



Federal Ministry  
for Economic Affairs  
and Energy

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# Sample agreements for research and development cooperation

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*Guidelines for cooperation between the academic sector and industry*

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# Content

Preface .....	2
Introduction.....	5
Agreement on contract research (licence variant) .....	6
Agreement on contract research (assignment variant).....	18
Agreement on research cooperation.....	33
Preliminary remarks.....	53

# Preface

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 sample agreements for research and development cooperation that are intended to provide practical assistance for companies as well as universities and research institutions.

After the working group was founded, it drew up sample agreements and has since then been focusing on the practical application of these sample agreements. The working group reconvened after around two years in order to discuss the implementation of the sample agreements and, if applicable, make suggestions for improvements. The discussion focused on the experience gained with the implementation in the first few years and in particular on changes resulting from amendments to the German Employee Inventions Act. It specifically dealt with the discontinuation of distinguishing between limited and unlimited claims to service inventions as well as the Introduction of the legal fiction that the invention has been claimed (Section 6 of the German Employee Inventions Act). In addition, the working group examined the Communication issued by the EU Commission on the community framework for state aid for research and development and innovation (2006/C/323/01), that is now amended as Communication from the EU Commission on the community framework for state aid for research and development and innovation (2014/C 198/01). The experts incorporated changes concerning the practicality of the sample agreements into their considerations and included several explicit declarations and pieces of information about the issue in this document.

## Background and general premises

Section 42 of the German Employee Inventions Act was amended by the law adopted on 18 January 2002. The amendment abolished the so-called university teacher's privilege. Since then professors, lecturers and academic employees at universities have no longer been able to dispose freely of their inventions but – just like employees in the private sector – have to report them immediately to their employers who are entitled to use the invention, meaning that all commercial utilization rights in the research result

are transferred to the employer. If the employer uses the invention, the university teacher receives a statutory claim for remuneration 30% of the gross revenue generated with the invention in return.

This enables universities on the one hand to implement the task of technology transfer incumbent upon them more comprehensively and effectively. They may also be able to generate additional income by utilization of the research results.

In respect to the non-university research institutes the amendment did not bring about any changes, as their staff does not come under the Scope of Section 43 of the German Employee Inventions Act.

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 out-sources 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 is 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 implication.

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

For the situation of industry, universities and non-university research institutes is characterized by a high degree of diversity. For instance the spectrums of universities range, from large universities that have their own contract and patent experts to universities that have just a few lecturers and students in which contracts are not fixed in organizational 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 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 sample 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.

All parties involved should be aware that despite the amount of years the rule already is in effect, practically applying Section 42 of the German Employee Inventions Act and the adaptation to the new legal situation are by no means experienced in all their forms. Since its last revision in 2016 the experts took further effort in encompassing their experience with the German Employee Inventions Act and the application of the already developed sample agreements.

## Interests of the stakeholders

Cooperation between the scientific community and industry changed following the amendment to Section 42 of the German Employee Inventions Act insofar as inventors employed by universities and, if applicable, their teams now have to be incorporated into the contractual relationship between the university and industry. On the other hand, the question of allocating rights to inventions made and the issue of remuneration continued to be a potential bone of contention between the parties.

Before the drawn up sample agreements are presented in greater detail and individual regulations are explained more thoroughly, a brief overview is to be provided of the potential interests of the parties involved. As such, the focus is to be placed on the issues concerning who has the rights to research results and remuneration both of which will be discussed in considerable detail.

	Position of the scientific community	Position of industry
allocation of rights	<ul style="list-style-type: none"> <li>● In principal 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>● License agreements (even exclusive licenses) 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 innovate 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

# Introduction

## Composition of the group of experts

The group of experts set up by the Federal Ministry of Economics and Technology consisted of company representatives and representatives of universities as well as non-university research institutes. It managed to enlist Prof. Dr. Heinz Goddar, Boehmert & Boehmert Anwaltssozietät (law firm), Munich, Past President of LES International, as its chairman. The sample agreements were drawn up and edited by Dr. Christian Czychowski, Boehmert & Boehmert Anwaltssozietät, Berlin. The Federal Ministry of Economics and Technology, Section VI D 1 – Transfer of Technology was in charge of the secretariat and coordination of the group of experts.

The expert group working on the 3rd edition of this publication comprised the following members:

### Companies

Dr. Henning Lütjens, Bayer AG  
 Henning Sauer, Bombardier Transportation GmbH  
 Ingo A. Brückner/Björn Stückrad, Daimler AG  
 Peter Munsch, Robert Bosch GmbH  
 Dr. Bernhard Fischer, SAP AG  
 Muwon Hong, Schaeffler AG  
 Peter Karge/Uwe Schriek, Siemens AG

### Universities

Bernhard M. Lippert, Hochschulrektorenkonferenz (anfänglich)  
 Dr. Michael Stückradt, Universität zu Köln (auch für den Kanzlerarbeitskreis)  
 Dipl.-Ing. Markus Stabler, BTU Cottbus-Senftenberg  
 Dr. Alexandros Papaderos, TU München  
 Verena Rademacher, TU Berlin  
 Dr. Elke Müller, RWTH Aachen

### Non-university research institutes

Dr. Ludwig Witter, Karlsruher Institut für Technologie  
 Dr. Helmut Schubert, FraunhoferGesellschaft  
 Wolfgang Nagel, Helmholtz-Zentrum München  
 Dr. Florian Kirschenhofer, Max-Planck-Innovation  
 Jurij von Kreisler, DFG  
 Andrea Frank, Stifterverband für die Deutsche Wissenschaft e.V.

## Patent exploitation agencies

Mr. Alfred Schillert, Vorstand der Technologieallianz e.V.  
 Dr. Sabine Zentek, PROvendis GmbH

## Federal Ministry of Education and Research Commission of the European Union Federal Ministry of Economics and Technology

As the potential contractual relationships between the scientific community and industry may vary greatly, the possibility of drawing up a standard agreement that suits all conceivable partners and contractual situations has been ruled out.

The negotiations between representatives of industry, universities and non-university research institutes could therefore merely aim to make the simplest, most transparent proposals possible for drawing up agreements and their variation possibilities, pointing out potential consequences.

As such, the members of the group of experts became involved exclusively on the basis of their own personal expertise and experience and did not act in a capacity as representatives of their respective organisations. The sample agreements are therefore proposals drawn up by the group of experts with a view to simplifying the work and do not represent versions that have been approved by the respective company, research institute or their representative organisations.

The sample agreements are intended to give potential users in research and industry the opportunity to simplify cooperation when implementing R&D projects. Any usage of sample agreements or parts thereof shall be exclusively at the user's own risk. Any liability of the authors and/or the Federal Ministry of Economics and Technology is explicitly excluded.

The 3rd edition contains criteria distinguishing between certain types of contracts that were drawn in regard to the EU community framework and meet the principal distinction as well as their regulatory purposes.

It cannot be excluded that another categorization beyond may be considered more adequate, depending on the individual contract-matter and scope.

# 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 shall hereafter collectively and individually be referred to as the “contracting party” –

## Preamble

The university/research institute shall cooperate with the industry partner (all of whom may be referred to alternatively hereinafter as the “contracting party/contracting parties”) in the area of \*\*\* *[please fill in as applicable]*

The aim of this Agreement on contract research is to promote cooperation between the scientific community and industry. As such, this Agreement is intended to serve as a legally approved guideline and to ensure, as extensively as possible, that the administrative effort involved is minimised which will also make the Agreement easier to use for smaller and medium-sized universities, research institutes and companies.

This Agreement represents a proposal and in some places viable alternative proposals that are aimed at regulating the goals and restrictions facing the scientific community and industry that are sometimes hard to reconcile by striking a fair balance between the various stakeholders’ 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, in principle, remain the property of the commissioning industry partner, unless arrangements to the contrary are made and any industrial property rights resulting from it shall be licensed to the industry partner exclusively in the field of use in the contractual territory (Clauses 1 and 2) for the duration of the industrial property rights. 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 partner has the assurance that its interest in research investments being translated into actual products is being taken into account as well. It is to be ensured that both contracting parties benefit from any outstanding, financial development of joint research results. The Agreement can be customised at any time subject to negotiation by the contracting parties.

## 1. Definitions

**Industrial property** pending and granted Patents, utility models, topographies of semi-conductor products, property rights supplementary protection certificates for medicinal products or other products for which any such certificates can be obtained, and plant variety rights; design and Community Designs, as well as copyright and associated industrial property rights

**Know-how** The totality of non-patented practical know-how and data that can be gained through experience and practical experiments and that is confidential, in other words that is not generally **subject matter of the Agreement** and useful and “identified” means specified in sufficient detail to enable it to satisfy the criteria “confidential” and “relevant”



<b>Results</b>	Results of research conducted during performance of this Agreement that come under the <b>subject matter of the Agreement</b>
<b>Old rights</b>	Inventions notified before this Agreement entered into force (Section 5 of the German Employee Inventions Act) (Arbeitnehmererfindungsgesetz) (ArbEG), <b>industrial property rights</b> or know-how obtained before this Agreement entered into force
<b>New rights</b>	Inventions registered on the basis of results achieved after this Agreement entered into force (Section 5 of the German Employee Inventions Act) (Arbeitnehmererfindungsgesetz) (ArbEG), <b>industrial property rights</b> and <b>know-how</b> gained from <b>results</b> obtained after this Agreement entered into force
<b>Subject matter</b>	The subject matter of the Agreement defined in Clause 2 also includes a definition of of the Agreement the application in which the <b>results</b> may be used
<b>Contract territory</b>	*** [fill in as applicable – to be perceived in geographical terms]

## 2. Subject matter of the Agreement

- 2.1 The subject matter of the Agreement shall be the implementation of the following contract research \*\*\*. [please be very specific about the details (inter alia because of the importance of **results** gained within the meaning of the Agreement)] and the application regarding the following field of use/field of use: \*\*\* [please provide very specific details, as the **field of use** defines the scope of the industrial partner's exclusive rights of use of the results. The broader the definition of the **field of use** is, the smaller is the technical area in which the university/research institute may perform further research and development work using the work results.]
- 2.2 This subject matter of the Agreement and the exact scope of the work to be performed by the university/research institute shall be specified in the research schedule attached as Annex 1 to this Agreement. This research plan shall be updated on the basis of ongoing developments as coordinated by the contracting parties. The latest version that must be signed by all contracting parties shall apply. If, however, amendments to contractually agreed services become necessary that involve more than a mere adjustment of the research plan, Clause. 3.7. shall apply.

*[N.B.: To the extent that the research plan and/or the results exclusively or mainly focus on copyrightable creations (for instance, product design, software), associated industrial property rights (for instance, 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 sample agreement is not applicable. In such cases, the conclusion of individual contracts containing specific provisions, especially regarding rights of use, design application, defense of industrial property rights and remuneration is necessary.*

## 3. Performance of work

- 3.1 The university/research institute shall perform the work to the best of their ability based on cutting-edge science and technology using their own existing know-how and experience gained during the cooperation in close contact with the industry partner.
- 3.2 The contracting parties shall provide each other with all of the information needed for the performance of the work following prior coordination. Any documents, objects or other resources which one of the contracting parties needs in order to perform the work shall be provided by the other contracting party on the basis of a loan. They shall be used exclusively for the purposes of performing the work and shall be returned to the respective contracting party at the latter's request after the work has been completed.

- 3.3 The university/research institute shall permit the industry partner to see any **results** that have been achieved at all times.
- 3.4 The university/research institute shall not be entitled to commission third parties with the implementation of partial tasks without the industry partner's consent.
- 3.5 Neither of the contracting parties shall have the right to represent the other contracting party with respect to any legal relations or to issue any legally binding declarations on the other contracting parties' behalf. No steering groups, working groups or similar groups that might potentially be set up by the contracting parties shall have the right to represent the other contracting party or all of the contracting parties with respect to any legal relations or to issue legally binding declarations on the other contracting parties' behalf unless this is expressly regulated in this Agreement.

3.6 Notifications and declarations

All of the necessary or permissible declarations of intent and other notifications to be furnished to a contracting party under this Agreement shall be transmitted 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 notifications and/or declarations of intent being deemed not received.

3.7 Amendments to contractually agreed services

If it becomes apparent during the implementation of the Agreement that the research plan needs to be amended to facilitate changes by the university/research institute, the contracting parties agree on the following:

- 3.7.1 If the university/research institute is responsible for amendments that need to be made to contractually agreed services, it shall adapt its services accordingly at its own expense.
- 3.7.2 In cases in which the industry partner is responsible for amendments that need to be made to contractually agreed services, the university/research institute shall have the right to request, prior to amending individual contractually agreed services, that a written amendment agreement be concluded, which shall regulate, in particular, the issue of appropriate additional remuneration and the amended deadline. Without any such agreement, the **subject matter of the Agreement** shall remain unchanged.
- 3.7.3 In all other cases, the university/research institute shall have the right to request that a written agreement specifying amendments be concluded before individual specifications are amended, regulating in particular the issue of adequate 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 that amendments be made shall specify precisely what technical/organisational amendments need to be made.
  - The contracting party shall then outline how the amendment will affect the scope of service, the quality, schedule 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 amendments, in particular recording any delays in the schedule, quality differences and, if applicable, any additional payments to be made.
  - This Agreement shall only become effective once it has been signed by all contracting parties.

## 4. Deadlines

The deadlines for the completion of 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 subject to coordination by the contracting parties.

## 5. Old rights

- 5.1 In principle, the **old rights** shall remain the property of the respective holder.
- 5.2 The university/research institute shall keep the industry partner informed on an ongoing basis of any such **old rights** including those over which they have the power of disposal despite not being the holder (e.g. because these rights have been assigned to a patent utilisation agency of an university), to the best of their knowledge, exercising the necessary care and in full if these old rights are likely to be necessary for the utilisation of the **results**. The obligation to provide information shall also encompass information whether and to what extent the respective holder faces limitations in using these **old rights**, for instance, due to third parties being entitled to use them.
- 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 to old rights and/or the use thereof when allocating rights and if this is necessary for the commercial utilisation of **results** by the industry partner, the university/research institute shall grant the industry partner and any affiliated companies an irrevocable, non-exclusive licence for valuable consideration for the duration of the old right in the **field of use** in the **contractual territory**.  
If the university/research institute is subject to limitations regarding the assignment of rights to old rights and/or to 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-mentioned assignment of rights, insofar as they are actually able to do so and this is legally possible (i.e. to the best of their ability), by taking suitable statutory or actual precautions. In the event that adjustments need to be made or restrictions need to be imposed, they shall be subject to coordination by the contracting parties.  
The fees payable for granting these **old rights** are set forth in the provisions on remuneration in Clause 12, the additional fees payable in the event that amendments need to be made to contractually agreed services are specified in Clause 3.7.2 and 3.7.3. If these old rights are not required for the performance of this Agreement until amendments have been made to contractually agreed services, the contracting parties shall agree to incorporate the latter into this Agreement.
- 5.3.3 The licence to old rights shall be limited to **field of use** and contractual territories that are necessary for the performance of this Agreement and/or for the commercial utilisation of the **results**.  
If it is made unreasonably difficult for the university/research institute to utilise the **old rights** \*\*\* years [fill in as applicable] after the Agreement has been concluded because the industry partner is not using the existing licence pursuant to Clause 5.3.2, the contracting parties shall adopt a reasonable new regulation regarding the **old rights**.

## 6. New rights

- 6.1 The **results** shall be the property of the university/research institute.
- 6.2 The university/research institute shall grant an exclusive licence to the new rights in the **field of use** and in the **contractual territory** for valuable consideration for the duration of the **industrial property rights** upon conclusion of this Agreement. The licence fee for the exclusive licence to the new rights in the **field of use** is indicated in the regulations governing remuneration in Clause 12.
- 6.3 The university/research institute undertakes 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 not be affected by this Agreement. They shall therefore have a non-exclusive, non-transferable right to use the results for these research and teaching activities. The contractual regulations to desist from disclosing results to third parties shall not be affected by this. If the university/research institute wishes to use the results within the framework of further research with other commercial and non-commercial partners within the framework of the subject matter of this Agreement, the written consent of the industry partner shall be required. The industry partner shall not refuse to give its consent on unreasonable grounds, acting in good faith.
- 6.5 If inventions are made during the performance of this Agreement in areas not affecting the **subject matter of this Agreement**, the university/research institute shall have full claim to them. Notwithstanding this, the university/research institute shall grant the industry partner a non-exclusive licence under appropriate conditions in accordance with industry standards in the event that the latter is interested in utilising the invention. The substantive and spatial scope of the licence and the terms of the licence shall be regulated in a separate agreement.
- 6.6 As far as the above provision in paragraph 6 concern Results which are copyrightable or fall under an associated industrial property right and are necessary for the utilization of the inventions subject to this Agreement, the above provisions are to be understood that way.

*[Annotation: If the Results, which are necessary for the utilization of the inventions subject to this Agreement, encompass Software in the sense of paragraphs 69a ff. UrhG, the following additional regulation areas are to be covered: management of the access to the source code, specification of the scope of the utilization of the Software (Uebertragungszwecklehre), relationship to third party software, especially Open Source Software].*

- 6.6a Insofar as the previous provisions concern Know-how, every contract partner remains authorized to use the Know-how. Reference is made to the provisions regarding confidentiality in section 15.
- 6.7 As far as the **Results** contain services that can be protected as design and Community Designs, which are necessary for the utilization of the inventions subject to this Agreement, the following applies:

The university transfers the right to apply for registration and to use the designs in their own name as national and/or international designs and Community Designs, when and insofar as the design and/or Community Design is necessary for the achievement of the purpose connected to the research project. The designers are to be named as such at the time of application.

As a precaution in the case of the absence of application the university transfers the right to utilize the designs after their initial release in the European Union as non-registered Community Designs, when and insofar as the utilization is necessary within the frame of the purpose connected to the Results. The industry partner shall be regarded as the

owner of the right in the non-registered Community Design even if the university or the inventor have undertaken an initial release.

