has already been noted that the range of the scope of application, which is to be determined in detail in Clause 2, is to be considered when negotiating the remuneration in Clause 13 (or Clause 12 in the case of the licence variant).

#### Regarding the consortium agreement:

##### Third

The expert group deliberately decided against including provisions for the participation of “associated parties” in the consortium agreement. The question of whether or to what extent such parties who contribute to the success of the project but do not receive funding of their own from the funding agency can be included in the rights and obligations of the consortium agreement depends on the individual contributions of the associated party and requires consideration in each individual case.

#### Results

The concept of the results of the work should be based on the definitions resulting from the ancillary provisions of the BMWK-NABF.

#### Know-how

Know-how must be identified in legal terms. Usually, the results of the joint work are presented in project meetings and listed in reports. It has proven useful for the parties to determine at this time whether the respective results are to be treated as know-how. The parties’ views on this may well differ considerably, so that this must be clarified at the technical level.

#### Scopes of application (Clause 2.1.)

*The model is based on the ideal case that the contracting parties can agree on one scope of application. There are many cases in which the contracting parties are interested in using the results for different scopes of application. The model does not reflect this as further questions, e.g. from the R&D Block Exemption Regulation on Specialisation, etc., must then be clarified.*

#### Subject matter of the contract

The importance of the exact formulation of the subject matter of the contract can hardly be overstated. The parties should be aware that the project can only succeed not only if the cooperative work is successful, but also if the desired result of the project and the purpose of the cooperation are described in detail. A possible subject matter of the contract is formulated as an example in Clause 2 of the contract models. The subject matter Clause must be modified in each case.

It is recommended that the formulation of the subject matter of the contract be attached as an annex, for example in the form of a research plan.

The model contract Clauses are formulated in such a way that they primarily concern projects whose results – if relevant to industrial property rights – are inventions and know-how. The reason for presenting special model contracts in this exact constellation is for one, Section 42 of the German Employee Inventions Act which only applies to inventions and for another, on the special features that apply to inventions by employees in the relationship between the university/research institute and the inventing university teacher. The results of research projects may also include works protected by copyright, such as computer programmes, databases, texts, photos, tables and overviews. If and to the extent that these results are necessary for the use of the invention and/or know-how provided for in the contract, they are covered by the model contract. The same applies to any designs, i.e. form designs. If these results are not essential annexes to the invention and/or the know-how, separate contracts must be concluded. In the case of computer programs, the unique aspect is that computer-implemented inventions contained therein may be patentable and the computer program as such may be protectable by copyright. If a computer program is part of the objective of the cooperation, the model contract not only regulates that aspect of the invention, but also the copyrights at the same time. This is because the copyright aspect cannot be detached from the use of the computer program as an invention. Specific contracts on works enjoying copyright protection should and must be excluded from the proposals in this respect; see the direct remark in Clause 2.

In connection with the allocation of rights in the individual contract types, the (material) scope of application for the results plays a special role. In the case of contract research, the contract parties should pay particular attention to the negotiation of this point as it has a direct influence on the allocation of rights and is thus naturally also related to remuneration (Clause 13 or Clause 12 in the case of the licence variant). The broader the scope of application is formulated, the more rights are granted to the industry partner, either by means of assignment or licence.

The (territorial) contract area must also be defined in detail – worldwide, limited to the Federal Republic of Germany, or within a special selection of countries. Especially when concluding licence agreements, this definition is of considerable importance.

#### Performance of work

The expert group would like to address a note to small and medium-sized industrial partners in particular. In addition to the provisions on old and new rights, i.e. the heart of the contract modules, the following provisions have proven their worth in contracts for third-party funded research projects:

- provisions for implementation of the research project, on project management and in particular on changes to the research plan;

- provisions on dates/deadlines and consequences in case of non-compliance;
- rules on responsibility in the respective research project.

The texts proposed in the contract are only one suggestion among many possibilities. Basically, this text only repeats the basic lines that are already essentially anchored in the German Civil Code, and it is only an outflow of general contractual freedom that no change to the research plan is possible without agreement. It has been shown, however, that keeping such formalities can be helpful for the daily management of a project, especially for those involved in the day-to-day business.

The implementation of complex **consortium agreements** is essentially dependent on the establishment of a well-functioning steering committee. Clause 3 attempts to structure this in advance. In this context, some details should be pointed out, such as the need for declarations with sufficient lead time (see Clause 3.7). If necessary, general announcements on this and on timelines can be agreed in advance, or they can be specifically regulated in individual cases.

#### Deadlines

The provisions on deadlines refer to an annex in which the individual milestones of a project should be recorded as concretely as possible.

#### Old rights

In the run-up to a research project, the participants must consider how they want to deal with any old rights, i.e. pre-existing industrial property rights and know-how of the respective contract parties. Both the implementation of the project and the exploitation of the results can be affected and hampered by existing rights.

