

Interactive Session 3

Third parties and IPR

8 questions to consider

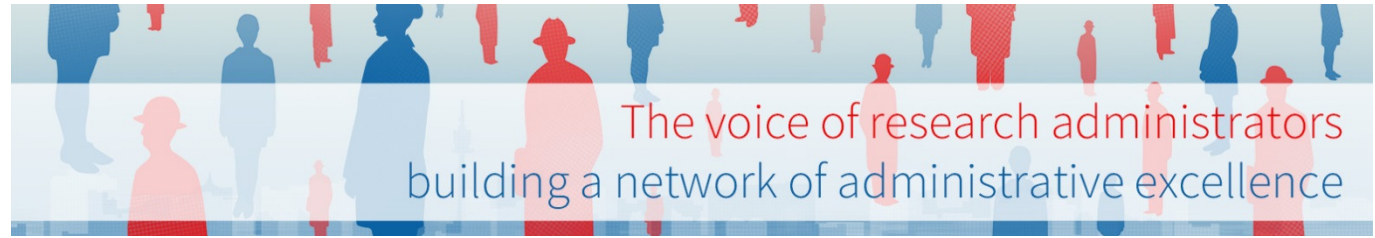
WG3

OLOF RAGNARSDOTTIR, University of Iceland, IS
DONATA FRANZI, Università di Modena e Reggio Emilia, IT
LORETA STASKUNIENE, Klaipeda University, LT

Ljubljana, March 5, 2015

Types of third-party support

1. Purchase of goods and services (Art. 10. MGA)
2. Subcontracts (Art. 13 MGA)
3. Work done by “linked third parties” (Art. 14 MGA)
 - a) affiliated entities
 - b) third parties with a legal link
4. Use in-kind contributions (Art. 11-12 MGA)

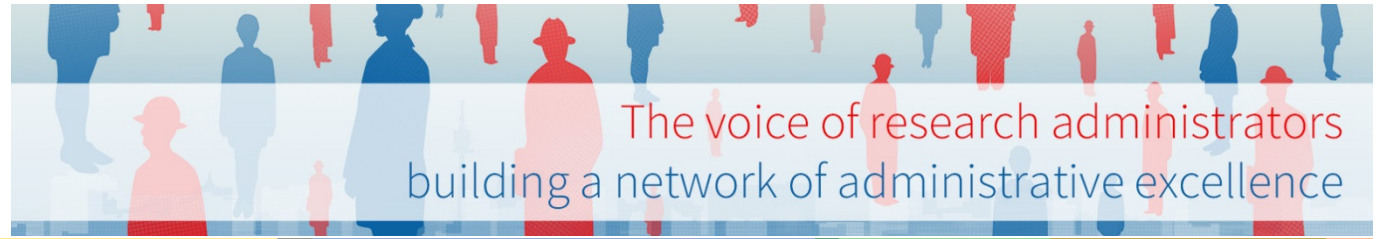


Questions to consider before involving third party

1. Is the third party necessary for the implementation of the action?

Where it is **necessary for the implementation** of the action, Participants may call upon third parties, including subcontractors, to carry out work under the action or may use resources made available by third parties by means of contributions in kind, according to the conditions set out in the grant agreement

REGULATION (EU) No 1290/2013 - rules for participation and dissemination in "Horizon 2020 – Art 23.3. DESCA Art. 4.3



Questions to consider before involving third party

2. Is your institution willing to be responsible for third party?

Participants shall retain **sole responsibility** towards the Commission or the relevant funding body and towards the other participants for the work carried out.

REGULATION (EU) No 1290/2013 - rules for participation and dissemination in "Horizon 2020 – Art 23.3. DESCA Art. 4.3

Questions to consider before involving third party

3. Does third party need confidential information from your institution or other beneficiaries?

If **yes** your institution must:

- get a **prior written consent** from relevant beneficiary
- include in an **agreement with third party**, .e.g.

Confidentiality clauses

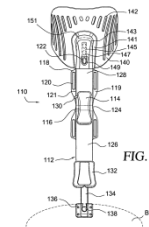
Liability clauses

Beneficiary is responsible for a third party

DESCA Art. 10.2 and 10.3

Questions to consider before involving third party

4. Is it likely that third party will create Intellectual Property Rights? **What is IPR?**



Important part of results

‘Results’ means any (tangible or intangible) output of the action such as data, knowledge or information — whatever its form or nature, whether it can be protected or not — that is generated in the action, as well as any rights attached to it, **including intellectual property rights** (Art. 26.1 MGA)



Questions to consider before involving third party

4. Is it likely that third party will create Intellectual Property Rights? **Who owns the Results?**

- Results of Beneficiary

Results are owned by the Party that generates them. Art. 26.1. MGA and 8 DESCA

- Rights of third parties (IPR) Art. 26.3 MGA

If third parties (including personnel) may claim rights to the results, the beneficiary concerned must ensure that it complies with its obligations under the Agreement.