## 7. Freedom of disclosure and non-disclosure

- 7.1 The university informs the industry partner immediately in case a member of the university exercises his right of non-disclosure regulated in paragraph 42 number 2 ArbEG.
- 7.2 The contracting parties agree that the university/research institute has an interest in publishing the results of their research and to distribute them on a non-exclusive non-discriminatory basis. They wish to make allowances for this interest, on the other hand they also wish to take the interests of the industry partner into account who may be interested in not disclosing the results. The university/research institute therefore undertakes vis-à-vis the industry partner to desist from disclosing the results without the latter's written consent and from giving third parties access to them, for instance, as part of so-called peer reviews as long as the results are subject to the obligation to maintain secrecy set forth in Clause 14. The university/research institute therefore undertake to submit any manuscripts to be used for presentations or publications to the industry partner for inspection at least six (6) weeks prior to publication or this presentation. At the same time, the university/research institute undertakes to inform the industry partner precociously, whether and to what extent academic final papers are affected by the **subject matter of this Agreement**.

If the industry partner notifies the university/research institute within three (3) weeks of receiving these documents, with the university/research institute having pointed out this 3-week grace period, that it deems the publication or presentation may affect its interests in keeping the results secret, the university/research institute shall either desist from publishing or presenting the results or shall remove any information the industry partner requires to be kept secret. Notwithstanding this, the university/research institute shall be deemed to have given its consent to publication and/or presentation if the industry partner fails to make a representation to the university/research institute and/or the project manager after receiving a further reminder pointing out the consequences of remaining silent and setting a fourteen (14)-day deadline.

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

The contracting parties shall strive to protect the results generated from industrial property rights in respect of the performance of the Agreement. The following rules shall apply to patent applications aimed at protecting these new rights:

- 8.1 After receiving what the university/research institute deems to be a complete patent application, the university/research institute shall notify the industry partner of the content of the patent application forthwith.
- 8.2 The industry partner shall notify the university/research institute in writing within \*\*\* days *[fill in as applicable]* of receiving the patent application whether and to what extent it intends to submit an initial priority application. If the industry partner fails to make a representation or to give its consent to the assignment of rights within this grace period, the university/research institute shall be entitled to the substantive rights to the relevant invention made by the university/research institute 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 of the German Employee Inventions Act (Arbeitnehmererfindungsgesetzes) (ArbEG). If in any such event the university/research institute refuses to release the invention, it shall grant the industry partner a non-exclusive, global, irrevocable, non-transferable right to use the relevant invention and any industrial property rights resulting from it. In the event that any such invention eventually becomes free, this right shall be granted by any other employees of the university/research institute who have signed declarations to assign rights under Clause 6.3. The industry partner's right to use any such invention shall be restricted to the use of the **results** of this Agreement in the **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 through the legal fiction that the invention has been claimed pursuant to Section 6 subsection 2 of the German Employee Inventions Act that the consequences of claiming the invention take effect or shall claim the invention pursuant to Section 6 subsection 1 of the German Employee Inventions Act. The university/research institute shall then file an initial priority application immediately on behalf of the university/research institute.
- 8.4 The contracting parties undertake to help the entitled contracting party to submit and obtain in particular all of the necessary declarations and signatures in good time, ensuring that the information provided is factually correct, when obtaining new rights. The contracting parties shall incidentally desist from undertaking 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 commission a company exploiting industrial property rights to handle the application and shall therefore provide this company, insofar as necessary, with information to which it has access within the framework of this Agreement provided that the company exploiting industrial property rights has undertaken vis-à-vis the university/research institute to treat the information as confidential in accordance with the provisions set forth in this Agreement.

## 9. Other patent applications, patent validation, surrender of patents in individual countries

- 9.1 The industry partner shall notify the university/research institute within eight (8) months of the date of 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 make every effort to redeem the rights of the inventor according to paragraphs 14, 16 ArbEG with a reasonable compensation after the patent application.

The university/research institute shall undertake to the best of its ability to release the rights of the project manager and any other inventors in its employ by way of a general agreement after the patent application has been filed pursuant to Sections 14 and 16 of the German Employee Inventions Act.

- 9.2 If the university/research institute intends to surrender individual new rights in individual countries in full or in part, it shall give the industry partner the opportunity to take over these rights six (6) months in advance at the latter's expense. The industry partner shall indicate within one (1) month of receiving this notification whether it intends to take over the relevant new right. In this event, the university/research institute undertakes to provide all the necessary declarations forthwith. If the industry partner does not respond within the given period, the takeover shall lapse.

## 10. Patent costs

Any costs incurred by the application, retention, defence and enforcement of new rights shall be borne by the university/research institute, unless the latter has reassigned its substantive right to the industry partner or unless the licence under Clause 6.2 is not limited to the field of use but relates fully to all of the respective industrial property rights.

## 11. Remuneration for work

The university/research institute shall receive appropriate remuneration from the industry partner for conducting the contract research including the material and the use of all facilities required for the performance of this Agreement as specified in Annex 4.

## 12. Remuneration industrial property rights and Know-how, where appropriate

- 12.1 Annex 4 describes the remuneration referred to in Clause 11 for old and new rights. When specifying the remuneration, industry-specific features and experience regarding the number and economic value of inventions likely to be made during the performance of the Agreement shall be considered as well as the licensing fees commonly charged for licensing in the relevant industry, so that the university/research institute may derive the full benefits of the industrial property rights.
- 12.2 If the university/research institute has assigned one or several new rights to the industry partner subject to terms and conditions or has granted a licence in relation to them meaning that the agreed remuneration (Clause 11) is evidently disproportionate to the direct proceeds and benefits generated from utilisation of the new right, taking the contractual relationship between the university/research institute and the industry partner into account, representing a significant change in the inherent purpose of the Agreement, the contracting parties shall amend the Agreement at the request of either contracting party in order to ensure that the university/research institute is accorded adequate participation. If the contracting parties had foreseen that these circumstances may arise subsequent to conclusion of the Agreement, the entitlement shall not apply.
- 12.3 The parties assure each other mutually that the information provided for the calculation of the remuneration provided in accordance with this number meet the requirements of the applicable law on state aid and budget. In case the remuneration contains against all expectations an unlawful state aid, the parties agree that the remaining contract provisions shall remain valid irrespective of an eventual nullity of the agreed upon remuneration. The parties undertake to adapt the remuneration going against state aid to remuneration free of aid. The decisive time is the time of the conclusion of the contract.

## 13. Mediation, arbitration

- 13.1 Any disputes arising from this Agreement or from subsequent amendments to this Agreement or in relation to the Agreement including (but not restricted to) the emergence, validity, binding effect, interpretation, implementation, violation or termination thereof as well as non-contractual claims but also regardless of whether a case scenario as outlined in Clause 12.2 exists or how high adequate participation is, shall be subject to 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.
- 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 upon 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 either party pursuant to the World Intellectual Property Organization (WIPO) Arbitration Rules and shall be adjudicated upon definitively by way of arbitration. The arbitral tribunal shall comprise one /three arbitrators [fill in as applicable]. The place of the arbitration process shall be \*\*\* [fill in as applicable]. The arbitration process shall be conducted in German. The dispute shall be settled under German law.

## 14. Confidentiality

The confidentiality agreement dated \*\*\* *[fill in as applicable]* that exists between the contracting parties shall continue to apply/shall be abrogated *[delete what is not applicable]*. Furthermore, the contracting parties shall undertake to maintain secrecy concerning any information of the other contracting party made available to them in connection with this Agreement that is considered to be confidential or any information that under other circumstances is obviously identifiable as a contracting party's business or company secrets for an indefinite period/\*\*\* years *[fill in as applicable]* and – unless required in order to fulfil the purpose of the Agreement – neither to record nor to pass on or use this information, and to apply measures regarding confidentiality appropriate under the circumstances... They shall ensure, by making suitable contractual arrangements with the employees who work for them and other third parties, that the latter also refrain from their own exploitation or unauthorised recording of such business or company secrets for an indefinite period/\*\*\* years *[fill in as applicable]* so far as permitted by law.

The above obligations do not apply to information, regarding which the party receiving the information proves that:

- He knew of the information at the time of notice;
- The information is public on the day of notice or will be public thereafter without a violation of this Agreement by the receiving contracting party;
- He has been notified of the information by a third party, unless the receiving party is aware that with this notification, the third party has violated its confidentiality obligation with regards to the notifying party;
- Independently of the notifying contracting party and has been developed without utilization of confidential information from the notifying party or
- The disclosure of the information is mandatory due to an official or judicial 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, cutting-edge science and technology known to it during performance, making optimum use of cutting-edge science.
- 15.2 In the event of a warranty, the industry partner shall give the university/research institute the opportunity to subsequently enhance its performance.
- 15.3 The university/research institute shall conduct contract research in the field of applied research and shall endeavour to break new ground in technology. The associated risks mean that research and development goals may not be reached at all or in full. The university/research institute shall not under any circumstances furnish any guarantees and/or make any such assurances regarding the subject matter of the Agreement.
- 15.4 Both contracting parties are aware of the risks associated with the revocation of a patent. The revocation of one or several industrial property rights shall not affect the validity of this Agreement. The entry into force of a decree of nullity shall not entitle the contracting party eligible under this Agreement to terminate this Agreement either. Claims to withdrawal and/or compensation are explicitly ruled out.
- 15.5 Except in cases of full awareness or lack of awareness owing to gross negligence, the respective contracting party shall not be liable for the future continued existence of the industrial property rights or for a certain protection area under this Agreement. Likewise, the respective contracting party shall not be liable for the prejudicial rights of third parties unless it was aware of them or remained unaware of them owing to gross negligence.
- 15.6 The respective contracting party shall not be liable for any performance deficiencies such as a lack of technical feasibility or usefulness unless it was aware of them or remained unaware of them owing to gross negligence. The respective contracting party shall not be liable for the financial usefulness of the patent either.



- 15.7 Pursuant to Section 311a subsection 2 of the German Civil Code, claims to compensation in lieu of performance due to the obstacle to performance already existing when the Agreement is entered into or to quality deficiencies shall be limited to reliance costs.
- 15.8 Reciprocal claims to compensation by the contracting parties shall be limited to damages for typical loss/damages. Any entitlement to compensation for lost profits shall be explicitly ruled out. These limitations shall not apply if either of the contracting parties has acted wilfully or with gross negligence.
- 15.9 The above-mentioned limitations of liability shall not apply to cases involving injury to life, limb and health or to claims under the Product Liability Act (Produkthaftungsgesetz).

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

- 16.1 Beyond the regulations governing applicant status and the technical implementation of applications (Clauses 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. The university/research institute shall be obliged pursuant to Clauses 8 and 9 to maintain the new rights for the duration of this Agreement; the costs of this shall be borne by the industry partner in the event of the assignment of rights or of a licence being issued that is not limited to **field of use**, but fully covers the respective industrial property rights.
- 16.2 Each contracting party shall notify the other contracting party of any third-party infringements or challenges to industrial property rights which come to their attention and shall coordinate their response to any such challenges and a defence strategy for the industrial property rights on a case-by-case basis.

*[Alternative: comprehensive, individual regulation of competencies and absorption of costs as well as participation in the challenges and defence].*

## 17. Marketing

The contracting party shall reach an agreement if the, cooperation with the university/research institute shall be pointed out in the marketing of products and services ensuing from the results of this Agreement.

## 18. Duration of the Agreement and regulations governing the time after the Agreement has come to an end

- 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 **object of the Agreement** has not been reached by this time, the contracting parties shall agree to extend the cooperation by mutual consent.
- 18.2 Premature termination of the Agreement shall be ruled out. Termination without notice for important reasons shall be the only termination option available pursuant to statutory regulations. An important reason shall exist, in particular, if
- 18.2.1 facts exist owing to which the contracting party terminating the Agreement cannot be reasonably expected to continue with the Agreement, taking into account all the facts of the individual case and weighing up the interests of both contracting parties field of use;

18.2.2 Major changes occur in the legal status or in the distribution of ownership or there are changes in the composition of management of a contracting party, making it unreasonable 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 assists third parties with any such challenge.

18.3 If the regulatory content of individual provisions of this Agreement extends beyond the duration of the Agreement, these provisions shall continue to be effective even after the Agreement has expired.

## 19. Legal succession

If industrial property rights under this Agreement are licensed, the contracting party issuing the licence shall ensure when a licence is transferred that the party taking over the industrial property right is willing to assume any burdens arising from the assignment of the industrial property rights on which the licence is based.

## 20. Export controls

The contracting parties undertake to comply with and to apply the relevant provisions regarding export control in the context of the conduct of work. Concerning the transfer of information or Know-how, the transferring contracting party is obliged to notify the receiving contracting party of the assessment under the applicable laws regarding export control, especially under EU- and US-law in an unsolicited written form.

## 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 shall also apply to any changes to this Clause requiring the written form.

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 The place of performance and place of jurisdiction shall be **\*\*\***. *[fill in as applicable, if the statutory requirements for agreement on jurisdiction are met (cf. Section 38 Code of Civil Procedure (Zivilprozessordnung) (ZPO) and only in case that the mediation procedure above has not been selected)]*

21.4 *[if foreign partners are 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.

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

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

\_\_\_\_\_  
University/research institute

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

Seen by and taken due notice of:

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

\_\_\_\_\_  
Project Manager

**Annexes:**

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

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

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

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

# 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 shall hereafter collectively and individually be referred to as the “contracting parties”. –

## Preamble

The university/research institute shall cooperate with the industry partner (all of whom may be referred to alternatively hereinafter as the “contracting party/contracting parties”) 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. As such, this Agreement is intended to serve as a legally approved guideline and to ensure, as extensively as possible, that the administrative effort involved is minimised which will also make the Agreement easier to use for smaller and medium-sized universities, research institutes and companies.*

*This Agreement represents a proposal and in some places viable alternative proposals that are aimed at regulating the goals and restrictions facing the scientific community and industry that are sometimes hard to reconcile by striking a fair balance between the various stakeholders' 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, in principle, remain the property of the commissioning industry partner, unless arrangements to the contrary are made. 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 partner has the assurance that its interest in research investments being translated into actual products is being taken into account as well. It is to be ensured that both contracting parties benefit from any outstanding, financial development of joint research results. The Agreement can be customised at any time subject to negotiation by the contracting parties.*

*Special importance is attached to the results (Clause 1) and to a clearly defined **subject matter** (Clause 2) particularly owing to the rights and obligations of the contracting parties regulated in this Agreement.*

## 1. Definitions

**Industrial property** Pending and granted Patents, utility models, design patents, topographies of semi-conductor products, rights supplementary protection certificates for medicinal products or other products for which any such certificates can be obtained, and plant variety rights; design and Community Designs, as well as copyright and associated industrial property rights

<b>Know-how</b>	The totality of non-patented practical know-how that can be gained through experience and practical experiments and that is confidential, in other words that is not generally known and is not easily accessible, “relevant” means of importance for the subject matter of the Agreement and useful and “identified” means specified in sufficient detail to enable it to satisfy the criteria “confidential” and “relevant”
<b>Results</b>	Results of research conducted during performance of this Agreement that come under the subject matter of the Agreement
<b>Old rights</b>	Inventions, notified before this Agreement entered into force (Section 5 of the German Employee Inventions Act) (Arbeitnehmererfindungsgesetz) (ArbEG), industrial property rights or know-how obtained before this Agreement entered into force
<b>New rights</b>	Inventions registered on the basis of results achieved after this Agreement entered into force (Section 5 of the German Employee Inventions Act) (Arbeitnehmererfindungsgesetz) (ArbEG), industrial property rights for which a patent has been filed or granted and/or know-how gained from results obtained after this Agreement entered into force
<b>Subject matter of</b>	The subject matter of the Agreement defined in Clause 2 also includes a definition of the Agreement the field of use in which the results may be used
<b>Contract territory</b>	*** [fill in as applicable – to be perceived in geographical terms]

## 2. Subject matter of the Agreement

- 2.1 The subject matter of the Agreement shall be the implementation of the following contract research \*\*\*. [please be very specific about the details (inter alia because of the importance of results gained within the meaning of the Agreement)] and the application regarding the following **field of use**: \*\*\* please provide very specific details, as the **field of use** defines the scope of the industrial partner’s exclusive rights of use of the results. The broader the definition of the field of use is, the smaller is the technical area in which the university/research institute may perform further research and development work using the work results.
- 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 schedule attached as Annex 1 to this Agreement. This research schedule shall be updated on the basis of ongoing developments as coordinated by the contracting parties. The latest version that must be signed by all contracting parties shall apply. If, however, amendments to contractually agreed services become necessary that involve more than a mere adjustment of the research schedule, Clause. 3.7. shall apply.

*[N.B.: To the extent that the research plan and/or the results exclusively or mainly focus on copyrightable creations (for instance, product design, software), associated property rights (for instance, database rights) and/or output protectable as a design, which are not necessary for use of inventions and other industrial property rights under this Agreement, this sample agreement is not applicable. In such cases, the conclusion of individual contracts containing specific provisions, especially regarding rights of use, design application, defense of industrial property rights and remuneration is necessary.*

## 3. Performance of work

- 3.1 The university/research institute shall perform the work to the best of their ability based on cutting-edge science and technology using their own existing know-how and experience gained during the cooperation in close contact with the industry partner.

- 3.2 The contracting parties shall provide each other with all of the information needed for the performance of the work following prior coordination. Any documents, objects or other resources which one of the contracting parties needs in order to perform the work shall be provided by the other contracting party as a loan. They shall be used exclusively for the purposes of performing the work and shall be returned to the respective contracting party at the latter's request after the work has been completed.
- 3.3 The university/research institute shall permit the industry partner to see any **results** that have been achieved at all times.
- 3.4 The university/research institute shall not be entitled to commission third parties with the implementation of partial tasks without the industry partner's consent.
- 3.5 Neither of the contracting parties shall have the right to represent the other contracting party with respect to any legal relations or to issue legally binding declarations on the other contracting party's behalf. No steering committees, working groups or similar groups that might potentially be set up by the contracting parties shall have the right to represent the other contracting party or all of the contracting parties with respect to any legal relations or to issue legally binding declarations on the other contracting party's behalf unless this is expressly regulated in this Agreement.
- 3.6 Notifications and declarations  
All of the necessary or permissible declarations of intent and other notifications to be furnished to a contracting party under this Agreement shall be transmitted 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 notifications and/or declarations of intent being deemed not received.