Large industrial partners and large universities/research institutes rarely tend to pool knowledge in a central location. Frequently, it is not (just) the project leader who has knowledge of existing old rights of the university/research institute. Rather, the old rights, and thus also the knowledge of their existence, are located in various institutes and facilities that are often geographically distant. As a solution, the expert group proposes imposing a disclosure obligation commensurate to the situation on the respective contract partner. The latter is obliged to provide the other contracting party with information on existing prior rights to the best of their knowledge and belief. Alternatively, the specification of existing rights in a positive or negative list can be agreed, especially if the number of existing rights in different faculties/institutes is difficult to track.

Clauses 5.3.1 and 5.3.2 refer to the granting of rights to old rights. The expert group holds the view here that a balanced solution is achieved if a distinction is made between the implementation of the project and the exploitation of the research results:

Insofar as old rights of a contract party – this will often be the university/research institute – are affected during the implementation of the project, the rights holder undertakes to make these available free of charge. Such a mutual granting of rights is limited to the research project.

Whereas if old rights (only) become relevant when the research results are exploited, the rightsholder grants the other party a non-exclusive licence. This licence is granted at market rates. The proposed model enables the rightsholder to comprehensively exploit the results achieved while keeping their industrial property rights portfolio intact.

The provision in Clause 5.3.2 means, of course, that the parties involved must agree on the details of this non-exclusive licence on reasonable terms, i.e. negotiate a licence agreement.

The provisions concerning contract research and research cooperation differ in the following points:

Also in the case of contract research, the university/research institute grants the industry partner a non-exclusive licence which is not “free of charge” insofar as the remuneration for granting this licence is included in the provisions on remuneration in Clauses 12 or 13. However, the essential complement to this non-exclusive licence is the provision in Clause 5.3.3 recommended by the expert group: The licence to the pre-existing rights is limited to the scope of application and contract areas which are necessary for the performance of the contract and/or the commercial exploitation of the results. In addition, there is the provision in Clause 5.3.2 subparagraph 2, according to which the university/research institute, in the case of existing restrictions with regard to the licensing or assignment of the old rights, must take appropriate precautions to ensure that the commercial use of the results by the industry partner remains unaffected by this.

Finally, Clause 5.3.3 subparagraph 2 contains an inequity clause which ensures that the university/research institute is entitled to renewed negotiations with the other contract party after the expiry of a number of years from the conclusion of the contract, to be determined in individual cases, and to an understanding that an appropriate new arrangement will be found if the industrial partner does not exercise the existing licence pursuant to Clause 5.3.2. The background to this is that in such a case, the university/research institute might be partially unfairly restricted in the exploitation of its industrial property rights portfolio, namely without economic compensation.

However, the expert group attaches importance to the statement that the provisions in Clause 5.3.3 subparagraph 1 with regard to the restriction of the licence to the old rights can also be made differently on an individual basis.

For consortium project results which can be implemented at a later date, it is important that existing rights are identified. If necessary, such an overview can also be provided in the project description (Clause 5.3).

Insofar as it is regulated in Clause 5.2 if a contract partner is in a position to grant rights of use upon request, this leaves open how long after the end of the collaborative project the possibility of requesting remains. If the parties so wish, a time limit may also be expressly stipulated.

#### Regarding 5.4.2:

In the case of the 24 months proposed here, the essential object of the working group's compromise is that a combined solution was found for the last sentence of Clause 5.4.2, according to which a licence can also be granted before the proposed 24 months if there are offers from third parties for an exclusive licence. The possibility of non-exclusive licences remains unaffected. Without the last sentence, the period can also be left open or replaced, for example, by the 10 months mentioned in Clause 6.3 of the bilateral model research cooperation agreement.

#### New rights

At the heart of every research contract is the question of who is to be entitled to the results that arise in the course of the research. In the interest of a balanced allocation of rights, the expert group has on the one hand, made a distinction between the various types of agreements, and on the other, differentiated within the respective agreements between questions of the substantive allocation of rights (Clause 6) and provisions on the filing of applications and formal follow-up questions (Clauses 8 ff.).

This distinction was also made to take account of the university's/research institute's special interest in visibility with regard to its industrial property right applications (catchphrase: priority-establishing application by university, see Clause 8).

#### Research cooperation

In the context of research cooperation, the expert group considers it appropriate to take a more differentiated look at the research results in order to find a solution that is fair in terms of interests. Three types of research results are possible. In addition, the expert group proposes two variants for regulating joint inventions.

If the results are achieved exclusively by the industry partner, the latter is entitled to the rights without restriction (industry partner results). By contrast, the results produced exclusively or more than 50 percent by the university/research institute remain with the university/research institute (university results).