If a third party generates results, the **beneficiary concerned must obtain all necessary rights (transfer, licenses or other) from the third party, in order to be able to respect its obligations as if those results were generated by the beneficiary itself.**

If obtaining the rights is impossible, the beneficiary must refrain from using the third party to generate the results.



Questions to consider before involving third party

4. Is it likely that third party will create Intellectual Property Rights?

Clauses to keep in mind when drafting an agreement with third party.

- How beneficiary will obtain necessary rights to the IPR:
 - license
 - transfer
 - other: e.g. third party receives some sort of contract related benefit from beneficiary.
- Confidential and liability clauses (important for patent filing)
- Countersign the CA (Inform third party of the CA)



Questions to consider before involving third party

5. Will the IP rights be transferred back to the third party

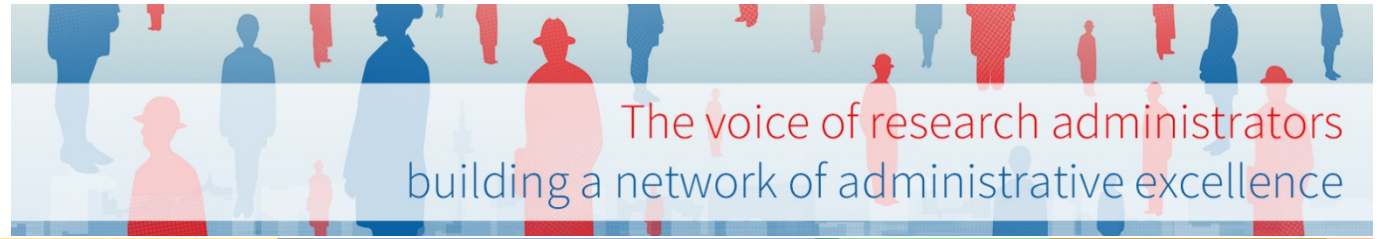
- Identify third party in Attachment 3
- Beneficiary shall:
 - inform the other Parties of such transfer and
 - ensure that the rights of the other Parties will not be affected by such transfer
 - as long as other Parties still have - or still may request - Access Rights to the Results.

Art. 30 MGA and Art. 8.2. DESCA

Questions to consider before involving third party

6. Will third party need Access right to Background*?

- Access Rights to Background if Needed for Exploitation of a Party's own Results, including **for research on behalf of a third party**, shall be granted on **Fair and Reasonable conditions**. DESCAs art. 9.4.2.
- *'Background' means any data, know-how or information — whatever its form or nature (tangible or intangible), including any rights such as intellectual property rights — that:
 - (a) is held by the beneficiaries before they acceded to the Agreement, and
 - (b) is needed to implement the action or exploit the results (Art. 24.1 MGA).

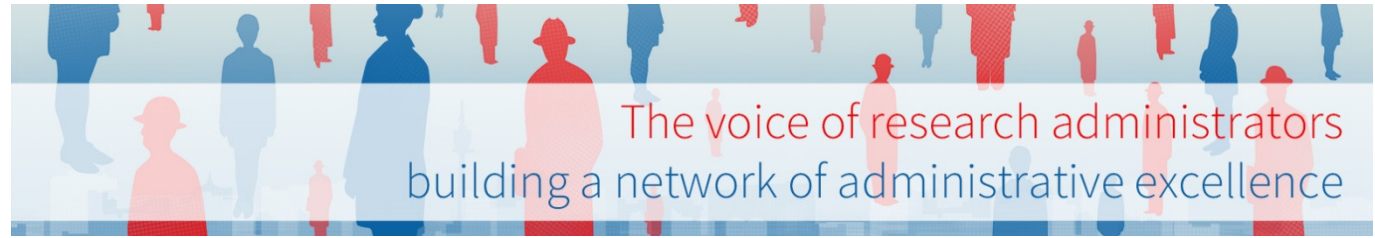


Questions to consider before involving third party

7. Has EC requested liability from third party?

- EC may request third party to accept joint and several liability for their EU contribution
- Declaration on joint and several liability has to be signed and submitted by the Beneficiary to EC.