### 3.7 Amendments to contractually agreed services

If it becomes apparent during the implementation of the Agreement that the research plan needs to be amended to facilitate changes to contractually agreed services by the university/research institute, the contracting parties agree on the following:

- 3.7.1 If the university/research institute or the project manager is responsible for amendments that need to be made to contractually agreed services, it shall adapt its services accordingly at its own expense.
- 3.7.2 In cases in which the industry partner is responsible for amendments that need to be made to contractually agreed services, the university/research institute shall have the right to request, prior to amending individual contractually agreed services, that a written amendment agreement be concluded, which shall regulate, in particular, the issue of appropriate additional remuneration and the amended deadline. Without any such agreement, the **subject matter of the Agreement** shall remain unchanged.
- 3.7.3 In all other cases, the university/research institute and/or the project manager shall have the right to request that a written agreement specifying amendments be concluded before individual contractually agreed services are amended, regulating in particular the issue of adequate additional remuneration and changed deadlines. The **subject matter of the Agreement** shall remain unaltered unless any such agreement is concluded.
- 3.7.4 For cases outlined in Clauses 3.7.2 and 3.7.3, the procedure shall be as follows:
- The contracting party requesting the amendments shall specify what technical/organisational amendments need to be made.

- The contracting party shall then outline how the amendment will affect the scope of service, the quality, schedule 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 amendments, in particular recording any delays in the schedule, quality differences and, if applicable, any additional payments to be made.
- This Agreement shall only become effective once it has been signed by all contracting parties.

## 4. Deadlines

The deadlines for the completion of 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 subject to coordination by the contracting parties.

## 5. Old rights

- 5.1 In principle, the **old rights** shall remain the property of the respective proprietor.
- 5.2 The university/research institute keeps the industry partner informed on an ongoing basis of any such **old rights** including those over which they have the power of disposal despite not being the holder (e.g. because these rights have been assigned to a patent utilisation agency of an university), to the best of their knowledge, exercising the necessary care and in full if these old rights are likely to be necessary for the utilisation of the **results**. The obligation to provide information shall also encompass information whether and to what extent the respective holder faces limitations in using these **old rights**, for instance, due to third parties being entitled to use them.
- 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 proprietor of old rights and is not limited to old rights and/or the use thereof when allocating rights and if this is necessary for the commercial utilisation of **results** by the industry partner, the university/research institute shall grant the industry partner and any affiliated companies an irrevocable, sub-licensable, non-exclusive licence for the duration of the old right in the field of use subject in the contract subject in the **contractual territory**, as far as this is necessary for the utilisation of the results. If the university/research institute is subject to limitations regarding the assignment of rights to old rights and/or to the utilisation of old rights, it shall ensure, by taking suitable statutory or actual precautions, that this does not affect the commercial utilisation of the **results** within the framework of the above-mentioned assignment of rights, insofar as it is actually able to and it is legally possible for it to do so (i.e. to the best of its ability). In the event that adjustments need to be made or restrictions need to be imposed, they shall be subject to coordination by the contracting parties. The remuneration rates payable for granting these old rights are set forth in the provisions on remuneration in Clause 12, any additional fees payable in the event that amendments need to be made to contractually agreed services are specified in Clause 3.7.2 and 3.7.3. If these old rights are not required for the performance of this Agreement until amendments have been made to contractually agreed services, the contracting parties shall agree to incorporate the latter into this Agreement.
  - 5.3.3 The licence to old rights shall be limited to field of use and **contractual territories** that are necessary for the performance of this Agreement and/or the commercial utilisation of the **results**.

If it is made unreasonably difficult for the university/research institute to utilise the **old rights** \*\*\* years [fill in as applicable] after the Agreement was concluded because the industry partner is not making use of the existing licence pursuant to Clause 5.3.2, the contracting parties shall agree to adopt a reasonable new regulation regarding the **old rights**.

## 6. New rights

- 6.1 The industry partner shall be entitled to any **results**, especially the new **rights**, in substantive terms even if provisions contrary to those set forth in Clause 8 have been made by the contractual parties regarding the registration of industrial property rights.
- 6.2 The **university/research institute** immediately informs the **industry partner** of notifications of service inventions or notices of free inventions, respectively of the person involved in the implementation of the Agreement on the side of the university/research institute by transmitting relevant copies of the report/notice and offers the transfer 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 case the industry partner does not react, the university/research institute reminds him once in writing with a period of one month. In the absence of a further reaction by the industry partner it is presumed that the industry partner accepts the offer/[alternative: the offer is considered not accepted and the university/research institute is free to dispose of the invention or to register it themselves, respectively]. The remuneration to be paid for the transfer is due with the acceptance of the offer and after the issuance of the invoice by the **university/research institute**. As remuneration for the transfer of **New Rights**, the **industry partner** pays remuneration to the **university/research institute** for each new industrial property right transferred onto the **industry partner**, which is accounted for separately in accordance with Clause 13. The industry partner is obliged to disclose all necessary data for the issuance of an invoice immediately after the acceptance of the offer.
- The **industry partner** or a third party designated by the **industry partner** has the right to register **New Rights** of the **university/research institute**, of which it obtains property, as an industrial property right in its name [Remark: Provision regarding "Registration" and "Further Registration of industrial property rights" in accordance with Clauses 9 and 10].
- In cases where the **industry partner** does not accept the offer mentioned above within the period of time mentioned above, the **university/research institute** has the discretion to register 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 all assignments referred to in Clause 6.1 take effect, the university/research institute undertake to make use of any inventions pursuant to the rules set forth in Clause 8, if necessary without any restrictions.
- 6.4 The university/research institute undertake to desist from incorporating additional employees of the higher education/research institute who come under the scope of application of Section 42 subsection 2 of the German Employee Inventions Act into the **subject matter of the Agreement** until they have taken on the obligations ensuing from this Agreement by issuing a declaration based on the sample declaration attached as **Annex 3**. This concerns especially, but not exclusively, the project manager. The contracting parties have already specified in **Annex 4** which staff of the university/research institute who come under the scope of application of Section 42 of the German Employee Inventions Act are to be involved in the performance of the Agreement. Relevant declarations by these persons are attached to this Agreement based on the sample declaration attached as **Annex 3**.
- 6.5 Furthermore, the university/research institute shall desist from involving third parties in the **subject matter of this Agreement** until they have accepted the obligations incumbent upon the university/research institute and/or the project manager by virtue of this Agreement mutatis mutandis and above all have ensured their rights to results have been assigned to the industry partner and have ensured that any confidential obligations vis-à-vis the contracting parties shall be observed accordingly.



- 6.6 The research and teaching activities of the university/research institute and the research privilege according to article 11 PatG shall not be affected by this Agreement. They shall therefore have a non-exclusive, non-transferable right to use the results for these research and teaching activities. The contractual regulations to desist from disclosing **results** to third parties shall not be affected by this. If the university/research institute wishes to use the **results** – as far as still secret or unpublished – within the framework of further research conducted with other commercial and non-commercial partners within the framework of the subject matter of this Agreement, the written consent of the industry partner shall be required. The industry partner shall not refuse to give its consent on unreasonable grounds, acting in good faith
- 6.6a Insofar as the previous provisions concern Know-how, every contract partner remains authorized to use the Know-how. Reference is made to the provisions regarding confidentiality in section 15.
- 6.7 If inventions are made in areas that do not relate to the **subject matter of the Agreement** during the performance of the Agreement, they belong to the partner who made the invention, however, the university/research institute offers the industry partner, if it has a commercial interest, a non-exclusive license under appropriate conditions in accordance with industry standards.

*[Addition possible/Annotation:]*, If the university/research institution is planning to surrender individual inventions that also fall under the paragraph above, in full or in individual countries, it shall offer them to the industry partner two (2) months in advance free of charge. The industry shall indicate within one (1) month of receiving this notification whether it is willing to take over the relevant industrial property right. In the event that it is, the university/research institution undertakes to issue all the necessary declarations forthwith. If the industry partner fails to respond to the notification within one (1) month, it shall waive its right to take over the relevant industrial property right.

- 6.8 *[optional]* If the industry partner is planning to surrender individual **new rights** that come under Clause 6.9 in full or in individual countries, it shall give the university 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 notification whether it is willing to take over the relevant industrial property right. In the event that it is, the industry partner undertakes to issue all the necessary declarations forthwith. The costs incurred by the assignment of rights shall be borne by the university. If the university/research institute fails to respond to the notification within one (1) month, it shall waive its right to take over the relevant industrial property right.
- 6.9 As far as the above provision in clause 6 concern **Results** which are copyrightable or fall under an associated industrial property right and are necessary for the utilization of the inventions subject to this Agreement, the above provisions are to be understood that way. As far as a transfer is not possible according the concerned industrial property rights, the above wording is to be understood as a concession to their extent, as far as the purpose of this Agreement requires, identical to the extent of the transfers of the industrial property rights forming the actual subject of the Agreement, i. e., patents.
- 6.10 As far as the Results contain services that can be protected as design and Community Designs, which are necessary for the utilization of the inventions subject to this Agreement, the following applies:

The university transfers the right to apply for registration and to use the designs in their own name as national and/or international designs and Community Designs, when and insofar as the design and/or Community Design is necessary for the achievement of the purpose connected to the research project. The designers are to be named as such at the time of application.

As a precaution in the case of the absence of application the university transfers the right to utilize the designs after their initial release in the European Union as non-registered Community Designs, when and insofar as the utilization is necessary within the frame of the purpose connected to the Results. The industry partner shall be regarded as the owner of the right in the non-registered Community Design even if the university or the inventor have undertaken an initial release.

*[Annotation: If the Results, which are necessary for the utilization of the inventions subject to this Agreement, encompass Software in the sense of articles 69a ff. UrhG, the following additional regulation areas are to be covered: management of the access to the source code, specification of the scope of the utilization of the Software (Uebertragungszwecklehre), relationship to third party software, especially Open Source Software].*

## 7. Freedom of disclosure and non-disclosure

- 7.1 The university informs the industry partner immediately in case a member of the university exercises his right of non-disclosure regulated in article 42 number 2 ArbEG.
- 7.2 The contracting parties agree that the university/research institute has an interest in publishing the **results** of their research and to distribute them on a non-exclusive non-discriminatory basis. They wish to make allowances for this interest; on the other hand they also wish to take the interests of the industry partner into account who may be interested in not disclosing the results. The university/research institute therefore undertakes vis-à-vis the industry partner to desist from disclosing the **results** without the latter's written consent or from giving third parties access to them, for instance, as part of so-called peer reviews as long as the **results** are subject to the obligation to maintain secrecy set forth in Clause 15. The university/research institute therefore undertake to submit any manuscripts to be used for presentations or publications to the industry partner for inspection at least six (6) weeks prior to publication or this presentation. At the same time, the university/research institute undertakes to inform the industry partner precociously, at least 3 months before submission, whether and to what extent academic final papers are affected by the subject matter of this Agreement.

If the industry partner notifies the university/research institute within three (3) weeks – six (6) weeks in case of an academic final paper – of receiving these documents, with the university/research institute having pointed out this 3-week grace period, that it deems the publication or presentation may affect its interests in keeping the results secret, the university/research institute shall either desist from publishing and presenting the results or shall delete any information the industry partner requires to be kept secret. Notwithstanding this, the industry partner shall be deemed to have given its consent to publication and/or presentation if it fails to respond to the university/research institute after receiving a further reminder indicating the consequences of remaining silent and setting a fourteen (14)-day deadline.

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

The contracting parties shall strive to protect the **results** by way of **industrial property rights** in respect of the performance of the Agreement. This shall not affect the industry partner's basic right of disposition in respect of 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 patent application, the university/research institute shall notify the industry partner of the content of the patent application forthwith.
- 8.2 The industry partner shall notify the university/research institute in writing within \*\*\* days [fill in as applicable] of receiving the patent application whether and to what extent it intends to file an initial priority application. If the industry partner fails to make a representation or to give its consent to the assignment of rights within this grace period, the university/research institute shall be entitled to the substantive rights to the relevant invention made by the university/research institute which shall be reassigned to it by the industry partner. The university shall have the right to release the invention or alternatively to agree with the inventor that no patent application needs to be filed pursuant to Section 13 of the German Employee Inventions Act (Arbeitnehmererfindungsgesetzes) (ArbEG)). If in any such event the university/research institute refuses to release the invention, it shall grant the industry partner a non-exclusive, global, irrevocable, non-transferable, yet sub-licensed right to use the relevant invention and any

industrial property rights resulting from it. (Satz gestrichen). In the event that any such invention eventually becomes free, this right shall be granted by the project manager and by any other employees of the university/research institute who have signed declarations to assign rights under Clause 6.3. The industry partner's right to use any such invention shall be restricted to the use of the **results** of this Agreement in the subject matter of this Agreement field of use.

- 8.3 *[Upon conclusion of the Agreement, 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 through the legal fiction that the invention has been claimed pursuant to Section 6 subsection 2 of the German Employee Inventions Act that the consequences of claiming the invention take effect or shall claim the invention pursuant to Section, 6 subsection 1 of the German Employee Inventions Act. The industry partner shall then file the initial priority application itself forthwith or have it filed by a lawyer or patent lawyer on behalf of the university/research institute and on its own behalf. The industry partner shall be in charge of proceedings and shall have the right to formulate all texts and claims and to conduct all inspection 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 through the legal fiction that the invention has been claimed pursuant to Section 6 subsection 2 of the German Employee Inventions Act that the consequences of claiming the invention take effect or shall claim the invention pursuant to Section, 6 subsection 1 of the German Employee Inventions Act. The university/research institute shall then file the initial priority application on behalf of the university/research institute and of the industry partner (Clause 9). The university/research institute undertakes to commission a lawyer or patent lawyer appointed by the industry partner in the notification pursuant to Clause 8.2 sentence to file this application. The contracting parties shall coordinate the selection of a patent lawyer and the content of the application.

- 8.4 When obtaining new rights, the contracting parties undertake to help the entitled contracting party to obtain in particular all of the necessary declarations and signatures in good time, ensuring they are factually correct. The contracting parties shall incidentally desist from undertaking any action that might be detrimental to the granting and retention of new rights.
- 8.5 The university/research institute shall have the right to commission a company exploiting industrial property rights to handle the application on its behalf and shall therefore provide this company, insofar as necessary, with information to which it has access within the framework of this Agreement provided that the company exploiting industrial property rights has undertaken vis-à-vis the university/research institute to treat the information as confidential in accordance with the provisions set forth in this Agreement.

## **9. Applicant status, if applicable, fiduciary relationship**

- 9.1 The university/research institute and the industry partner jointly shall be the applicants of the initial priority application unless the university/research institute waives its right to do so vis-à-vis the industry partner in writing until the latter makes its representation 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 shall merely be that of a trustee acting on the industry partner's behalf. In the relationship between the university/research institute and the industry partner, it shall be exclusively the latter that shall be entitled to new rights. The university/research institute shall therefore follow instructions issued by the industry partner regarding the exercising 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 assign its share of the application to the industry partner forthwith 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 industry partner shall file any additional patent applications based on the initial priority application or patent validations on its own behalf. The industry partner 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 proceedings in other countries. Clause 6.8 shall be observed.

## 11. Patent costs

Any costs incurred by the application, retention, defence and enforcement of **new rights** shall be borne by the industry partner, unless it has re-assigned its substantive right to them to the university/research institute pursuant to Clause 8.2.

## 12. Remuneration for work

The university/research institute shall receive remuneration from the industry partner for conducting the contract research including the material and the use of all facilities required for the performance of this Agreement as specified in **Annex 6**.

## 13. Remuneration for industrial property rights and Know-how, where appropriate

- 13.1 The remuneration referred to in Clause 12 shall also include fees for old and **new rights**. When specifying the share of the above-mentioned remuneration in relation to the old and new rights, industry-specific features and experience regarding the number and economic value of inventions likely to be made during the performance of the Agreement, including the licensing fees commonly charged for licensing in the relevant industry, shall be taken into account so that the university/research institute may derive the full benefits of the industrial property rights.
- 13.2 If the university/research institute has assigned one or several **new rights** to the industry partner subject to terms and conditions or has granted a licence in relation to these new rights, meaning that the agreed remuneration (Clause 12) is evidently disproportionate to the direct proceeds and benefits generated from utilisation of the new right, taking the contractual relationship between the university/research institute and the industry partner into account, representing a significant change in the inherent purpose of the Agreement, the contracting parties shall amend the Agreement at the request of either contracting party in order to ensure that the university/research institute is accorded adequate participation. If the contracting parties had foreseen that these circumstances may arise subsequent to conclusion of the Agreement, the entitlement shall not apply.
- 13.3 The contracting parties assure each other mutually that the information provided for the calculation of the remuneration provided in accordance with this number meet the requirements of the applicable law on state aid and budget. In case the remuneration contains against all expectations an unlawful state aid, the contracting parties agree that the remaining contract provisions shall remain valid irrespective of an eventual nullity of the agreed upon remuneration.

neration. The contracting parties undertake to adapt the remuneration going against state aid to remuneration free of aid. The decisive time is the time of the conclusion of the contract.