However, it has to grant an exclusive licence to the industry partner. The proposal makes it possible to meet the interest of both sides. On the one hand, the economic exploitation is to be secured for the industry partner, on the other hand, the ownership of the rights of the university/research institute is to be ensured, insofar as the results were developed solely by it.

Joint results are those results in which both the university/research institute and the industrial partner are involved. As mentioned at the beginning, two regulatory models are presented here. The first model assumes a certain share size of the contract parties and regulates their allocation contractually. The second model leaves the respective shares to the respective contract partner, regardless of their size, and is based on the legal community of co-owners.

In the case of joint results, i.e. those in which the share of employees of the university/research institute is less than 50 percent, conflicts can easily arise. In order to prevent this, the expert group decided to recommend assigning joint results to only one side, namely the industry partner, and thus avoid double ownership of rights. If this was the situation, case law indicates that Articles 705 ff. of the German Civil Code would apply in the absence of any other regulation, and a settlement according to these rules involves numerous formal difficulties, e.g. regulations on the coordination of application texts, on the authorisation of licensing, obligations in the defence of industrial property rights.

A precise allocation of the new rights requires that the parties each agree on a share of the inventions during the settlement and execution of the contract. This cannot (usually) be determined in advance.

Under EU State aid law, it is necessary to contractually regulate basic access to and allocation of intellectual property rights before the start of a project. However, as it is difficult to determine the concrete financial conditions in advance, for example with regard to the market price or the value of the contributions to the project, this is not required under the Framework.

In this respect, reference is made to the introductory remarks on the EU State aid aspects of R&D cooperation, particularly with regard to the question of the appropriate market price. At this point, the possibility of deducting the industry partner's contributions to the university/research institute's costs from the price of the resulting rights should be emphasised once again.

In the 3rd edition, the working group decided to retain the statutory community of part owners for the joint invention, i.e. the contracting parties each remain as owners of their shares regardless of the size of the shares. The community of part owners then remains in place until the contract parties either contractually regulate the use and administration of the results, for example in a co-inventorship contract, or until one contract party takes over the share of the other. It should be noted, however, that if this variant is chosen, the above-mentioned provisions (e.g. on the coordination of application texts; on the entitlement to licensing; on obligations in the defence of industrial property rights) must be regulated in detail.

#### Contract research (assignment)

It is characteristic of contract research that the university/research institute does not raise any (quasi-) financial resources for the implementation of the project. The expert group therefore considers it consistent to assign the results of the research project in substantive terms exclusively to the industry partner.

This and subsequent rules of assignment are the subject of Clause 6 of the contracts. The adherence agreement in Annex 3 should be noted at this point. The contract parties often do not consider that in many cases third parties participate in the projects, such as diploma students, doctoral candidates and undergraduates not obligated to the university/research institute by an employment contract. Special reference is hereby made to the necessity of their involvement. Corresponding provisions can be found in Clause 6.6.

Clause 6.7 specifies that the university/research institute does not lose the right to use the research results for its own teaching and research activities.

Situations may arise in which the results of the project are used in further third-party funded research. The contract takes this special case into account by giving the industry partner a say in the matter.

In such a case, in order to do justice to the interests of both parties and in accordance with the principles of good faith, the consent of the industry partner may not be unreasonably withheld.

Due to the comprehensive assignment of rights in this type of agreement, separate provisions were made for inventions not related to the contractually agreed fields of application. For these inventions, the industrial partner grants the university/research institute an irrevocable, free-of-charge – and depending on the negotiations – either a simple or exclusive licence by way of a so-called grant back obligation, (Clause 6.8, alternative 1). In addition, the second subparagraph of Clause 6.8, alternative 1 provides for the possibility of assuming the industrial property rights in those countries in which the industry partner wishes to relinquish individual new rights in whole or in part.

Finally, Clause 6.8 alternative 2 contains a special provision for inventions in fields not related to the subject matter of the contract.

#### Contract research (licence)

In contrast to the alternative of assignment of rights, the results of the research project are transferred to the industrial partner in this type of contract by way of an exclusive licence for the scope of application and the contract territory, which is limited in time only by the duration of the industrial property right.

This variant does not require a regulation on the involvement of third parties within the meaning of Section 42 of the German Law on Employee Inventions, but only an obligation on the part of the university/research institute to allow third parties who are not employed by it to participate only after the rights have been assigned (Clause 6.3).

Clause 6.4 specifies that the higher education institution/research institute does not lose the right to use the research results for its own teaching and research activities. If the results are in turn used in further

third-party funded research, the statements made above in the context of the alternative assignment apply accordingly.