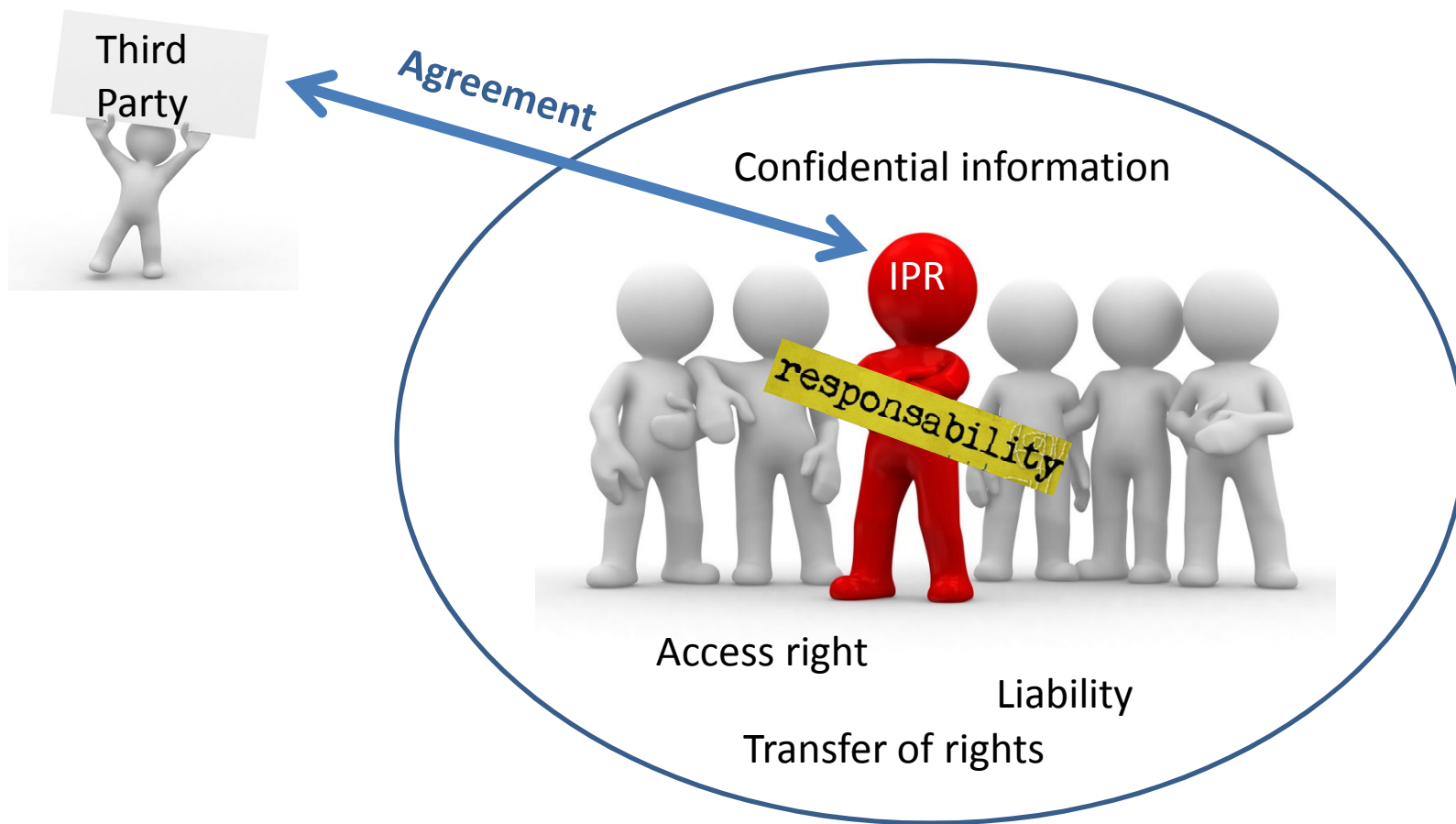
REGULATION (EU) No 1290/2013 - rules for participation and dissemination in "Horizon 2020 – Art 23.5 (e)



Questions to consider before involving third party

8. What are the consequences of non-compliance?

- “Cost incurred” by the third party will be ineligible and rejected – Art. 6 and 42 MGA
- Beneficiary is responsible for third party -Art. 4.3. DESCA
- Beneficiaries must compensate the *[Commission]* *[Agency]* for any damage it sustains as a result of the implementation of the action or because the action was not implemented in full compliance with the Agreement – Art. 46.2.1. DESCA



Thank you for your attention!