## 14. Mediation, arbitration

- 14.1 Any disputes arising from this Agreement or from subsequent amendments to this Agreement or in relation to the Agreement including (but not restricted to) the emergence, validity, binding effect, interpretation, implementation, violation or termination thereof as well as non-contractual claims but also regardless of whether a case scenario as outlined in Clause 13.2 exists or how high adequate participation is, shall be subject to 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 arbitration following submission of a request for arbitration by either party pursuant to the World Intellectual Property Organization (WIPO) Arbitration Rules and shall be adjudicated upon 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 arbitration following submission of a request for arbitration by the other contracting party pursuant to the World Intellectual Property Organization (WIPO) Arbitration Rules and shall be adjudicated upon definitively by way of arbitration. The arbitral tribunal shall comprise one /three arbitrators. The place of the arbitration process shall be \*\*\* *[fill in as applicable]*. The arbitration process shall be conducted in German. The dispute shall be settled under German law.

## 15. Confidentiality

The confidentiality agreement dated \*\*\* *[fill in as applicable]* that exists between the contracting parties in respect of secrecy shall continue to apply/shall be abrogated *[delete what is not applicable]*. Furthermore, the contracting parties shall undertake to maintain secrecy concerning any information of the other contracting party made available to them in connection with this Agreement that is considered to be confidential or under other circumstances is obviously identifiable as a contracting party's business or company secrets for an indefinite period/ \*\*\* years *[fill in as applicable]* and – unless required in order to fulfil the purpose of the Agreement – neither to record nor to pass on or use this information, and to apply measures regarding confidentiality appropriate under the circumstances. They shall ensure, by making suitable contractual arrangements with the employees who work for them and other third parties, that the latter also refrain from their own exploitation or unauthorised recording of such business or company secrets for an indefinite period/ \*\*\* years *[fill in as applicable]* so far as permitted by law.

The above obligations do not apply to information, regarding which the contracting party receiving the information proves that:

- He knew of the information at the time of notice;
- The information is public on the day of notice or will be public thereafter without a violation of this Agreement by the receiving contracting party;
- He has been notified of the information by a third party, unless the receiving contracting party is aware that with this notification, the third party has violated its confidentiality obligation with regards to the notifying contracting party;
- Independently of the notifying contracting party and has been developed without utilization of confidential information from the notifying contracting party or
- The disclosure of the information is mandatory due to an official or judicial 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, the state-of-the-art known to it during performance, making optimum use of the stage of scientific knowledge.
- 16.2 In the event of a warranty, the industry partner shall give the university/research institute the opportunity to enhance its performance.
- 16.3 The university/research institute shall conduct contract research in the field of applied research and shall endeavour to break new ground in technology. The associated risks mean that research and development goals may not be reached at all or in full. The university/research institute shall not under any circumstances furnish any guarantees and/or make any such assurances regarding the subject matter of the Agreement.
- 16.4 Both contracting parties are aware of the risks associated with the revocation of a patent. The revocation of a patent shall not affect the validity of this Agreement. The entry into force of a decree of nullity shall not entitle the contracting party eligible under this Agreement to terminate this Agreement. Claims to withdrawal and/or compensation are explicitly ruled out.
- 16.5 Except in cases of full awareness or lack of awareness owing to gross negligence, the respective contracting party shall not be liable for the future continued existence of the industrial property rights or for a certain protection area under this Agreement. Likewise, the respective contracting party shall not be liable for the prejudicial rights of third parties unless it was aware of them or remained unaware of them owing to gross negligence.
- 16.6 The respective contracting party shall not be liable for any performance deficiencies such as a lack of technical feasibility or usefulness unless it was aware of them or remained unaware of them owing to gross negligence. The respective contracting party shall not be liable for the financial usefulness of the patent.
- 16.7 Pursuant to Section 311 subsection 2 of the German Civil Code, claims to compensation in lieu of performance due to obstacles to performance already existing when the Agreement is entered into or to quality deficiencies shall be limited to reliance costs.
- 16.8 Reciprocal claims to compensation by the contracting parties shall be limited to damages for typical loss/damages. Any entitlement to compensation for lost profits shall be explicitly ruled out. These limitations shall not apply if either of the contracting parties has acted wilfully or with gross negligence.
- 16.9 The above-mentioned liability limitations shall not apply to cases involving injury to life, limb and health or to claims under the Product Liability Act (Produkthaftungsgesetz).

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

- 17.1 The university/research institute shall be obliged pursuant to Clause 9 to maintain the new rights for the duration of this Agreement; the costs of this shall be borne by the industry partner in the event of the assignment of rights or of a licence being issued that is not limited to areas of the subject of the Agreement, but fully covers the respective industrial property rights.
- 17.2 Each contracting party shall notify the other contracting party of any third-party infringements or of challenges to industrial property rights that come to their attention and shall coordinate a response to any challenges and defence of industrial property rights from case to case.

*[Alternatively: there shall be comprehensive individual regulation regarding competencies, which party shall bear the costs incurred and cooperation in the event of defence and challenges]*

## 18. Marketing

The contracting parties shall agree if the cooperation shall be pointed out in the marketing of products and services, ensuing from the **results** of this Agreement.

## 19. Duration of the Agreement and regulations governing the time after the Agreement has come to an end

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 object of the Agreement has not been reached by this time, the contracting parties shall agree to extend the cooperation by mutual consent.

19.2 Premature termination of the Agreement shall be ruled out. Termination without notice for important reasons shall be the only termination option available pursuant to statutory regulations. An important reason shall exist, in particular, if

19.2.1 facts exist owing to which the contracting party terminating the Agreement cannot be reasonably expected to continue with the Agreement, taking into account all the facts of the individual case and weighing up the interests of both contracting parties. In the event of any such effective notice of termination being given, the contracting party giving notice of termination shall request that the new rights of the contracting party under notice be assigned and/or reassigned to the contracting party giving notice of termination. For this transitional period, the contracting party giving notice of termination shall reimburse the other contracting party for any costs incurred by the acquisition and retention of industrial property rights provided that proof has been furnished. The contracting party giving notice of termination shall obtain a non-exclusive right of use to the old rights of the contracting party under notice free of charge unless this is precluded by other obligations. If the contracting party giving notice of termination is the university/research institute, it shall have the right to licence the old rights within the framework of contract research;

19.2.2 major changes occur in the legal status or in the distribution of ownership or there are changes in the composition of management of a contracting party, making it unreasonable 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 assists third parties with any such challenge.

19.3 If the regulatory content of individual provisions of this Agreement extends beyond the duration of the Agreement, these provisions shall continue to be effective even after the Agreement has expired.

## 20. Legal succession

If **industrial property rights** under this Agreement are licensed, the contracting party issuing the licence shall ensure when a licence is transferred, that the party taking over the industrial property right is willing to assume any burdens arising from the assignment of the industrial property rights on which the licence is based.

## 21. Export controls

The contracting parties undertake to comply with and to apply the relevant provisions regarding export control in the context of the conduct of work. Concerning the transfer of information or Know-how, the transferring contracting party

is obliged to notify the receiving contracting party of the assessment under the applicable laws regarding export control, especially under EU- and US-law in an unsolicited written form.

## 22. Final clauses

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 shall also apply to any changes to this Clause requiring the written form.

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 The place of performance and place of jurisdiction shall be **\*\*\***. *[fill in as applicable, if the statutory requirements for agreement on jurisdiction are met (cf. Section 38 Code of Civil Procedure (Zivilprozessordnung) (ZPO and only in case that the mediation procedure above has not been selected)]*

22.4 *[if foreign partners are involved:]* This Agreement and the interpretation thereof shall be subject exclusively to German law.

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

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

\_\_\_\_\_  
University/research institute

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

Seen by and taken due notice of:

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

\_\_\_\_\_  
Project Manager

### Annexes:

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

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

Annex 3: Sample declaration for employees of institutions of higher education

Annex 4: List of employees of institutions of higher education/research institutes *[not attached, to be customised]*

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

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



## Annex 3: Sample declaration for employees of institutions of higher education

### Reference: Agreement \*\*\*

As an employee of the university I \_\_\_\_\_, shall participate in performing the contractually agreed work within the framework of the above-mentioned Agreement within the meaning of Section 42 subsection 2 of the German Employee Inventions Act. 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 academics gain direct or indirect access within the scope of cooperation with the industry partner. I therefore undertake to \*\*\* [industry-specific confidentiality clauses]

I also take on the following obligations arising from this Agreement:

1. My ownership of inventions made prior to commencement of the research project and of any **industrial property rights** for which a patent application was filed or for which a patent was subsequently granted (hereinafter referred to as: **old rights**) shall not be affected by this Agreement. If and as soon as any such old rights are required for the utilisation of the **results** and assuming no third parties have rights to the contrary, I shall 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. Furthermore, I shall retain a non-exclusive, non-transferable right to use 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. In addition, I shall only be permitted to utilise my results for or with third parties within the framework of research if I obtain the industry partner's written consent. The industry partner undertakes to desist from refusing to give this consent on unreasonable grounds, acting in good faith. This shall not apply to **old rights, know-how** that was available prior to conclusion of this Agreement or to 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 of the German Employee Inventions Act 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 subsection 2 of the German Employee Inventions Act in respect of all the results achieved in connection with this Agreement.
6. I undertake vis-à-vis the industry partner to desist from publishing results without the industry partner's written consent and from disclosing them to third parties – even in the run-up to publication – so long as the results are subject to the obligation to maintain secrecy under this Agreement. I shall submit the manuscript to be used for printing or for verbal publication purposes (hereinafter referred to as “the publication”) to the industry partner for inspection at least six (6) weeks before the manuscript is passed on to the third parties or is presented.

If the industry partner gives notice within three (3) weeks of receiving the manuscript that the publication is likely to affect interests in relation to secrecy, I shall ensure that the manuscript is not published or that any information deemed confidential from the industry partner's perspective is deleted. Notwithstanding this, the consent to publication and/or presentation shall be deemed given if the industry partner fails to make a representation to me or vis-à-vis the university/research institute within fourteen (14) days of receiving a further reminder pointing out the consequences of secrecy.

7. If the university/research institute does not use the invention on the basis of a reassignment of rights regulated 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 industrial property rights resulting from it.
8. I shall help the contracting party entitled under this Agreement to obtain new industrial property rights, and in particular to submit all the necessary declarations on time, ensuring that the information provided is factually correct. In all other respects, they shall desist from taking any action that might be detrimental to the granting and retention of new industrial property rights.
9. This Agreement shall be concluded for the duration of my involvement in the research project designated in the "Subject". The regulations relating to inventions within the framework of this Agreement shall cease to apply upon expiry of the longest existing industrial property rights 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 of the provisions set forth in 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.

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

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

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

\_\_\_\_\_  
Employee of the university

# 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 shall hereafter collectively and individually be referred to as the “contracting party” –

## Preamble

The university/research institute shall cooperate with the industry partner (all of whom may be referred to alternatively hereinafter as the “contracting party/contracting parties”\*\*\* [please fill in as applicable]

*The aim of this Agreement on contract research is to promote cooperation between the scientific community and industry. As such, this Agreement is intended to serve as a legally approved guideline and to ensure, as extensively as possible, that the administrative effort involved is minimised which will also make the Agreement easier to use for smaller and medium-sized universities, research institutes and companies. The assignment of rights in the event of joint inventions also fosters this aim in a particularly beneficial way.*

*This Agreement represents a proposal and in some places viable alternative proposals that are aimed at regulating the goals and restrictions facing the scientific community and industry that are sometimes hard to reconcile by striking a fair balance between the various stakeholders’ interests. 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 partner has the assurance that its interest in research investments being translated into actual products is being taken into account as well. It is to be ensured that both contracting parties benefit from any outstanding, financial development of joint research results. The Agreement can be customised at any time subject to negotiation by the contracting parties.*

Special importance is attached to the results (Clause 1) and to a clearly defined subject matter (Clause 2) particularly owing to the rights and obligations of the contracting parties regulated in this Agreement.

## 1. Definitions

**Industrial property** Pending and granted Patents, utility models, design patents, topographies of semi-conductor products, rights supplementary protection certificates for medicinal products or other products for which any such certificates can be obtained, and plant variety rights; design and Community Designs, as well as copyright and associated industrial **property rights**

**Know-how** The totality of non-patented practical know-how that can be gained through experience and practical experiments and that is confidential, in other words that is not generally known and is not easily accessible, “relevant” means of importance for the **subject matter of the Agreement** and useful and “identified” means specified in sufficient detail to enable it to satisfy the criteria “confidential” and “relevant”

<b>Results</b>	Results of research conducted during performance of this Agreement that come under the <b>subject matter of the Agreement</b>
<b>Old rights</b>	Inventions, notified before this Agreement entered into force (Section 5 of the German Employee Inventions Act) (Arbeitnehmererfindungsgesetz) (ArbEG), industrial property rights or know-how obtained before this Agreement entered into force
<b>New rights</b>	Inventions registered on the basis of <b>results</b> achieved after this Agreement entered into force (Section 5 of the German Employee Inventions Act) (Arbeitnehmererfindungsgesetz) (ArbEG), <b>industrial property rights</b> for which a patent has been filed or granted and/or know-how gained from <b>results</b> obtained after this Agreement entered into force
<b>Subject matter</b>	The subject matter of the Agreement defined in Clause 2 also includes a definition of of the Agreement the field of use in which the <b>results</b> may be used
<b>Contract territory</b>	*** [fill in as applicable –to be perceived in geographical terms]

## 2. Subject matter of the Agreement

- 2.1 The subject matter of the Agreement shall be the joint implementation of the following contract research\*\*\*. *[please be very specific about the details (inter alia because of the importance of **results** gained within the meaning of the Agreement)].* The **results** of the latter may apply to the following area (*hereinafter referred to as: “field of use”*): \*\*\* *[please provide very specific details, as the field of use is relevant for the usage authorization of the industry partner]*
- 2.2 This **subject matter of the Agreement** and the exact scope of the work to be performed by the university/research institute shall be specified in the research schedule attached as Annex 1 to this Agreement. This research schedule shall be updated on the basis of ongoing developments as coordinated by the contracting parties. The latest version that must be signed by all contracting parties shall apply. If, however, amendments to contractually agreed services become necessary that involve more than a mere adjustment of the research schedule, Clause. 3.7. shall apply.

*[N.B.: To the extent that the Agreement and/or the results exclusively or mainly focus on copyrightable creations (for instance, product design, software), associated industrial property rights (for instance, 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 sample agreement is not applicable. In such cases, the conclusion of individual contracts containing specific provisions, especially regarding rights of use, design application, defense of industrial property rights and remuneration is necessary.*

## 3. Performance of work

- 3.1 The contracting parties shall perform the work to the best of their ability based on cutting-edge science and technology using their own existing know-how and experience gained during the cooperation in close contact with each other.
- 3.2 The contracting parties shall provide each other with all of the information needed for the performance of the work following prior coordination. Any documents, objects or other resources which one of the contractual parties needs in order to perform the work shall be provided by the other contracting party as a loan. They shall be used exclusively for the purposes of performing the work and shall be returned to the respective contracting party at the latter’s request after the work has been completed.

- 3.3 The contracting parties shall permit each other to see any **results** that have been achieved at all times upon request.
- 3.4 Neither of the contracting parties shall be entitled to commission third parties with the implementation of partial tasks without the other contracting party's consent.
- 3.5 Neither of the contracting parties shall have the right to represent the other contracting party with respect to any legal relations or to issue legally binding declarations on the other contracting parties' behalf. No steering groups, working groups or similar groups that might potentially be set up by the contracting parties shall have the right to represent the other contracting party or all of the contracting parties with respect to any legal relations or to issue legally binding declarations on the other contracting parties' behalf unless this is expressly regulated 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 diary consisting of
- Minutes of meetings and exchange of correspondence
  - Clearance protocols
  - \*\*\* *[fill in as applicable]*.

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

Each contracting party shall consult the steering committee initially to solve any conflicts that may arise.

The steering committee shall include the following persons:

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

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

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

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

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

### 3.7 Amendments to contractually agreed services

If it becomes apparent during the implementation of the Agreement that the research plan needs to be amended to facilitate changes by the university/research institute the contracting parties agree on the following:

- 3.7.1 If the university/research institute is responsible for amendments that need to be made to contractually agreed services, it shall adapt its services accordingly at its own expense.
- 3.7.2 In cases in which the industry partner is responsible for amendments that need to be made to contractually agreed services, the university/research institute shall have the right to request, prior to amending individual contractually agreed services, that a written amendment agreement be concluded, which shall regulate, in particular, the issue of appropriate additional remuneration and the amended deadline. Without any such agreement, the subject matter of the Agreement shall remain unchanged.
- 3.7.3 In all other cases, the university/research institute shall have the right to request, prior to amending individual contractually agreed services, that a written amendment agreement be concluded, which shall regulate, in particular, the issue of appropriate additional remuneration and the amended deadline. Without any such agreement, the subject matter of the Agreement shall remain unchanged.

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

- The contracting party requesting that amendments be made shall specify precisely what technical/organisational amendments need to be made.
- The contracting party shall then outline how the amendment will affect the scope of service, the quality, schedule 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 amendments, in particular recording any delays in the schedule, quality differences and, if applicable, any additional payments to be made.
- This Agreement shall only become effective once it has been signed by all contracting parties.

## 4. Deadlines

The deadlines for the completion of 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 subject to coordination by the contracting parties.

## 5. Old rights

5.1 In principle, the **old rights** shall remain the property of the respective holder.

5.2 All contracting parties shall notify each other and keep each other informed on an ongoing basis of any such **old rights** including those over which they have the power of disposal despite not being the holder (e.g. because these rights have been assigned to a patent utilisation agency of an university), to the best of their knowledge, exercising the necessary care and in full if these old rights are likely to be necessary for the utilisation of the **results**. The obligation to provide information shall also encompass information whether and to what extent the respective holder faces limitations in using these **old rights**, for instance, due to third parties being entitled to use them.

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 If the university/research institute is in a position to grant usage authorization of old rights required for the commercial use of the **results**, the university/research institute shall grant the industry partner a non-exclusive licence on reasonable terms in accordance with industry standards within the framework of the subject matter of the Agreement.