Clause 6.5 again contains a special provision for inventions in fields not related to the subject matter of the contract (i.e. especially those outside the research plan). For these inventions, the university/research institute grants the industrial partner a non-exclusive licence on reasonable terms even beyond the actual contract if there is an interest in exploitation. Here, too, a separate contract must be concluded (comparable to the regulation on old rights in research cooperation, Clause 5.3.2).

With regard to the option for the industrial partner (Clause 6.5), the contract parties can consider giving the industrial partner an appropriate share in any licensing income of the university/research institute, whereby the “appropriateness” should refer to both the invention share and the financing share of the industrial partner.

Unlike in the previous models, it will be more difficult in a complex **consortium agreement** to divide up the new rights objectively, which is why we have chosen in that model to elaborate on the provisions of joint ownership.

With regard to these joint inventions, refer to BMBF form 0110/08.14, the information sheet for applicants/beneficiaries on cooperation between partners in collaborative projects.

An important question in connection with new rights is whether a claim for compensation is due in the case of own use of joint inventions by the respective partners involved. Particularly in the case of very different shares in joint inventions, an additional regulation may be necessary; in this respect, reference is also made to the information sheet just mentioned; the possibility of an agreement on an express claim to compensation is specifically referred to in (Clause 6.2).

As with the old rights, the question must be clarified for new rights as to how long after the end of the project and with what time limit requests can be made, as regulated in Clause 6.5. In the case of the 24 months proposed here, an essential object of the compromise found in the working group is that a combined solution was found with the last sentence in this paragraph, according to which a licence can also be granted before the proposed 24 months if third parties have made offers for an exclusive licence. The possibility of non-exclusive licences remains unaffected. Without the last sentence, the time period can also be left open or replaced, for example, by the 10 months mentioned in Clause 6.3 of the model bilateral research cooperation agreement.

Essential for EU State aid conformity is the marketability regulated in various points of the model contract, which are also subject to a definition. Reference is made here to the above explanations on the EU Framework on State aid.

It remains open as to whether further-reaching third-party access claims arise from the NABF (secondary provisions governing project funding payments from the Federal Ministry of Education and Research) and the general access claims of “teaching and research” regulated therein; we leave it in the model with the formulation that only the research and teaching activities of the institution signing the contract are affected (6.6).

#### Special topic know-how

The wording of Clause 6.8, that certain know-how related to the invention is covered by the right of use, is intended to clarify that this does not imply any claim to enablement by the know-how holder, but that only the knowledge acquired in the course of the project can be used.

#### Special topic non-personal data Clause 6.9

Non-personal or raw data are becoming increasingly important. According to Clause 6.9, these are subject to the provisions on know-how going beyond inventions; a separate agreement is therefore required if such data are of importance for the contracting parties.

#### Special topic open-source software Clause 6.14

Open-source software is now “built into” almost all software-related projects. Therefore, the contract parties should keep an eye on this issue. The proposed whitelist for open source software that can be used without problems should always be agreed between the contract parties on a case-by-case and context-related basis (e.g. in which software architecture is the software used and how is it linked to other software).

#### Freedom of disclosure and non-disclosure

If universities/research institutes and university teachers want to publish their research results, they must comply with legal obligations, such as Section 25 (2) of the Framework Act for Higher Education (HRG). At the same time, both researchers and professional circles in general are interested in making results public as soon as possible so that they can be discussed and serve as a basis or guiding aspect for further research.

At the same time, Section 42 of the German Employee Inventions Act grants the university teacher a so-called freedom of non-disclosure, which flows from his or her freedom of research (Section 5 (3) of the German Basic Law). In view of this right, the university teacher may decide not to publish a research result at all.

Conversely, industry has an interest in withholding publication of the results until their exploitation is economically secured. As a rule, the need for confidentiality exists until a possible industrial property rights (IPR) application is filed, in the “worst-case-scenario”, until the application which covers at least the part of the results subject to the IPR application is published.

Clause 7.2 takes both interests into account. The expert group fulfils the university’s/research institute’s wish for publication by stating that the university/research institute should inform the industry partner as early as possible which results it wishes to publish. At the same time, the industry is given the opportunity to enforce confidentiality “in an emergency”, at least for a particularly sensitive part of the results.

In principle, the industry partner will approve of the university researchers’ wish to publish their results. After all, the industry partner had consciously chosen to cooperate with an institution whose main task is, among other things, to disseminate the results of its research activities through teaching, publication or knowledge transfer. This applies in particular to independent research activities, i.e. without industry involvement or as an independent partner in genuine R&D cooperation. Irrespective of this, the industry partner must assume a desire for publication if academic theses are produced in the course of the collaboration. However, the industry partner reserves the right to review the publication within a reasonable period of time to determine whether and which contents, in its view, require confidentiality. The model agreements provide that consent is deemed to have been granted if the industry partner does not object to the publication within the specified period. The purpose of this is to simplify the organisational process.

The deadlines can also be agreed individually rather than as recommended. However, the expert group points out that consent to publication, at least in the area of contract research, is only deemed to have been given if the industry partner does not respond to the university/research institute after expiry of the deadline stipulated in Clause 7.2 and after a subsequent reminder pointing out the consequences of its silence within a deadline of 14 days.

In addition to the freedom of publication, freedom of non-disclosure has been introduced with the introduction of Section 42 of the German Employee Inventions Act. They apply to the relationship between the university lecturer and the employing body. Whether a waiver of the freedom of non-disclosure directly vis-à-vis the industrial partner is permissible has not yet been decided by the highest courts. The expert group is convinced that by waiving this right vis-à-vis the industry partner, the industry partner’s interest in protection is guaranteed and, on the other hand, the university teacher’s freedom of publication, which is required by the German Basic Law, is not inadmissibly restricted.

Clause 7.1 serves this purpose, balancing the conflicting interests of contractual security on the one hand and those of the project manager on the other.

*However, it should be clear to the negotiating partners that if there is no obligation on the part of the contracting parties to use only those employees for a project who waive their freedom of non-disclosure rights, the corresponding industrial partner cannot demand an obligation from the university party that the university should own all invention results arising from the project in question to the “industrial party” that may be fully funding the project; rather, in such a case, the university party can only undertake to assign to the industrial party those results that are actually brought to the attention (“reported”) of the university party by the corresponding employees.*

*It should be clarified that the references to the confidentiality rules in Clause 11 (e.g. in Clause 7.2.) do not mean per se that results are always subject to the confidentiality obligation. Rather, this depends on whether the requirements of the confidentiality provisions in Clause 11 are met in the individual case.*

#### About the consortium agreement

In the existing models, the expert group has already dealt extensively with the possibility of a university scientist waiving his or her so-called “freedom of non-disclosure” granted by Section 42 of the German Employee Inventions Act. Reference should be made to this discussion. Even in the context of funded collaborative projects, the conflicting interests of the industrial partners and the universities or university employees must be weighed and balanced. In addition to the interests already described – which led the expert group to assume, within the framework of the existing models, that a waiver of the freedom of non-disclosure right is permissible and appropriate – additional considerations may have to be considered in the context of a funded collaborative project. One of the special features of such a project for the higher education institutions is that the funding conditions regularly exclude the use of permanent staff. Therefore, in connection with contractual provisions that only allow the deployment of employees who have previously waived their freedom of non-disclosure rights, the higher education institutions face the additional financial risk that employees hired specifically for the funded collaborative project (who cannot be effectively obligated by the higher education institution when they are hired due to Section 22 of the German Employee Inventions Act), refuse to waive their freedom of non-disclosure rights vis-à-vis the contract parties, may not be deployed in the project or their deployment should be coordinated in advance with the industrial partners.

The question of whether, and if so to what extent, the university/research institute can approach employees in order to discuss and organise their consent in accordance with the Annex, or with the industry partner, is not only disputed between members of the working group. How the dilemma of the necessary security for the industry partner with regard to the rights brought in and the university/research institute and its obligations under service law, constitutional law and data protection law is to be resolved can probably only be clarified by corresponding decisions of the competent courts. The present proposal in Clause 6.6 attempts a middle course and also leaves the negotiating partners the options of making binding agreements or to only agree to try.

## Rules governing the technical handling of patent applications

Clauses 8 and 9 ensure the synchronisation between the exploitation of new rights and their technical handling, especially in the case of contract research where the rights are largely assigned or licensed to the industry partner. The university's/research institute's interest in making its involvement in the research result known shall be considered. In the event that the industry partner states that the results obtained by the university/research institute (for research cooperation, only in the case of joint results or university results) are so promising that it desires to file an application for protective rights, the contract modules in Clause 8 envision two options, depending on who files the application for protection; in detail:

First of all, the construction presupposes that the industrial partner contacts the university/research institute within the deadline (to be negotiated) set out in Clause 8.2 – or in the case of cooperation, in 8.2.1 and 8.3.1 – and declares their wish to file an initial application giving rise to priority. Once this has been done, the university/ research institute is obliged to claim the invention. If the industrial partner does not express a corresponding wish, their security is provided for in that they may use the results at least via a non-exclusive right of use.

### Research cooperation

Due to the different classifications of the results as industrial, university and joint results, the contract modules offer three options: In the case of industrial results, registration is the sole responsibility of the industrial partner; in the case of collaborative results, the same applies as for contract research. In the case of university results, registration is the sole responsibility of the university/research institute. This is a consequence of the provisions on licences (Clause 6.3) and is therefore mandatory. Nevertheless, it is ensured that the actual material beneficiary, namely the industrial partner, decides on the content of the registration.