*[in case of public funding, i. e. under Wipano, this is to be accorded with funding rules]*

## 6. New rights

Insofar as New rights are the subject of the results, the contracting parties distinguish between inventions/patents/utility models (in this clause and in clause 8: inventions), copyrighted or design protected goods as well as Know-how as follows:

6.1 The contracting parties shall have the rights to inventions in substantive terms based on the distribution of their share in the invention on the basis of the following rules even if the contracting parties have made arrangements to the contrary with third parties in respect of Clause 8 regarding the applicant status. Reference is made to the provision regarding remuneration in clause 13.

6.1.1 Inventions by the industry partner

Inventions by the industry partner shall be any results generated exclusively by the industry partner's staff (hereinafter referred to as "industry partner inventions"). The industry partner shall have all rights to these inventions.

*[For joint results/University New Rights, the following alternatives are available:]*

Alternative 1:

6.1.2 Joint inventions

Joint inventions shall be the results achieved by the staff of the university/research institute together with staff of the **industry partner**, if the share of the university/research institute's staff in the invention is 50 percent or less (hereinafter referred to as "joint New Rights"). Regardless of the regulations set forth in Clause 8 on patent applications, the industry partner shall have all substantive rights to these inventions.

6.1.3 University New Rights

University New Rights shall be any invention in which the university/research institute's staff have a share of more than 50 percent (hereinafter referred to as "University New Rights"). The university/research institute shall have all the rights to any such inventions.

Alternative 2: (Joint ownership)

6.1.2 Joint inventions

Joint inventions shall be the results achieved by the staff of the **university/research institute** together with staff of the **industry partner** and whose respective shares in the invention cannot be registered as an industrial property right separately by the contracting parties, the contracting parties jointly have the right in an industrial property right (hereinafter referred to as "joint inventions"). The contracting parties shall regulate the administration and usage (among others, registration, maintenance, implementation, utilization, transfer and licensing) of the joint New Rights in a separate contract.

6.1.3 University inventions

University inventions shall be inventions, exclusively developed by university/research institute staff (hereinafter referred to as: "university inventions"). The university/research institute shall have all the rights to any such inventions.

*[Clause 6.2. only in the case of Alternative 1]*

6.2 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 after their development.

6.3 In case of a registration in accordance with clause 8, the university/research institute shall give the industry partner the exclusive option to obtain an exclusive, global and unlimited licence (with the right of sub-licensing) to use the university inventions within the scope of the subject matter of this Agreement. The industry partner shall have the right to avail of this option by issuing a written declaration vis-à-vis the university/research institute within ten (10) months after filing a patent application for the relevant results achieved by the university/research institute. The contracting parties shall subsequently negotiate a license agreement on the terms specified in Clause 13, acting in good faith, whereby shall be assured that the university/research institution receives an appropriate remuneration. The industry partner shall have the right to request the university/research institute to extend the deadline in relation to this option on reasonable terms, to be agreed in each individual case.

- 6.4 In order to ensure the allocations pursuant to Clause 6.1 are effective, each contracting party undertakes, if necessary, to avail fully of any inventions or to transfer them onto themselves, respectively, on the basis of the rules set forth in Clause 8.
- 6.5 The university/research institution undertakes to desist from incorporating additional employees who come under the scope of application of Section 42 subsection 2 of the German Employee Inventions Act into the **subject matter of the Agreement** until they have taken on the obligations ensuing from this Agreement by issuing a declaration based on the sample declaration attached as Annex 3. The contracting parties have already specified in Annex 4 which staff of the university/research institute who come under the scope of application of Section 42 of the German Employee Inventions Act are to be involved in the performance of the Agreement. Relevant declarations by these persons shall be attached to this Agreement based on the sample declaration attached as Annex 3.
- 6.6 Furthermore, the university/research institute shall desist from involving third parties in the subject matter of this Agreement until they have accepted the obligations incumbent upon the university/research institute ensuing from this Agreement mutatis mutandis and above all have ensured the relevant assignment of their rights to results to the university/research institute and have ensured that any confidential obligations vis-à-vis the contracting parties shall be observed accordingly.
- 6.7 The research and teaching activities as well as the experimental privilege according to paragraph 11 PatG of the university/research institute shall not be affected by this Agreement. It shall therefore have a non-exclusive, non-transferable right to use the results for these research and teaching activities. The contractual regulations governing the obligation to maintain secrecy concerning **results** shall not be affected by this. If the university/research institute wishes to use the – still confidential and non-published – **results** within the framework of further research with other commercial and non-commercial partners within the scope of the subject matter of this Agreement, this shall require the industry partner's written consent. The industry partner shall not refuse to give its consent on unreasonable grounds, acting in good faith.
- 6.7a Insofar as the previous provisions concern Know-how, every contract partner remains authorized to use the Know-how. Reference is made to the provisions regarding confidentiality in section 15.
- 6.8 If inventions are made in territories that do not relate to the **subject matter of the Agreement** during the performance of the Agreement, the contracting party who made the invention shall be entitled to these rights, but in the event that the industry partner is interested in utilising these inventions, the university/research institute shall offer the industry partner a non-exclusive licence on reasonable terms in accordance with the industry standards.
- 6.9 As far as the above provision in paragraph 6 concern **Results** which are copyrightable or fall under associated industrial property rights and are necessary for the utilization of the inventions subject to this Agreement, the above provisions are to be understood that way. As far as a transfer is legally not possible, the above wording is to be understood as a concession to their extent, as far as the purpose of this Agreement requires, identical to the extent of the transfers of the industrial property rights forming the actual subject of the Agreement, i.e., patents.

*[Annotation: If the Results, which are necessary for the utilization of the inventions subject to this Agreement, encompass Software in the sense of paragraphs 69a ff. UrhG, the following additional regulation areas are to be covered: management of the access to the source code, specification of the scope of the utilization of the Software (Uebertragungszwecklehre), relationship to third party software, especially Open Source Software.]*

- 6.10 As far as the Results contain services that can be protected as design and Community Designs, which are necessary for the utilization of the inventions subject to this Agreement, the following applies:



The university transfers the right to apply for registration and to use the designs in their own name as national and/or international designs and Community Designs, when and insofar as the design and/or Community Design is necessary for the achievement of the purpose connected to the research project. The designers are to be named as such at the time of application.

As a precaution in the case of the absence of application the university transfers the right to utilize the designs after their initial release in the European Union as non-registered Community Designs, when and insofar as the utilization is necessary within the frame of the purpose connected to the research project. The industry partner shall be regarded as the owner of the right in the non-registered Community Design even if the university or the inventor have undertaken an initial release.

## 7. Freedom of disclosure and non-disclosure

- 7.1 The university informs the industry partner immediately in case a member of the university exercises his right of non-disclosure regulated in paragraph 42 number 2 ArbEG.
- 7.2 The contracting parties agree that the university/research institute has an interest in publishing the **results** of their research and to distribute them on a non-exclusive non-discriminatory basis. They wish to make allowances for this interest, on the other hand they also wish to take the interests of the industry partner into account who may be interested in not disclosing the **results**. The university/research institute therefore undertakes vis-à-vis the industry partner to desist from disclosing the **results** without the latter's written consent and from giving third parties access to them, for instance, as part of so-called peer reviews as long as the results are subject to the obligation to maintain secrecy set forth in Clause 15. The university/research institute therefore undertakes to submit any manuscripts to be used for presentations or publications to the industry partner for inspection at least six (6) weeks prior to publication or this presentation. At the same time, the university/research institute undertakes to inform the industry partner precociously, whether and to what extent academic final papers are affected by the **subject matter of this Agreement**.

If the industry partner notifies the university/research institute within three (3) weeks of receiving these documents, with the university/research institute having pointed out this 3-week grace period, that it deems the publication or presentation may affect its interests in keeping the results secret, the university/research institute shall either desist from publishing or presenting the results or shall remove any information the industry partner requires to be kept secret. Notwithstanding this, the university/research institute shall be deemed to have given its consent to publication and/or presentation if the industry partner fails to make a representation to the university/research institute after receiving a further reminder pointing out the consequences of remaining silent and setting a fourteen (14)-day deadline.

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

The contracting parties shall strive to protect the **results** by way of **industrial property rights** in respect of the performance of the Agreement. This shall not affect the industry partner's basic right of disposition in respect of the **results** if it has substantive rights pursuant to Clause 6. The following rules shall apply to the registration of inventions: The contracting parties shall notify each other forthwith of complete patent applications they have received. Having coordinated the respective contracting parties' shares in the invention, 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 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 patent application whether and to what extent it intends to submit an initial priority application. If the industry partner fails to make a representation or to give its consent to the assignment of rights within this grace period, the university/research institute shall be entitled to the substantive rights to the relevant invention made by the university/research institute 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 of the German Employee Inventions Act (Arbeitnehmererfindungsgesetzes) (ArbEG). If in any such event the university/research institute refuses to release the invention, it shall grant the industry partner a non-exclusive, global, irrevocable, non-transferable, right to use the relevant invention and any industrial property rights resulting from it and any industrial property rights resulting from it on reasonable terms that is sub-licensable to connected companies.
- 8.2.2 *[Upon conclusion of the Agreement, 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 through the legal fiction that the invention has been claimed pursuant to Section 6 subsection 2 of the German Employee Inventions Act that the consequences of claiming the invention take effect or shall claim the invention pursuant to Section, 6 subsection 1 of the German Employee Inventions Act. The industry partner shall then file the initial priority application itself forthwith or have it filed by a lawyer or patent lawyer on behalf of the university/research institute and on its own behalf. The industry partner shall be in charge of proceedings and shall have the right to formulate all texts and claims and to conduct all inspection 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 through the legal fiction that the invention has been claimed pursuant to Section 6 subsection 2 of the German Employee Inventions Act that the consequences of claiming the invention take effect or shall claim the invention pursuant to Section, 6 subsection 1 of the German Employee Inventions Act. The university/research institute shall then file the initial priority application on behalf of the university/research institute and of the industry partner (Clause 9). The university/research institute undertakes to commission a lawyer or patent lawyer appointed by the industry partner in accordance with Clause 8.2.1 sentence 1 to file this patent application. If the industry partner has failed to commission a lawyer or patent lawyer to file this application in accordance with Clause 8.2.1 sentence 1, the university/research institute shall appoint a lawyer or patent lawyer. The industry partner shall decide on the content of the application.

*[Alternative to 8.2 in case of Joint ownership (Alternative 2 in clause 6) has been chosen]*

## 8.2 Rights to joint inventions

- 8.2.1 Within \*\*\* days *[fill in as applicable]* after receipt of the patent application by both contracting parties, they will inform the respective other contracting party in writing, if and to which extent they intends to submit an initial priority application. If one contracting party fails to give their consent within the grace period, the property rights regarding the respective invention belong to the other contracting party and are transferred to them from the waiving contracting party. The contracting party, to whom the invention has been transferred is then entitled to release the invention or alternatively to agree with the inventor(s) that no patent application needs to be filed pursuant to Section 13 of the German Employee Inventions Act (Arbeitnehmererfindungsgesetzes)

(ArbEG). If in any such event they refuse to release the invention, they shall grant the waiving contracting party a non-exclusive, global, irrevocable, non-transferable, yet sub-licensed right to use the relevant invention and the therefrom resulting industrial property rights that are sub-licensable to related companies under appropriate conditions. Otherwise \_\_\_\_\_ grants the industry partner such a right of usage. As far as both contracting parties fail to give their consent within the grace period, they will agree if the invention may be released or if it may be agreed with the inventor that no initial priority application has to be made.

8.2.2 *[For the processing of the application, the following alternatives can be selected by the contracting parties at the time of the contract conclusion:]*

If a contracting party wishes to file an initial priority application, the other contracting party shall desist from releasing the invention but shall ensure through the legal fiction that the invention has been claimed pursuant to Section 6 subsection 2 of the German Employee Inventions Act that the consequences of claiming the invention take effect or shall claim the invention pursuant to Section 6 subsection 1 of the German Employee Inventions Act. The non-waiving contracting party shall then file an initial priority application immediately themselves or through an attorney or patent agent ordered by them on behalf of both contracting parties. The non-waiving contracting party is in charge of the proceeding and entitled to draft all texts and demands as well as to conduct the audit procedure. As far as both contracting parties wish to file an initial priority application, both parties shall desist from releasing the invention but shall ensure through the legal fiction that the invention has been claimed pursuant to Section 6 subsection 2 of the German Employee Inventions Act that the consequences of claiming the invention take effect or shall claim the invention pursuant to Section 6 subsection 1 of the German Employee Inventions Act. Subsequently both contracting parties will coordinate regarding the initial priority application and as appropriate conduct together or through an attorney or patent agent ordered by them on behalf of both contracting parties.

8.3 **Rights** to results achieved by the university/research institute

8.3.1 The industry partner shall notify the university/research institute in writing within \*\*\* days *[fill in as applicable]* of receiving the patent application whether and to what extent it intends to submit an initial priority application. If the industry partner fails to make a representation or to give its consent within this grace period, it shall be at the discretion of the university/research institute to use the relevant invention.

8.3.2 If the industry partner wishes to file an initial priority application, the university/research institute shall utilise the invention accordingly without any restrictions. The university/research institute shall then file the initial priority application on behalf of the university/research institute. The university/research institute and the industry partner shall agree to commission a lawyer or patent lawyer to file this application. The contracting parties shall decide on the content of the application.

*[Alternative to 8.3. in case of joint ownership (Alternative 2 under Clause 6) has been selected:]*

8.3.3 **Rights** to results achieved by the university/research institute

The registration of New Rights regarding university/research institute New Rights resides solely with the university/research institute.

8.4 The contracting parties undertake to help the entitled contracting party to submit and obtain in particular all of the necessary declarations and signatures in good time, ensuring that the information provided is factually correct, when obtaining new rights. The contracting parties shall incidentally desist from undertaking 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 commission a company exploiting industrial property rights to handle the application and shall therefore provide this company, insofar as necessary, with information to which it

has access within the framework of this Agreement provided that the company exploiting industrial property rights has undertaken vis-à-vis the university/research institute to treat the information as confidential in accordance with the provisions set forth in this Agreement.

## 9. Applicant status in respect of joint New Rights; fiduciary relationship

- 9.1 The university/research institute and the industry partner jointly shall be the university/research institute jointly with the industry partner in any case, unless the university/research institute waives its right to do so vis-à-vis the industry partner in writing until the latter makes its representation pursuant to Clause 8.2.2. The university/research institute herewith waives its right, unless the share of the staff 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 shall merely be that of a trustee acting on the industry partner's behalf in respect of joint results. In the relationship between the university/research institute and the industry partner, it shall be exclusively the latter that shall be entitled to new rights. The university/research institute shall therefore follow instructions issued by the industry partner regarding the exercising of rights ensuing from the application and the rights ensuing from the new right.
- 9.3 Once eighteen (18) months have elapsed since the application date, the university/research institute shall assign its share of the application to the industry partner forthwith or if the relevant new right has already been granted its share of the new right 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  
*[Upon conclusion of the Agreement, the contracting parties shall choose from the following alternatives:]*

*[Alternative 1, this applies in particular to companies operating at international level]:* 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 patent applications.

The industry partner shall be at liberty to surrender **new rights** to joint results in full or in individual countries at any time or to refrain from pursuing the application proceedings in other countries.

*[Alternative 2, this applies in particular to companies operating at regional level]:* The industry partner shall notify the university/research institute within ten (10) months of the application date whether it intends to file a priority application and if so for what countries.

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

If the industry partner is planning to surrender individual **new rights** in full or in individual countries, it shall give the university/research institute the option of taking over parts of the inventions being returned to the industry part-

ner two (2) months in advance free of charge. The university/research institute shall indicate within one (1) month of receiving this notification whether it is willing to take over the relevant industrial property right. In the event that it is, the industry partner undertakes to issue all the necessary declarations forthwith. If the university/research institute fails to respond to the notification within one (1) month, it shall waive its right to take over the relevant industrial property right.

#### 10.2 Applications and surrender of industrial property rights in respect of results achieved by universities

Any applications filed in other countries and surrender of industrial property rights in respect of results achieved by universities shall be the subject matter of the terms of the licence to be negotiated pursuant to Clause 6.3 in the event that this option is exercised. If the industry partner does not avail itself of the option pursuant to Clause 6.3, the university/research institute shall decide at its own discretion for what countries it will file any such patent applications.

## 11. Patent costs

### 11.1 Industry partner results

Any costs incurred by the application, retention, defence and enforcement of new rights in relation to industry partner results shall be borne by the industry partner.

### 11.2 Joint results

Any costs incurred by the application, retention, defence and enforcement of **new rights** shall be borne by the industry partner, unless the latter has reassigned its substantive right to them to the university/research institute pursuant to Clause 8.2.1. The university/research institute shall bear the costs incurred after any such rights have been assigned to it.

### 11.3 Results achieved by the university/research institute

All costs incurred by the applications filed for new rights to results achieved by the university/research institute at the industry partner's request shall be borne by the industry partner. If the industry partner wishes to exercise its right pursuant to Clause 6.3, it shall bear any further costs incurred by the exercising of this option. If the industry partner does not express any wish to file a patent application pursuant to Clause 8.3.1 but wishes to avail of this option, the university/research institute shall reimburse it for any costs incurred by the relevant new right up to then and shall also bear any further costs incurred by this new right and for additional patent applications or patent validations. If the university/research institute has agreed to extend the option period pursuant to Clause 6.3, the industry partner undertakes to cover the costs incurred by any such patent applications or patent validations.

## 12. Remuneration for work

The university/research institute shall receive remuneration under appropriate conditions in accordance with industry standards from the industry partner for the research cooperation including the material and the use of all facilities required for the performance of this Agreement as specified in Annex 6 and, if applicable, Clause 13 in Alternative 2.

## 13. Remuneration for industrial property rights and Know-how, where appropriate

### *Alternative 1: overall remuneration model*

13.1 The remuneration pursuant to Clause 12 shall also include fees for old and **new rights**. When specifying the share of the above-mentioned remuneration in relation to the old and new rights, industry-specific features and experience regarding the number and economic value of inventions likely to be made during the performance of the Agreement, including the licensing fees commonly charged for licensing in the relevant industry shall be taken into account so that the university/research institute may derive the full benefits of the industrial property rights.