Smaller and medium-sized industrial partners that neither have their own patent department nor regularly and permanently cooperate with patent attorneys are usually interested in leaving the formal task of filing to the university/research institute.

### Contract research (assignment)

The application is made in the name of both the university/research institute and the industrial partner in the form of a joint application. In principle, it can be filed by any of the two contracting parties. They must agree on who will "technically" file the application, considering the interests and possibilities of filing an industrial property protection application.

Smaller and medium-sized industrial partners that neither have their own patent department nor regularly and permanently cooperate with patent attorneys are usually interested in leaving the formal task of filing to the university/research institute.

## Contract research (licence)

In this case, the application is filed in the name of the university/research institute which is obligatory in view of the simple licence in relation to the assignment variant. The parties agree on the selection of a patent attorney and on the content of the application. The expert group assumes that there will be close coordination between the parties for the property rights application, especially regarding its scope and breadth. If necessary, it may even be advisable to file two applications: one that has a narrow scope of protection and one that attempts to broaden the scope of protection of the industrial property right.

## Application process

### Research cooperation

The following remarks on contract research also apply to joint results in research cooperation. However, in the opinion of the experts group, a separate regulation is required if the project leader and other participants on the part of the university/research institute have a share in the invention that is significantly below 50 per cent. Namely, if the participation is less than 20 per cent, the university/research institute waives its participation in the filing of the application. In this case, there is no vested interest in attaining visibility. If, on the other hand, industry and university results are available, a separate regulation is not necessary.

### Contract research (assignment)

The filing of the application is structured as a fiduciary relationship in Clause 9. This makes it clear that the industrial partner is substantively entitled, although the application is filed both in the name of the university/research institute (cf. the corresponding variant in Clause 8) and in the name of the industrial partner, i.e. as a joint application. In order to avoid discrepancies between the parties, Clause 9 further stipulates that the first application shall be a German or European patent application. Of course, the parties may agree otherwise. With regard to the identification of its participation, the university/research institute is sufficiently protected if it is identifiable as a co-applicant during the first 18 months. This is ensured by the fact that the application is also made and published under its name. The contract modules provide for assignment to the industrial partner after the expiry of the 18 months, which also terminates the fiduciary relationship.

## Contract research (licence)

*NB: From this regulation onwards, the contract types also differ in their numbering, because the licence variant does not require a regulation on the preparation of the application. This is the responsibility of the university/research institute.*

## Further patent applications, validations, and surrender in individual countries

### Research cooperation

In the field of research cooperation, the expert group offers two variants of foreign filing (for joint inventions), which are to be agreed individually by the parties:

One possibility gives the industry partner the greatest possible freedom. Excluded from this are cases in which the industry partner has assigned its rights according to Clause 8.2.1.

The alternative concerns cases in which the university/research institute has its own interest in filing for rights in another country and could provide organisational support for the application procedure. Furthermore, the parties could determine countries in which the industrial partner must file the application in any case. If the industrial partner no longer has an interest in maintaining the protective rights in these or other countries, the university/research institute has the option of taking over these applications/patents.

In the second alternative, the parties (mostly regionally active companies that have no interest in worldwide protection) determine in which countries a foreign application is filed. In addition, the university/research institute is then free to apply for industrial property rights itself in the remaining countries, if necessary.

Foreign applications concerning university results must be regulated in separate licence agreements. In the case of industry partner results, the industry partner is free to decide on foreign applications.

### Contract research (assignment)

In the area of contract research, an industrial partner who wants to register the research results abroad has complete freedom. In doing so, they neither have to observe protective rights surrender, nor are they bound by the restrictions of the German Employee Inventions Act since the university/research institute has assigned the corresponding rights to the industrial partner.

### Contract research (licence)

Unlike the assignment variant, the licence variant requires agreement between the parties on how to proceed with foreign applications or the surrender of industrial property rights in individual countries. The expert group has decided to propose a regulation that is as simple as possible: a list in a separate annex that contains the countries to be “covered” with at least one application at the request of the industrial

partner. For the countries on the list in which the university/research institute does not wish to make an application, it assigns the corresponding rights to the industry partner.

Parallel to this, there is a further regulation that the same procedure shall apply mutatis mutandis to the surrender of industrial property rights.

## Costs of industrial property rights

### Research cooperation

In the case of cooperation agreements, the burden of bearing the costs lies with the industrial partner insofar as industrial and joint results are concerned – with the exception of cases of assignment of rights to the universities/research institutes pursuant to Clause 6. If the industrial partner exercises the option of a licence agreement in the case of university results, it must also bear the costs. If, on the other hand, the industrial partner declares that it does not wish to file a patent application or does not make a statement in this regard (Clause 8.2.1), it shall not have to bear the costs.

### Contract research (assignment)

The downside of substantive industrial property rights entitlement is that the industrial partner in the assignment variant must in principle bear the associated costs. See also Clause 10 of the licence variant.