13.2 If the university/research institute has assigned one or several **rights** to the industry partner subject to terms and conditions or has granted a licence in relation to them meaning that the agreed remuneration (Clause 12) is evidently disproportionate to the direct proceeds and benefits generated from utilisation of the new right, taking the contractual relationship between the university/research institute and the industry partner into account, representing a significant change in the inherent purpose of the Agreement, the contracting parties shall amend the Agreement at the request of the other contracting party in order to ensure that the university/research institute is accorded adequate participation. If the contracting parties had foreseen that these circumstances may arise subsequent to conclusion of the Agreement, the entitlement shall not apply.

*Alternative 2: lump sum model*

13.1 Industry partner results (share of the university/research institute in the invention <50 percent)

13.1.1 If the employees' of the university/research institute share in the invention is less than fifty (50) percent, the industry partner shall pay the university/research institute a contribution towards the costs for the New industrial property rights of €\*\*\* [fill in as applicable] \*\*\* days [fill in as applicable] after an initial application has been filed for the new rights but at the latest after \*\*\* months [fill in as applicable] following notification by 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:

*[Upon conclusion of the Agreement, the contracting parties shall have a choice of the following remuneration alternatives:]*

*[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 starts using them for commercial purposes. The amount shall increase to € \*\*\* [fill in as applicable], if the industry partner starts using them for commercial purposes more than \*\*\* years [fill in as applicable] after the initial application is filed. The industry partner may also offset the latter by paying 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 undertakes to make a further payment for each patent family if the following turnover thresholds are reached:

up to € [...] revenue generated from the invention € [...]

from € € [...] to € [...] revenue 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 (inventions in respect of which the university/research institute and industry have a 50 percent share)

In the event that joint results are achieved with the university/research institute's share in the invention accounting for fifty (50) percent, the remuneration shall be paid pursuant to Clauses 13.1.1 and 13.1.2, with the amounts quoted in these clauses being multiplied by the factor \*\*\* [fill in as applicable].

13.3 **Results** achieved by the university/research institute

In the event that results are achieved by the university/research institute and that a licence agreement is concluded, the industry partner shall pay the university/research institute a fee yet to be negotiated/the following fee, taking its share in the invention into account: \*\*\* [if applicable, incorporate prior to conclusion of the Agreement].

The remuneration shall comprise one or several lump sum payments or a reasonable licence fee based on the net revenue generated by the industry partner or its sub-licensees from sales using products or services generated from the **results** achieved by the university/research institute. The amount of any such remuneration shall be based on the type and scope of the utilisation possibility and the respective financing contribution of the contracting parties to the research project, taking all circumstances into account.

#### 13.4 Accounting

The industry partner shall settle its accounts and shall pay every six months within sixty (60) days of the six-month period ending (on 30 June and 31 December respectively) in the event that it has a licence credit. Any commission which sub-licensees are charged and pay to the industry partner shall be paid within two (2) months of receiving the relevant invoice, if applicable, deducting any taxes payable and shall be paid in the event of a licence credit. The settlement of accounts shall meet the following requirements: \*\*\* *[fill in as applicable]*

All payments shall be made in euro. 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, if applicable, after deducting withholding tax or similar taxes 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 accounts by its sub-licensees unless they are companies that are affiliated with the group.

The university/research institute shall have the right to have the industry partner's billing documents inspected by third parties subject to professional secrecy at the industry partner's registered office within a period of three (3) years after receiving the relevant invoice at its own expense after arranging a convenient date and, if applicable, shall have the right to object to the accuracy of the invoice. If the book-keeping reveals a deviation of more than three (3) percent to the benefit of the university/research institute, the industry partner shall bear the costs of book-keeping. Furthermore, it undertakes 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 inventive teaching, in particular the types of use set forth in Section 9 of the Patent Act (Patentgesetz). If the use consists in the industry partner merely using the industrial property rights/patent family within the framework of a patent licence exchange 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 assure each other mutually that the information provided for the calculation of the remuneration provided in accordance with this number meet the requirements of the applicable law on state aid and budget. In case the remuneration contains against all expectations an unlawful state aid, the contracting parties agree that the remaining contract provisions shall remain valid irrespective of an eventual nullity of the agreed upon remuneration. The contracting parties undertake to adapt the remuneration going against state aid to remuneration free of aid. The decisive time is the time of the conclusion of the contract.

## 14. Mediation, arbitration

14.1 Any disputes arising from this Agreement or from subsequent amendments to this Agreement or in relation to the Agreement including (but not restricted to) the emergence, validity, binding effect, interpretation, implementation, violation or termination thereof as well as non-contractual claims but also regardless of whether a case scenario as

outlined in Clause 13.2 exists or how high adequate participation is, shall be subject to 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 within sixty (60) days of commencement of the mediation process by way of mediation, they shall be subject to the arbitration process following submission of a request for arbitration by one contracting party pursuant to the rules of World Intellectual Property Organization (WIPO) Arbitration Rules and shall be adjudicated upon 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 contracting party pursuant to the World Intellectual Property Organization (WIPO) Arbitration Rules and shall be adjudicated upon definitively by way of arbitration. The arbitral tribunal shall comprise one/three *[fill in as applicable]* arbitrators. The place of the arbitration process shall be \*\*\* *[fill in as applicable]*. The arbitration process shall be conducted in German. The dispute shall be settled under German law.

## 15. Confidentiality

The confidentiality agreement dated \*\*\* *[fill in as applicable]* that exists between the contracting parties in respect of secrecy shall continue to apply/shall be abrogated *[delete what is not applicable]*. Furthermore, the contracting parties shall undertake to maintain secrecy concerning any information made available to them by the other contracting party in connection with this Agreement that is considered to be confidential or under other circumstances is obviously identifiable as a contracting party's business or company secrets for an indefinite period/ \*\*\* years *[fill in as applicable]* and – unless required in order to fulfil the purpose of the Agreement – neither to record nor to pass on or use this information, and to apply measures regarding confidentiality appropriate under the circumstances. They shall ensure, by making suitable contractual arrangements with the employees who work for them and other third parties, that the latter also refrain from their own exploitation or unauthorised recording of such business or company secrets for an indefinite period/ \*\*\* years *[fill in as applicable]*.

The above obligations do not apply to information, regarding which the contracting party receiving the information proves that:

- He knew of the information at the time of notice;
- The information is public on the day of notice of will be public thereafter without a violation of this Agreement by the receiving contracting party;
- He has been notified of the information by a third party, unless the receiving contracting party is aware that with this notification, the third party has violated its confidentiality obligation with regards to the notifying contracting party;
- Independently of the notifying contracting party and has been developed without utilization of confidential information from the notifying contracting party or
- The information has to be disclosed due to a mandatory administrative judicial 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, the state-of-the-art known to it during performance, making optimum use of the stage of scientific knowledge.

16.2 In the event of a warranty, the industry partner shall give the university/research institute the opportunity to enhance its performance.



- 16.3 The university/research institute shall conduct research in the field of applied research and shall endeavour to break new ground in technology. The associated risks mean that research and development goals may not be reached at all or in full. The university/research institute shall not under any circumstances furnish any guarantees and/or make any such assurances regarding the subject matter of the Agreement.
- 16.4 Both contracting parties are aware of the risks associated with the revocation of a patent. The revocation of a **patent** shall not affect the validity of this Agreement. The entry into force of a decree of nullity shall not entitle the contracting party eligible under this Agreement to terminate this Agreement either. Claims to withdrawal and/or compensation are explicitly ruled out.
- 16.5 Except in cases of full awareness or lack of awareness owing to gross negligence, the respective contracting party shall not be liable for the future continued existence of the industrial property rights or for a certain protection area under this Agreement. Likewise, the respective contracting party shall not be liable for the prejudicial rights of third parties unless it was aware of them or remained unaware of them owing to gross negligence.
- 16.6 The respective contracting party shall not be liable for any performance deficiencies such as a lack of technical feasibility or usefulness unless it was aware of them or remained unaware of them owing to gross negligence. The respective contracting party shall not be liable for the financial usefulness of the patent either.
- 16.7 Pursuant to Section 311 a subsection 2 of the German Civil Code, claims to compensation in lieu of performance due to the obstacle to performance already existing when the Agreement is entered into or to quality deficiencies shall be limited to reliance costs.
- 16.8 Reciprocal claims to compensation by the contracting parties shall be limited to damages for typical loss/damages. Any entitlement to compensation for lost profits shall be explicitly ruled out. These limitations shall not apply if either of the contracting parties has acted wilfully or with gross negligence.
- 16.9 The above-mentioned limitations of liability shall not apply to cases involving injury to life, limb and health or to claims under the Product Liability Act (Produkthaftungsgesetz).

## 17. Defence of and 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 notify the other contracting party of any third-party infringements of or challenges to industrial property rights which come to their attention.

## 18. Marketing

The contracting parties shall agree if cooperation with the university/research institute and the project manager shall be pointed out in the marketing of products and services ensuing from the **results** of this Agreement.

## 19. Duration of the Agreement and regulations governing the time after the Agreement has come to an end

- 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 object of the Agreement has not been reached by this time, the contracting parties shall agree to extend the cooperation by mutual consent.
- 19.2 Premature termination of the Agreement shall be ruled out. Termination without notice for important reasons shall be the only termination option available pursuant to statutory regulations. An important reason shall exist, in particular, if
- 19.2.1 facts exist due to which the contracting party terminating the Agreement cannot be reasonably expected to continue with the Agreement, taking into account all the facts of the individual case and weighing up the interests of both contracting parties.;
  - 19.2.2 major changes occur in the legal status or in the distribution of ownership or there are changes in the composition of management of a contracting party, making it unreasonable 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 assists third parties with any such challenge.
- 19.3 If the regulatory content of individual provisions of this Agreement extends beyond the duration of the Agreement, these provisions shall continue to be effective even after the Agreement has expired.

## 20. Export controls

The contracting parties undertake to comply with and to apply the relevant provisions regarding export control in the context of the conduct of work. Concerning the transfer of information or Know-how, the transferring contracting party is obliged to notify the receiving contracting party of the assessment under the applicable laws regarding export control, especially under EU- and US-law in an unsolicited written form.

## 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 shall also apply to any changes to this Clause requiring the written form.
- 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 The place of performance and place of jurisdiction shall be **\*\*\***. [fill in as applicable, if the statutory requirements for agreement on jurisdiction are met (cf. Section 38 Code of Civil Procedure (Zivilprozessordnung) (ZPO) if mediation has not been selected above]
- 21.4 [if foreign partners are involved:] This Agreement and the interpretation thereof shall be subject exclusively to German law.

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

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

\_\_\_\_\_  
University/research institute

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

Seen by and taken due notice of:

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

\_\_\_\_\_  
Project Manager

**Annexes:**

- Annex 1: Research plan *[not attached, to be customised]*
- Annex 2: Schedule *[not attached, to be customised]*
- Annex 3: Sample declaration for employees of institutions of higher education
- Annex 4: List of employees of institutions of higher education/research institutes *[not attached, to be customised]*
- Annex 5: Countries in which patent applications are likely to be filed *[not attached, to be customised]*
- Annex 6: Remuneration *[not attached, to be customised]*

### Annex 3: Sample declaration for employees of institutions of higher education

#### Reference: Agreement \*\*\*

I, \_\_\_\_\_, shall participate in the contractually agreed work as an employee of the university within the framework of the above-mentioned Agreement in accordance with Section 42 of the German Employee Inventions Act.

The Agreement concluded between the university and the industry partner also contains rules governing the confidentiality of technical know-how and information to which the academics involved in the cooperation with the industry partner gain direct or indirect access. I therefore undertake to \*\*\* [industry-specific confidentiality clauses]

I also assume the following obligations arising from the Agreement:

1. My ownership of inventions made prior to commencement of the research project and the **industrial property rights** subsequently registered (hereinafter referred to as “**old rights**”) shall not be affected by this Agreement. If **old rights** were developed for the purpose of using **results** achieved exclusively by the industry partner’s staff (hereinafter referred to as “industry partner results”), **results** that were developed by the staff of the university together with the industry partner’s staff in respect of which the share of the university’s staff accounts for a fifty (50) percent share in the invention or less (hereinafter referred to as “joint results”) or of all other **results** (hereinafter referred to as “**results** achieved by the university”) availing 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 on terms standard in the market.
2. Upon conclusion of the Agreement, I assign in advance all rights to future results achieved within the framework of the subject matter of the Agreement to the industry partner provided they are inventions which have been released.
3. I shall retain a non-exclusive, non-transferable right to use the **results** for my research and teaching activities. This shall not affect the contractual regulations governing confidentiality. Furthermore, I shall have the right to use my **results** achieved as part of my research for or in cooperation with third parties only after obtaining the industry partner’s consent. The industry partner undertakes not to refuse to give its consent on unreasonable grounds, acting in good faith. This shall not include **old rights**, know-how that was available prior to conclusion of the Agreement or non-confidential objects.
4. I undertake vis-à-vis the industry partner to notify the university of all inventions and to identify the university’s respective share in the invention pursuant to Section 5 of the German Employee Inventions Act.
5. I waive my right of non-disclosure under Section 42 of the German Employee Inventions Act vis-à-vis the industry partner in relation to any **results** achieved in connection with the Agreement.
6. I undertake vis-à-vis the industry partner to desist from publishing the **results** or unless otherwise agreed from disclosing them to third parties without the industry partner’s consent – even prior to any publication, so long as the results are subject to the confidentiality clause in this Agreement. I shall submit any manuscripts to be used for verbal presentation or publication purposes (hereinafter referred to as “the publication”) to the industry partner for inspection at least six (6) weeks before it is passed on to third parties or prior to publication.

If the industry partner gives notice within three (3) weeks of receiving the manuscript that the publication is likely to affect interests in relation to secrecy, I shall ensure that the manuscript is not published or that any information

deemed confidential from the industry partner's perspective is deleted. Notwithstanding this, the consent to publication and/or presentation shall be deemed given if the industry partner fails to make a representation to me or vis-à-vis the university/research institute after receiving a further reminder pointing out the consequences of secrecy within fourteen (14) days.

7. If the university/research institute does not use the invention on the basis of a reassignment of rights regulated 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 help the contracting party entitled under this Agreement to obtain new rights, and in particular to submit all the necessary declarations in good time, ensuring that the information provided is factually correct, when obtaining new rights. In all other respects, I shall desist from taking any action that might be detrimental to the granting and retention of new rights.
9. This Agreement shall be concluded for the duration of my involvement in the research project designated in the "Subject". The regulations relating to inventions within the framework of this Agreement shall cease to apply upon expiry of the longest existing industrial property rights resulting from this cooperation. This obligation to observe secrecy and the obligation to submit manuscripts shall apply indefinitely/end \*\*\* years [fill in as applicable] after my involvement in the cooperation designated in the "Subject" ends.
10. If any of the provisions set forth in 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.

#### To insert examples to the annex "Remuneration"

- § 1: The research institute receives a fixed contribution to the incurring costs in the amount of  
\*\*\* EUR  
Plus the respective applicable value added tax. The value added tax is to be listed separately.
- § 2: the funds are transferred by the industry partner to the research institute's account after the conclusion of the contract on the basis of the accounting in the following way:  
\*\*\* EUR until one week before the commencement of the research  
\*\*\* EUR until \*\*\*  
\*\*\* EUR until \*\*\*  
The details regarding the payment modalities derive from the research plan.  
Individual statements regarding the expenses shall be forgone.
- § 3: In case of default of payment, the research institute is entitled to demand default interest in the amount of 8% above the base interest rate plus compensation of other verifiable damage caused by the delay from the industry partner.

#### Alternatively

- § 1 For the implementation of the referenced work, the industry partner provides means in the amount of maximum  
\*\*\* EUR  
Plus the respective applicable value added tax. The value added tax is to be listed separately.

§ 2 the funds are transferred by the industry partner to the research institute's account after the conclusion of the contract on the basis of the advance invoice of the research institute in the following way:

\*\*\* EUR until one week before the commencement of the research

\*\*\* EUR until \*\*\*

\*\*\* EUR until \*\*\*

Individual statements regarding the expenses shall be forgone.

§ 3 Record shall be kept regarding the use of the funds. After the project completion, the research institute provides the industry partner with a final invoice. Unused advances are to be reimbursed.

§ 4 In case of default of payment, the research institute is entitled to demand default interest in the amount of 8% above the base interest rate plus compensation of other verifiable damage caused by the delay from the industry partner.

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

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

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

\_\_\_\_\_  
Employee of the university

# Preliminary remarks

The group of experts has highlighted what it considers to be the three most important variants of agreements regulating sample agreements for cooperation between universities/research institutes on the one hand and industry partners on the other. These are agreements the prime subject matter of which is contract research, agreements fostering cooperation between universities/research institutes and industry partners as well as contracts for work or services.

The members of the group of experts assumed in relation to contracts for work or services that inventions resulting occasionally from contract research conducted for the performance of this Agreement, including know-how, tend not to be the subject matter of the Agreement and that any industrial property rights and relevant know-how – contrary to rights in relation to the results which are part of the subject matter of the Agreement – should not be assigned to the industry partner, but to the partner who created the invention. By contrast, it is specifically agreements on contract research and on research cooperation that focus on the assignment of industrial property rights and know-how and in general on the results of the research, referred to in this context as results. The group of experts decided in the course of discussions to offer two equal variants, namely a variant in which the results are, by and large, licensed by the university/research institute and a variant in which the results are assigned to the industry partner including any industrial property rights and patents in particular in both cases.

Against this backdrop, the information provided in the following is not to be construed as commentary within the meaning of legal commentary but rather as an explanation for those who were unable to participate in the intensive discussion carried out among the group of experts. This text is primarily intended to explain what the individual regulations mean and why the group of experts chose the relevant options.

## Contracting parties

The comments about contracting parties are mentioned first in order to highlight the importance that is attached to the selection of contracting parties. Research funded by third parties can result in several persons being involved as contracting parties. It is therefore essential to take the specific individual circumstances of the parties involved into account in respect of each individual project. These could,

for instance, involve the authorisation of the industry partners or university/research institute to act, refer to the project manager to be appointed or could be based on the fact that several project managers are working together.

Heightened attention also needs to be paid to selecting the contracting parties because project managers in particular have rights ensuing from simple laws and also from the German Basic Law. The freedom of university lecturers in relation to research and teaching enshrined in Article 5 para. 3 of the German Basic Law and the statutory amendment of Section 42 of the German Employee Inventions Act is juxtaposed with the industry partner's interest in contracts giving university lecturers tenure. Owing to the guarantee of freedom enshrined in Section 42 of the German Employee Inventions Act, universities/research institutes only have a limited right to issue instructions to professors, lecturers and academic employees. Section 42 of the German Employee Inventions Act grants the basic right of non-disclosure to professors, lecturers and academic employees at universities. Owing to these freedoms, industry partners are understandably keen to ensure university teaching staff are bound by contracts: industry partners should be aware of this when selecting their contracting parties. Contracts for works and services constitute an exemption to which the following information does not apply owing to the lack of regulation governing the utilisation of industrial property rights for commercial purposes.

The members of the group of experts have emphasised that the agreements on research projects funded by third parties do not necessarily have to be concluded between three parties in one contract document. Rather it is also conceivable that two copies of the agreement on the same project be signed, one between the industry partner and the university/research institute, the other between the industry partner and the project manager. It is noted that the three contract modules proposed here were drawn up for agreements involving three parties. The group of experts opted for agreements involving three parties in order to ensure the wording was clear. It is emphasised once again that the industry partner should know in advance which persons will be managing the project in order to ensure subsequently that these persons are bound by contract. The aim of the industry partner is, after all, to ensure it can utilise the project results achieved for commercial purposes. To this end, it needs to be ensured that the rights to the results, including the rights of the project manager, are covered as extensively as possible by the Agreement.

## 1. Definitions

The group of experts decided to position the definitions of the most important terms at the beginning of the sample agreements. In doing so, they are following common practise at EU level and Anglo-Saxon law in some places. The definitions applying to industrial property rights and know-how originate from the Commission Regulation (EC) of 27 April 2004 on the application of Article 81(3) of the Treaty to categories of technology transfer agreements. In all other respects, they define the results, new rights and old rights and last but not least the subject matter of the Agreement in particular including the area of application (in substantive terms) of the contract territory.

It is noted at this point that the scope of the field of use to be defined specifically in Clause 2 needs to be taken into account when the issue of remuneration is negotiated in Clause 13 (or Clause 12 in respect of licence variant).

## 2. Subject matter of the Agreement

The importance of defining the subject matter of the Agreement in detail cannot be rated highly enough. The contracting parties need to realise that the project can only be successful if they not only cooperate well in the subject matter itself but above all if the desired result of the project is described in detail. A sample of a conceivable subject matter of the Agreement is included in Clause 2 of the contractual modules. This proposal needs to be modified in each individual case. It is recommended that the wording of the subject matter of the Agreement be attached as an Annex, for instance, in the form of a research plan.

The contractual modules are worded in such a way that they relate primarily to projects the results of which – if they are relevant in terms of industrial property rights – are inventions and know-how. The reason why sample agreements need to be drawn up specifically for this case scenario can be attributed to Section 42 of the German Employee Inventions Act on the one hand which only applies to inventions in the first place and to the special features that apply to the inventions of employees in the relationship between the university/research institute and the university lecturer making the invention on the other. Research projects can also be aimed at creating copyright works if, for instance, they involve the development of databases or computer programmes. These are only covered by contractual modules if they were imple-

mented using computers which, in principle, makes them patentable inventions and know-how. Specific agreement on works benefiting from copyright protection ought to be and need to be exempt from the proposals, cf. the direct comments in Clause 2.

The (substantive) field of use plays a special role in respect of the results achieved in connection with the assignment of rights in the individual types of agreements. In the case of contract research, both contracting parties should focus particularly on negotiating this issue as it has an immediate impact on the assignment of rights and is naturally also associated with the issue of remuneration (Clause 13 and Clause 12 with the licence variant)). The broader the definition of the field of use, the more rights are assigned to the industry partner, either by way of assignment of rights or by issuing a licence.

The contract territory which is to be perceived in geographical terms also needs to be defined – globally, restricted to the Federal Republic of Germany or confined to a special list of countries. This definition is of paramount importance especially when licence agreements are concluded.

## 3. Performance of work

The group of experts wishes to highlight one issue particularly for the benefit of smaller and medium-sized industry partners. In addition to the specifications on old and new rights that are at the core of the contractual modules and will be outlined in detail below, the following regulations have proven to be successful in agreements on research projects funded by third parties:

1. Regulations on implementation of the research project, on project management and in particular on amendments to the research plan;
2. Regulations on deadlines/times limits and consequences of failure to meet deadlines and to observe time limits;
3. Regulations on competencies in the respective research project.

The texts proposed in the contractual modules merely represent some of the many proposals that could be drawn up. This text basically reiterates the basic principles that are enshrined in the German Civil Code. The issue that any amendments to the research plan are subject to agreement



is merely an expression of general contractual freedom. However, it has become evident that adherence to any such wording can be helpful for everyday project implementation, especially for the parties involved in the day-to-day running of the business.

#### 4. Deadlines

The regulations governing deadlines refer to an Annex in which the individual project milestones are to be recorded in as much detail as possible.

#### 5. Old rights

Before a research project is launched, the contracting parties need to consider how they intend to deal with old rights, namely any pre-existing industrial property rights the respective contracting parties may have. Both the implementation of the project and the utilisation of the results can be affected and hampered by old rights.

Large industry partners and large universities/research institutes tend not to pool their know-how at a central point. It is frequently not (just) the project manager who knows about old rights held by the university/research institute. Rather, it is frequently institutes and facilities in different geographical locations that are the holders of old rights and hence have knowledge of their existence. As a solution, the group of experts proposes that a disclosure obligation commensurate with the situation be imposed on the respective contracting parties who would be obliged to provide the other contracting parties with any information they have about existing old rights to the best of their knowledge. If the information the contracting parties provide each other with reveals that old rights exist which need to be used for the performance of the Agreement and/or for commercial purposes, the regulations set forth in agreements on research cooperation and agreements on contract research shall differ:

##### Research cooperation

Clauses 5.3.1 and 5.3.2 refer to the granting of rights to old rights. In this respect, the group of experts holds the view that a well-balanced solution can be found if a distinction is made between project implementation and utilisation of research results. If and when the old rights of a contracting

party – which is frequently the university/research institute or the project manager – are affected by implementation of the project, the contracting party entitled to old rights shall grant the other contracting party a right of use free of charge. Any such reciprocal granting of rights shall be limited to the research project. If, by contrast, the old rights only become relevant when research results are to be utilised, the contracting party entitled to old rights shall grant the other contracting party a non-exclusive licence on standard market conditions. The proposed model enables the contracting party entitled to old rights to make comprehensive use of the results achieved while maintaining the industrial property rights portfolio of the contracting party assigning rights.

The regulation set forth in Clause 5.3.2 naturally means that the contracting parties need to agree on the details of the terms on which this non-exclusive licence is granted, in other words, they need to negotiate the licence agreement.

##### Contract research (assignment and licence)

Clauses 5.3.1 and 5.3.2 refer to the granting of rights to old rights. In this respect, the group of experts holds the view that a well-balanced solution can be found if a distinction is made between project implementation and utilisation of research results. If and when the old rights of a contracting party – which is frequently the university/research institute or the project manager – are affected by implementation of the project, the contracting party entitled to old rights shall grant the other contracting party a right of use free of charge. Any such reciprocal granting of rights shall be limited to the research project. If, by contrast, old rights only become relevant when research results are to be utilised, the provisions set forth in the contractual modules on contract research shall differ from those that apply to research cooperation.

Here too, the university/research institute or the project manager shall grant the industry partner a non-exclusive licence which is not “free of charge” since the remuneration for granting this licence is specified in the regulations on remuneration in Clauses 12 and 13. The regulation set forth in sub-clause 2 of Clause 5.3.2. applies that if the university/research institute and/or project manager is subject to limitations regarding the assignment of rights to old rights and/or to the utilisation of old rights, it shall ensure to the best of its ability that this does not affect the commercial utilisation of the results.

Notwithstanding this, the regulation set forth in Clause 5.3.3 recommended by the group of experts complements the additional non-exclusive licence covered by the remuneration arrangements in Clause 13: this licence to old rights is limited to the field of use and contract territories needed for performance of the Agreement and/or the commercial utilisation of the results. After all, the compromise on these regulations proposed by the group of experts also involves an unfairness clause being incorporated into a second paragraph in Clause 5.3.3 that ensures the university/research institute will be entitled to re-engage in negotiations with the contracting parties once a certain number of years to be specified in each individual case has elapsed and that agreement is reached to seek a reasonable new regulation if the industry partner is not making use of the licence in accordance with Clause 5.3.2. The backdrop to this is that in any such event, there is a possibility that the university/research institute could face unfair restrictions regarding utilisation of parts of its portfolio of industrial property rights, or instance, being denied financial compensation.

Some members of the group of experts are keen to highlight the fact that it is possible to customise the regulations set forth in sub-clause 1 of Clause 5.3.3 regarding the licence being limited to old rights.

## 6. New rights

The question who is to have rights to the results achieved within the framework of research conducted is at the very core of every research agreement. The only other equally important issue is that the contracting parties regulate how the actual work is to be organised. In the interest of striking a fair balance in respect of the assignment of rights, the group of experts made a distinction between the different types of agreements on the one hand, and made a further distinction within the respective agreements themselves between issues relating the assignment of rights in substantive terms (Clause 6) and regulations on filing an application and formal subsequent issues (Clause 8 ff).

This distinction was also made because it takes the interest of the university/research institute in creating visibility in terms of registering industrial property rights (catchphrase: initial priority application filed by the university, cf. Clause 8) into special consideration.

## Research cooperation

Universities/research institutes become much more heavily involved in research cooperation than in contract research. The members of the group of experts therefore think it is reasonable to adopt a more differentiated approach to research results in order to find a solution that takes all interests into account. A distinction can be made between three different types of research results.

If the results were achieved exclusively by the industry partner, the industry partner shall have all rights to these results (industry partner results). By contrast, results achieved exclusively by the university/research institute or results in which the university/research institute's staff have a share of more than 50 percent shall be results achieved by the university/research institute. Notwithstanding this, the university/research institute shall grant the industry partner an exclusive licence to these results, the financial terms of which can be defined in advance. This proposal allows the interests of both parties to be taken into account. It needs to be ensured on the one hand that the industry partner can utilise the results for commercial purposes whereas it needs to be ensured on the other that the university/research institute continues to be the proprietor of rights if it achieved the results alone.

Disputes can easily arise over joint results, namely results achieved by the staff of the university/research institute together with staff of the industry partner. The members of the group of experts therefore decided to assign joint results to one party only, namely to the industry partner in order to prevent industrial property rights from having several proprietors. If this was the case, case law indicates that Articles 705 ff of the German Civil Code would apply in the absence of any other regulation. The settlement of disputes based on these rules involves many formal difficulties. In this context, it is important to observe the groups of experts' definition of joint results and results achieved by the university/research institute. Joint results are results achieved by the staff of the university/research institute together with staff of the industry partner, if the share of the university/research institute's staff in the invention is 50 percent or less. Results achieved by the university/research institute are any results in which the university/research institute's staff have a share of more than 50 percent. This presupposes that the contracting parties agree on their respective share in the invention when they draw up and implement the Agreement. However, it is generally not possible to determine the actual shares in inventions in advance.

Regarding the industry partner's option (Clause 6.3), the contracting parties can consider granting the industry partner an appropriate share in any revenue the university/research institute generates from the invention, ensuring that the "appropriateness" of the share reflects both the industry partner's share in the invention and its share in financing the invention.

### 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 group of experts therefore thinks it is logical that the results of the research project in substantive terms be assigned exclusively to the industry partner.

This and the assignment rules based on it are the subject matter of Clause 6. The following Clauses refer to case scenarios in which third parties are involved in the project who come under the scope of application of Section 42 of the German Employee Inventions Act as well as the project manager signing the Agreement on behalf of the university/research institute until they have taken on the obligations ensuing from this Agreement by issuing a declaration based on the sample declaration attached as Annex 3. The contracting parties frequently fail to bear in mind that in many cases, undergraduate students, doctoral students and other students are involved in the projects who have no obligations vis-à-vis the university/research institute ensuing from an employment contract. The need to incorporate them into the Agreement is herewith specifically highlighted. Clause 6.6. contains regulations to this effect.

Clause 6.7 specifies that neither the university/research institute nor the project manager shall lose the right to use the research results for their research and teaching activities. Nonetheless situations can arise in which the results of the project implemented may be used within the framework of further research funded by third parties. The contractual modules take this special case scenario into account by granting the industry partner a right of co-determination. In order to ensure the interests of both parties are taken into account in these situations, the industry partner shall not refuse to give its consent on unreasonable grounds, acting in good faith.

Owing to the comprehensive assignment involved with this type of Agreement, a separate regulation was issued for this case applying to inventions made that do not relate

to the subject matter of the Agreement. If inventions are made in areas that do not relate to the subject matter of the Agreement during the performance of the Agreement, the industry partner shall grant the university/research institute an irrevocable, (subject to negotiation) exclusive/simple/paid-up licence [please select alternative] free of charge for its sole use by way of a so-called grant-back (Clause. 6.8 Alternative 1). Sub-clause 2 of Clause 6.8 Alternative 1 therefore contains the possibility of industrial property rights being taken over for countries in which the industry partner intends to surrender individual new rights in full or in part.

Last but not least, Clause 6.8 Alternative 2 contains a special regulation for inventions made in areas that do not relate to the subject matter of the Agreement (which means they are outside the scope of the research plan). The university/research institute shall offer the industry partner a non-exclusive licence for these inventions also beyond the scope of the actual Agreement on reasonable terms that also regulates the substantive and spatial scope of the licence if the industry partner is interested in utilising the invention. Here too a separate Agreement needs to be concluded (comparable to the regulation governing old rights in research cooperation, specifically in Clause 5.3.2).

### Contract research (licence)

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 group of experts therefore thinks it is consistent to assign the results of the research project in substantive terms exclusively to the industry partner.

Contrary to the alternative involving assignment, with this type of agreement an exclusive licence is granted for the field of use and the contractual territory the duration of which is only limited by the duration of the industrial property rights.

Contrary to the alternative involving assignment, there is no need to issue any regulation for the involvement of third parties within the meaning of Section 42 of the German Employee Inventions Act. The university/research institute merely needs to undertake to refrain from allowing any third parties who are not its employees to become involved in the project until the rights have been assigned (Clause 6.3).

Clause 6.4 describes how neither the university/research institute nor the project manager shall lose the right to use the research results for their research and teaching activities. Nonetheless situations can arise in which the results of the project implemented may be used within the framework of further research funded by third parties.

The contractual modules take this special case scenario into account by granting the industry partner a right of co-determination. In order to ensure the interests of both parties are taken into account in these situations, the industry partner shall not refuse to give its consent on unreasonable grounds, acting in good faith.

Last but not least, Clause 6.5 contains a special regulation for inventions made in areas that do not relate to the subject matter of the Agreement (which means they are outside the scope of the research plan). In the event that the industry partner is interested in utilising these inventions, the university/research institute shall grant the industry partner a non-exclusive licence beyond the actual Agreement on reasonable terms that also regulates the substantive and spatial scope of the licence. Here too a separate Agreement needs to be concluded (comparable to the regulation governing old rights in research cooperation, specifically in Clause 5.3.2).

## 7. Freedom of disclosure and non-disclosure

When universities/research institutes and university lecturers intend to publish the results of their research, they are required to meet statutory obligations such as Section 25 subsection 2 of the Framework Act For Higher Education (Hochschulrahmengesetz). At the same time, both researchers and specialist circles in general have an interest publishing the results of their research as soon as possible so that they can be discussed and can be used as a basis for or future-oriented aspect of further research.

Conversely, industry has an interest in delaying the publication of results until it is ensured that the finance for the utilisation of these results has been secured. As a rule, the requirement to desist from disclosing results applies until an application for the protection of industrial property rights has been filed, in the “worst case scenario” until the application has been published and applies at the very least to the part of the results that come under the application for the protection of industrial property rights.

Clause 7.2 takes the interests of both parties into account. The group of experts takes the interest of the university/research institute into account by obliging the university/research institute to notify the industry partner as soon as possible what results it intends to publish. In addition, the industry partner is given the possibility to insist that the results be kept secret in “emergencies”, at least for particularly sensitive parts of the results.

In principle, the industry partner shall give its consent to the university researchers’ request to publish the results of their research. However, the industry partner shall reserve the right to examine the publication within a reasonable grace period in order to determine whether any content should not be disclosed and if so what content. The sample agreements makes provision for the industry partner to be deemed to have given its consent to publication if it fails to lodge an objection within the grace period accorded. This is intended to simplify the organisational procedure. The members of the group of experts wrangled for a long time over the grace period which can naturally be customized. However, it is important to the members of the group of experts that the industry partner shall be deemed to have given its consent to publication and/or presentation if it fails to respond to the university/research institute and/or the project manager after receiving a further reminder indicating the consequences of remaining silent and setting a further deadline.