### Contract research (licence)

Since the university/research institute files the application, it bears all the costs unless it has assigned its substantive right to the industry partner or the licence fully covers all of the industrial property rights.

### Remuneration for contract research work

Remuneration for the work always depends on the respective project and can therefore only be negotiated on a case-by-case basis. In this respect, reference is made to the introductory remarks on the EU State aid aspects, in particular on the term ‚appropriate compensation‘. This generic term includes both the market price and, if such a price cannot be determined, the total costs of the service plus a profit margin; alternatively, the remuneration can be negotiated according to the so-called arm’s-length principle.

The contract modules refer to Annex 5 (or Annex 4 in the case of the licence variant), which is to be drawn up and negotiated separately and which is of essential importance, in particular, for the remuneration of inventions according to Clause 13 (or Clause 12 in the case of the licence variant) to be discussed shortly and which should contain the following details: sum total, milestones, due date, obligation to report and notify, ancillary costs, basis of the inventor's remuneration (share).

### Cost sharing in research cooperation

In the area of research cooperation, the universities/research institutes may already incur costs with the provision of appropriate invention management. For this reason, the industry partners must pay a base amount to be agreed upon when the invention is "reported". This amount is only to be paid if the industry partner considers the invention worthy of protection (Clauses 8.2 and 8.3).

### Remuneration for inventions

In its discussions, the expert group dealt in detail with the remuneration of inventions. This question corresponds to the assignment of rights.

### Research cooperation

In the case of commercial use, the invention must be remunerated after the first filing. The contract modules offer three variants for this purpose:

1. *Alternative 1:*

provides for a sliding scale of lump sums that vary according to the start of use;

2. *for Alternative 2:*

the parties stipulate milestone payments when the contract is concluded;

3. *Alternative 3:*

leaves the concrete remuneration still open at the time of the conclusion of the contract and only contains a formulation for an appropriate remuneration which requires the parties to agree on the type, amount and duration of the remuneration in due course.

The variants enable the contracting parties to accommodate the often very different practices of the respective industries. Compared to the automotive industry, for example, the pharmaceutical industry produces considerably fewer inventions per marketable product. The remuneration provisions are rounded off by the definitions of use and remuneration for any grants of simple rights of use.

### Contract research assignment and licence

The expert group developed a compromise for contract research in which – unlike in research cooperation – a single overall remuneration model is proposed. In this model the remuneration according to Clause 12 (or Clause 11 in the case of the licence variant) already includes the fees for the granting of the old and new rights or their assignment. The parties are free to indicate the corresponding shares which in the case of the licence variant may also represent a share in the generation of revenue. It is essential that the industry-specific features and experience with regard to the number and value of the inventions likely to be created during the implementation of the agreement (cf. the text in Clauses 12.1 and 13.1) are considered when determining the share of the aforementioned lump-sum remuneration relating to the old and new rights or the licence.

This remuneration Clause corresponds to the opening clause of Clauses 12.2 or 13.2, which is to be read like a “bestseller provision” in the sense of copyright law. Those inventions for which, according to the mechanisms set forth in Clause 13.2, the revenues and benefits are conspicuously disproportionate to the lump-sum remuneration shares accorded under Clause 12 (or Clause 11 for the licence variant), the parties must agree on an appropriate participation for the university/research institute. With regard to enforcement, reference is made to the claim for information recognised under customary law.

### Mediation, arbitration

In order to do justice to the special features of third-party funded research, the expert group considered it sensible to set up an (if necessary, permanent) arbitration panel which – after preliminary mediation – attempts to bring about an out-of-court settlement between the parties, if necessary, with a “mandatory” proposal Clause, considering the specific provisions and wording of the contract type. The appointment of such an arbitration panel, as well as the selection of an appropriate mediator, will require their special practical experience in the field of the cooperation in question. A mediation or arbitration solution may be advisable in particular for the question whether the agreement contains an opening clause pursuant to Clause 13.2.

Of course, the parties are free to include a clause that prescribes a court of jurisdiction – instead of mediation or arbitration – and thus opens the way to the ordinary courts.

In addition to the possibility in the **consortium agreement** to initiate what is proposed here, there is of course always the possibility to choose the ordinary court system. This question is particularly important if foreign partners are included in the agreement. In this case, it may also be necessary to check whether, in the case of an ordinary jurisdiction clause, sufficient jurisdiction and enforcement agreements exist within the respective country.

*The arbitration institution proposed here is by no means mandatory. The contracting parties may also choose one that they consider more suitable for their case.*

## Confidentiality

As is customary in all comparable agreements, these types of agreements must also contain a confidentiality Clause which – in accordance with common practice – may refer to a previously concluded confidentiality agreement and allow it to continue to apply or cancel it, in which case, however, it must be replaced with rules – comparable to those proposed here – on further confidentiality.

## Warranties of title and defects

Like all contracts relating to industrial property rights, these agreements are also required to contain special features regarding warranties of title and defects. Jurisprudence rightly classifies such contracts as risk contracts, so that, for example, the declaration of invalidity of an industrial property right cannot lead to the invalidity of the agreement. The remaining provisions seek to strike a reasonable balance with regard to liability arising from such contracts. In particular, no indemnification by the university/research institute is required (Clause 16.5).

For the sake of good order, it should be noted that – in the **Consortium Agreement** (as in the other models) – the provisions on liability for legal and material defects can of course also be supplemented in the individual contractual case by an appropriate limitation of the amount of liability.

In Clause 12.8, the working group discussed the limits of liability exclusions for so-called cardinal obligations in the event that the model is used for general terms and conditions (GTC). The working group deliberately did not carry out a complete GTC check of the model, but in principle assumes an individual contractual agreement. Therefore, there is no proposal in the text regarding the exclusion of liability for so-called cardinal obligations. The exclusion of the liability of the user for simple negligence, even in the case of these so-called cardinal obligations, is controversial under GTC law. A practical problem, however, is that case law also does not provide clear demarcation criteria as to when an obligation is a cardinal obligation and when it is not. In addition, the term “cardinal obligation” should be avoided in GTCs, as the German Federal Court of Justice (Bundesgerichtshof, BGH) does not consider it to be clear and comprehensible (BGH NJW-RR 2005, 1496, 1505). It is therefore left to the users to decide whether and to what

extent they want to leave out these “cardinal obligations” from the exclusion of liability (cf. on the whole: Münchener Kommentar zum BGB/Wurmnest, 8th ed. 2019, § 309 no. 7 marginal no. 26).

### Defence of and challenges ensuing from industrial property rights

Provisions governing the defence of and challenges ensuing from industrial property rights feature prominently in licence agreements. The members of the expert group deliberately decided that for research cooperation and contract research (assignment), the provision would be a rudimentary one with just a mutual obligation to inform. Only in the case of the contract research (licence) must the agreement contain an obligation on the part of the university/research institute to maintain the new rights for the duration of the licence agreement and include certain obligations with regard to challenges ensuing from industrial property rights and the defence of industrial property rights (Clause 17.2).

In all other respects, the parties are requested to regulate this point in much greater detail, if applicable, during individual contract negotiations.

### Marketing

The provision on marketing does not require any further explanation. It is to be negotiated individually whether substantially more detailed obligations are made or whether such a provision is omitted altogether.

### Term of the agreement and provisions for the time after termination of the agreement

Since the contract research type of agreement is likely to be subject in essential parts to the provisions of the German Civil Code (BGB) pertaining to work and services agreements, a definition of the contract term is not usually required. This does not mean that special termination provisions and consequences of the termination of the contract should not be regulated. However, for the research cooperation agreement, the regulation of a contract term is essential. In addition, it always makes sense to specify dates/deadlines (cf. Clause 4).

The provision on extraordinary termination (Clause 19.2) is important. The special provision contained therein in Clause 19.2.1 varies by agreement type. Both in the case of contract research (assignment) and with regard to joint results in the case of research cooperation, this provision contains the possibility of the reversion of rights in the special constellation described there. In the case of contract research (licence), the corresponding Clause (Clause 18.2.1) regulates an already predetermined non-exclusive right of use. These provisions are intended, among other things, to make it possible for the university/research institute to safeguard itself in the event of insolvency, particularly in the case of small and medium-sized

enterprises. These are in reference to the remarks of the German Federal Court of Justice in its judgement of 17.11.2005 (IX ZR 162/04 = GRUR 2006, 435).

The alternative in the Consortium Agreement with regard to the duration is offered because corresponding specifications have frequently been made by the funding body and a fixed term cannot be found.

### Final provisions

The final Clauses round off the various agreement types and correspond to the customary practices in international legal relations. Insofar as the higher education institution/research institute can effectively agree on places of jurisdiction, Clause 20.3 specifies that this may be included, if desired. It is important that when executing a contract with a foreign contract partner that the application of German law is agreed, if applicable (Clause 20.4).

### Civil law partnerships (consortium agreement, Clauses 3.6 and 16.1)

In the case of multilateral cooperation, the issues associated with the creation of a private partnership according to Articles 705 ff. BGB (German Civil Code) due to the joint pursuit of a purpose were discussed at length. The resulting (legal) consequences, such as joint assets and, above all, the external liability of all partners for the actions of one partner vis-à-vis third parties, arise in particular in the case of consortia that operate externally. The provisions proposed in the model cannot legally prevent the formation of an (external) civil law partnership and primarily serve to raise awareness.





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