Section 42 of the German Employee Inventions Act introduced the freedom on non-disclosure alongside the freedom of disclosure. This applies at the very least to the relationship between university lecturers and their employers. So far, no Supreme Court decision has been taken whether it is lawful to waive the freedom of non-disclosure vis-à-vis the industry partner direct. Notwithstanding this, the members of the group of experts are convinced that waiving this right vis-à-vis the industry partner safeguards the industry partner’s protection interest on the one hand without unlawfully limiting the university lecturer’s freedom of disclosure enshrined in the Basic Law on the other. Clause 7.1. serves this purpose. The members of the group of experts were guided by the principle that the conflicting interests in relation to contract security on the one hand and the project manager on the other could not be reconciled in any other way. Otherwise it is highly unlikely bilateral agreements would be concluded between university lecturers and industry partners. This should not affect the relationship between university lecturers and their university/research institutes.

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

Clauses 8 and 9 safeguard the synchronisation of the utilisation of new rights and technical handling, particularly with regard to contract research involving, by and large, the assignment of rights to the industry partner or the issuing of a licence. This takes the university/research institute's interest in indicating its involvement in the research result into account. In the event that the industry partner indicates its intention to file a patent application because the results achieved by the university/research institute (in the area of research cooperation, this only applies to joint results or results achieved by the university/research institute) are so promising, the contractual modules specifically provide for two possibilities in Clause 8:

First of all, the construction presupposes that the industry partner has notified the university/research institute in writing within a certain timeframe specified in 8.2 (subject to negotiation) – and for cooperation regulated in Clause 8.2.1 and 8.3.1 – of its intention to file an initial priority application. Once this step has been taken, the university/research institute is obliged to utilise the invention accordingly. If the industry partner fails to indicate any such intention, provision has been made to safeguard the industry partner's interests by allowing it to use the results at least through a non-exclusive right of use to the invention.

### Research cooperation

Owing to the different allocation of results as industry partner results, results achieved by the university/research institute or joint results, the contractual modules offer three alternatives in this regard:

With results achieved by the industry partner, the application is filed exclusively by the industry partner, with joint results, the details on contract research shall apply accordingly.

The patent application for results achieved by the university/research institute shall be filed exclusively by the university/research institute. This is a consequence of the regulations governing licences (Clause 6.3) which makes it mandatory. Nonetheless, it is ensured that the party who has a right to the invention in substantive terms, namely the industry partner, decides on the content of the patent application. It is usually in the interest of smaller and

medium-sized industry partners who do not have a patent department of their own and who do not cooperate on a regular or permanent basis with patent lawyers to leave the formal filing of the patent application to the university/research institute.

### Contract research (assignment)

The application is filed both on behalf of the university/research institute and the industry partner in the form of a joint application. In principle, it can be filed by either of the two contracting parties who need to agree which party shall file the application in "technical terms" taking the interests of both parties and the possibilities of filing patent applications into account.

It is usually considered to be in the interest of smaller and medium-sized industry partners who do not have a patent department of their own and who do not cooperate on a regular or permanent basis with patent lawyers to leave the formal filing of the patent application to the university/research institute.

### Contract research (licence)

In this case, the application is filed on behalf of the university/research institute which is mandatory in view of the licence compared to the variant involving assignment. The contracting parties coordinate the selection of a patent lawyer and the content of the patent application. The members of the working group assume that the filing of a patent application and in particular the scope and breadth of the patent application will require close cooperation between the parties. If applicable, it may be advisable to actually file two patent applications, one indicating a narrow protection area and one endeavouring to broaden the scope of the industrial property rights.

## 9. Applicant status

### Research cooperation

The information provided on contract research also applies to joint results achieved from research cooperation. If, by contrast, this involves results achieved by the industry partner or results achieved by the university/research institute, there is no need to issue a separate regulation.

However, the group of experts thinks that a separate regulation would need to be issued in respect of joint results if the project manager and other employees of a university/research institute have a share in the invention that is far lower than 50 percent. If its share in the invention is less than 20 percent, the university/research institute shall desist from participating in the patent application. In this case, the university/research institute has no vested interest in attaining visibility.

### Contract research (assignment)

The applicant status is designed in Clause 9 as a trustee relationship. This highlights the fact that the industry partner has substantive rights even though the application is being filed on behalf of the university/research institute (cf. the relevant variant under Clause 8) and also on behalf of the industry partner, as a joint patent application. In order to pre-empt any disputes between the parties, Clause 9 also stipulates that the initial priority application must be a German or European patent application. The contracting parties can of course make other arrangements. As far as announcing its share in the invention is concerned, the university/research shall be sufficiently protected if it is recognised as a co-applicant within the first 18 months provided the application is filed and published on its behalf. The contractual modules make provision for the rights to be assigned to the industry partner which shall terminate the trustee relationship.

### Contract research (license)

N.B.: from this regulation onwards, the numbering of the types of agreement will also differ, since there is no need to regulate the applicant status in respect of the licence variant. This regulation needs to be issued by the university/research institute.

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

### Research cooperation

The group of experts offers two types of patent applications in other countries in the area of research cooperation that need to be agreed individually by the contracting parties: one possibility involves granting maximum freedom to the industry partner with the exception of cases in which

the industry partner has assigned its rights in accordance with Clause 8.2.1. The alternative applies to cases in which the university/research institute itself has a vested interest in filing a patent application in another country, also involving the possibility that it can help to organise the application procedure. Furthermore, the contracting parties can determine countries in which the industry partner is obliged to file a patent application in any case. If the industry partner is no longer interested in maintaining the industrial property rights in these or other countries, the university/research institute shall have the option of taking over these applications/patents.

N.B.: each of the above-mentioned alternatives apply to joint results only. Applications filed in other countries that relate to results achieved by the university/research institute, shall be regulated in separate licence agreements.

### Contract research (assignment)

In the area of contract research, an industry partner who intends to file a patent application in another country for research results achieved shall have complete freedom to do so. In this event, the industry partner shall not be obliged to observe rules relating to the surrender of industrial property rights nor shall it be bound to observe any restrictions ensuing from the German Employee Inventions Act as the university/research institute has assigned the relevant rights to the industry partner.

### Contract research (license)

Contrary to the variant of assignment in the area of contract research, in cases in which a licence is issued, the contracting parties need to coordinate the procedure involved in filing applications in other countries and in surrendering industrial property rights in individual countries. The members of the group of experts have decided to propose as simple a regulation as possible containing a list in a separate Annex which indicates the countries in which the industry partner intends to file a patent application. The university/research institute shall assign the relevant rights to the industry partner for the countries in which the university/research institute does not intend to file a patent application.

In parallel, another regulation shall apply according to which the procedure involving the surrender of industrial property rights shall apply *mutatis mutandis*.

## 11. Costs of industrial property rights

### Research cooperation

With cooperation agreements, the costs incurred shall be borne by the industry partner in respect of joint results and results achieved by the industry partner – cases in which rights are assigned to the university/research institute shall be exempt from this regulation pursuant to Clause 6. If the industry partner is exercising the option of concluding a licence agreement in respect of results achieved by the university/research institute, it shall bear any costs incurred. If the industry partner does not intend to file a patent application or fails to make a representation (Clause 8.2.1), it shall also bear any costs incurred.

### Contract research (assignment)

The drawback of having substantive industrial property rights is that in the event of assignment of rights, in principle, the industry partner shall be responsible for bearing any costs incurred. Cf. also Clause 10 of the licence variant.

### Contract research (license)

As the university/research institute is filing the patent application, it shall bear any costs incurred unless it has assigned its substantive rights to the industry partner or the licence fully covers the all of the industrial property rights.

## 12. Remuneration for work

Remuneration for work shall always depend on the respective product and can therefore only be negotiated on a case-by-case basis. The contractual models shall refer to Annex 5 (or rather Annex 4 in respect of the licence variant) to be drawn up and negotiated separately, which is of paramount importance for Clause 13 (or rather Clause 12 in respect of the licence variant) to be discussed in the following and which should contain the following details: sum total, milestones, due date, obligation to report and provide information, ancillary costs, basis of remuneration for inventions (shares).

## 13. Remuneration for inventions

The group of experts discussed remuneration for inventions in great detail. This issue corresponds to the assignment of rights.

### Research cooperation

The members of the group of experts agreed that contrary to contract research, it was possible to have different remuneration models in respect of research. This is how the two alternatives can be explained. Only the second alternative will be explained in this document as the first alternative corresponds to the model of contract research which is explained in the right-hand column.

Since relevant invention management incurs costs for the university/research institute, the industry partner shall pay a basic fee to be agreed between the contracting parties as soon as the invention is “notified”. The industry partner shall only be obliged to pay this basic fee if it considers the invention to be in need of protection (Clause 8.2 and 8.3).

In addition and irrespective of the above-mentioned paragraph, remuneration shall be paid for inventions used for commercial purposes after an initial priority application has been filed. The contractual modules offer three alternatives to cover this case scenario: alternative 1 staggers flat-rate amounts that differ depending on when the invention starts being utilised; with alternative 2, the contracting parties specify milestone payments upon conclusion of the agreement; with alternative 3, the concrete remuneration is left open upon conclusion of the agreement and merely contains wording on adequate remuneration, with the type, level and duration of remuneration to be coordinated by the contracting parties in due course.

The variants allow the contracting parties to follow the frequently varying practise of the respective branches of industry. The number of inventions made per marketable product is much lower in the pharmaceutical industry, for instance, than it is in the automobile industry.

The regulations governing remuneration are rounded off by the definitions of use and remuneration for any granting of simple utilisation rights.

### Contract research (assignment and license)

The members of the group of experts wrangled for a long time to find a compromise that – contrary to research cooperation – proposed adopting just one overall remuneration model for contract research. This model is such that the remuneration pursuant to Clause 12 (or rather Clause 11 in respect of the licence variant) also includes the costs of granting or assigning old rights and new rights. The contracting parties are free to indicate the relevant shares in the invention which may represent participation in any revenue generated in respect of the licence variant. When specifying the share of the above-mentioned flat-rate remuneration in relation to the old and new rights or to licences issued, industry-specific features and experience regarding the number and economic value of inventions likely to be made during the performance of the Agreement shall be taken into account (cf. the text in Clause 12.1 and 13.1).

This clause on remuneration corresponds to the opening clause in Clause 12.2 and 13.2 which is to be construed similar to a “bestseller regulation” within the meaning of copyright law. For inventions in relation to which according to the mechanisms set forth in Clause 13.2 the agreed flat-rate remuneration to be paid based on the shares in the flat-rate remuneration pursuant to Clause 12 (or Clause 11 in relation to a licence issued) is evidently disproportionate to the direct proceeds and benefits generated from utilisation of the new right, the contracting parties shall ensure that the university/research institute is accorded adequate participation. Reference is made to the right to information that is recognised in ordinary patent law regarding the enforcement of claims.

### 14. Mediation, arbitration

In order to take the specific features of research funded by third parties into account, the members of the group of experts considered it meaningful to set up an arbitral tribunal (if necessary, a permanent one) that shall attempt to reach an out-of-court settlement between the parties following mediation, taking the specific provisions and wording of the type of agreement selected by the parties into account, if necessary, by incorporating a “compulsory” clause proposal. It will require special practical experience in the field of cooperation that is the subject matter of this Agreement to select the arbitrators to be appointed to any such arbitral tribunal and the mediator. It is recommended that a solution be found by way of mediation or arbitration

particularly when determining whether the Agreement contains an opening Clause pursuant to Clause 13.2.

### 15. Confidentiality

As is commonplace with all comparable agreements, this type of agreement also needs to include a confidentiality clause which – in accordance with common practise – shall refer to any previous confidentiality agreements concluded that will need to be either upheld or abolished: it is mandatory for any confidentiality clauses to be comparable to the confidentiality rules proposed in this document.

### 16. Warranties of title and defects

As with all agreements referring to industrial property rights, these type of agreements are also obliged to observe specific features regarding warranties of title and defect. Case law classifies any such agreements as risky agreements and rightly so. This means, for instance, that the revocation of a patent shall not affect the validity of the Agreement. The remaining provisions shall endeavour to reach a reasonable settlement regarding warranty ensuing from any such agreements. In particular, no exemption by the university/research institute shall be called for (Clause 16.5).

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

In any case, the regulations governing defence of and challenges ensuing from industrial property rights feature prominently in licence agreements. The members of the group of experts deliberately agreed to leave a very basic regulation in respect of agreements on research cooperation and the variant involving assignment of contract research that is based on the reciprocal obligation to provide information. Only with the variant licence does the agreement need to impose an obligation on the university/research institute to uphold the new right for the duration of the licence agreement and to incorporate certain obligations in relation to challenges ensuing from industrial property rights and defence of industrial property rights (Clause 17.2).

In all other respects, the contracting parties are called upon to regulate this issue in much greater detail, if applicable, in individual contractual negotiations.



## 18. Marketing

The regulation governing marketing does not require any further explanation. It shall be negotiated in each individual case whether more detailed obligations need to be agreed upon or if any such regulation can be fully omitted.

## 19. Duration of the Agreement and regulations governing the time after the Agreement has come to an end

As the type of agreement on contract research is in any case an agreement containing significant parts that are subject to the provisions governing contracts for work and services set forth in the German Civil Code, it is generally not necessary to define the duration of the agreement in any case. This does not mean that there is no need to issue special termination regulations or consequences of terminating the agreement. By contrast, for the other type of agreement on research cooperation, it is of course essential to regulate the duration of the agreement. In addition, it is always meaningful to specify deadlines and grace periods (cf. Clause 4).

The regulation governing termination without notice for important reasons is important (Clause 19.2). The specific regulation set forth in Clause 19.2.1 varies according to the different types of agreement. Both in relation to the variant involving the assignment of contract research and the joint results of research cooperation, involve the possibility of rights being reassigned in the special case scenario mentioned. In cases involving the variant of licence for contract research, the relevant Clause (Clause 18.2.1) regulates a predetermined, non-exclusive right of use. These regulations are intended, inter alia, to offer universities/research institutes more security especially in the event of small and medium-sized companies becoming insolvent. They are based on the statements issued in the ruling handed down by the Federal Court of Justice on 17 November 2005, IX ZR 162/04 = GRUR 2006, 435).

## 20. Final clauses

The final clauses round off the various types of agreement and reflect common practise in relation to international legal transactions. If the university/research institute can effectively agree on a place of jurisdiction, this shall be incorporated directly after Clause 20.3 upon request. It is important when the Agreement is being concluded with a foreign contracting party to agree that the Agreement

shall be subject exclusively to German law, if applicable (Clause 20.4).

The Community Framework for State Aid for Research, Development and Innovation (Communication of the Commission 2006/C/323/01) has also been binding for universities and non-university research institutes since 1 January 2009.

As European legislation on State aid defines undertakings to be any undertaking that engages in economic activity regardless of its legal form or its economic character, i.e. offering goods and/or services on a certain market, universities and research institutes offering research services either as contract research or as cooperation subject to remuneration come under this definition.

Pursuant to Clause 3.1.1. of the Community Framework for State Aid, universities and non-university research institutes are called upon to separate their economic from non-economic activity. The first time universities and non-university research institutes were required to furnish this proof was when they issued their annual financial statement for 2009. Only if this requirement is met does state financing of non-economic activities not come under the EU regulations governing state aid (specifically Article 87 para. 1 of the EC Treaty and meanwhile also Article 107 of the Treaty of Lisbon).

The Commission furthermore considers technology transfer activities to be of non-economic character if these activities are of an internal nature and if all income generated from these activities is reinvested in the primary activities of the research organisations (Clause 3.1.1. of the Community Framework for State Aid a.E.). By internal nature, the Commission means a situation where the knowledge of the research organisation(s) is managed either by a department or a subsidiary of the research organisation or jointly with other research organisations. Contracting the provision of specific services to third parties by way of open tenders does not jeopardise the internal nature of such activities. (Footnote 25 in relation to Clause 3.1.1. of the Community Framework for State Aid).

All other types of technology transfer – and hence in particular those described in these sample agreements – come under the regulations on State aid. If the university and hence indirectly the undertaking too wish to avoid being accused of failing to meet EU State aid regulations, they must ensure they meet certain conditions in respect of their economic activities. As such, the Community Frame-

work for State Aid makes a distinction between contract research and research services (Clause 3.2.1. of the Community Framework for State Aid) on the one hand and collaboration of undertakings and research organisations (Clause 3.2.2. of the Community Framework for State Aid) on the other.

The research organisation must meet one of the following conditions in respect of contract research and research services:

1. The research organisation provides its service at market price; or
2. If there is no market price, the research organisation provides its service at a price which reflects its full costs plus a reasonable margin (so-called full cost regulation).

In cases involving collaboration between undertakings and research organisations, the variant of cooperation referred to as cooperation in the sample agreements in this document, the partners can avail themselves of the following three options:

1. The participating undertakings bear the full costs of the project or
2. The results which do not give rise to intellectual property rights may be widely disseminated and any intellectual property rights to the R&D&I results which result from the activity of the research organisation are fully allocated to the research organisation, or
3. The research organisation receives from the participating undertakings compensation equivalent to the market price for the intellectual property rights which result from the activity of the research organisation carried out in the project and which are transferred to the participating undertakings. Any contribution by the participating undertakings towards the costs of the research organisation shall be deducted from any such compensation.

The receipt of unlawful State aid may first and foremost result in the university or non-university research institute but also the undertakings which cooperated with them being requested to pay back any funds they received unlawfully. This potentially applies to the all state finance received by the university, non-university research institute or undertaking – especially if the above-mentioned distinction was not made. In addition, the consequences of receiving any such unlawful State aid must naturally be taken into account in respect of in-house compliance requirements and the general public impact.

The working group took note of and carefully examined these new regulations regarding the existing sample agreements and arrived at the conclusion that adequate remuneration for any assignments or issuing of licences by universities and non-university research institutes to undertakings intended from the outset by the sample agreements is fully compliant with the interests and requirements of Community Framework for State Aid and the new regulations set forth in Clauses 3.2.1. and 3.2.2. of the Community Framework for State Aid. This could also be rephrased the other way round as follows: these new EU regulations on State aid render it essential for the regulations on remuneration both for services rendered and for rights assigned in the sample agreements recommended by the working group to be agreed upon in each individual case.



