

Rules Concerning Intellectual Property Rights to Research Results from Joint German-Israeli Research Projects

1. The results from joint, bilateral research activities (hereinafter referred to as research activities) belong to the research partners in accordance with an agreement (THE AGREEMENT) between them, observing the terms outlined below. The results of such joint research are to be used for innovations. The partners are under an obligation to apply for property rights and commercialise the results in accordance with the assignments of THE AGREEMENT, in Germany and Israel. The partners will submit to his/her government a copy of THE AGREEMENT upon request.

The details of the sharing of rights and commercial benefits will be agreed between the research partners prior to the start of the project. THE AGREEMENT will have to ensure that the following obligations are fulfilled:

a) The partners have an obligation to protect any patentable results within their assignment under THE AGREEMENT which have a potential for commercialisation by applying for industrial property rights (e.g. patents) prior to publication. Inventions have to be kept secret while no application for property rights has been filed. Any know-how not protected by property rights must not be disclosed without the consent of the respective partner unless the partners agree otherwise.

b) The sharing of the rights to the research results and of the commercial benefits between the research partners has to be fair and equitable, taking into account usual business practice.

Disputes concerning the intellectual property generated under such agreement will be settled through discussions to be conducted between the research partners. If agreement cannot be reached in these discussions, the dispute will be submitted to an arbitration tribunal for binding arbitration. Within the framework of THE AGREEMENT the research partners have to agree an arbitration clause with provisions governing the composition of the tribunal, the costs of arbitration and the applicable laws and rules of procedure.

c) The German and Israeli governments (or the appropriate public agency in each country) are entitled to a royalty-free, non-exclusive and transferable right of use and utilisation if the research results or the copyrighted parts of the results are of particular public interest.

d) The research partners have a non-exclusive right of use if exclusive use would lead to infringement of competition within the European Union and if the project is totally or partially financed by German Public Funds. The same applies with regard to an exclusive use that would lead to infringement of competition within Israel and if the project is totally or partially financed by Israeli Public Funds. In case the German Government declares that there exists such an infringement of competition within the European Union it can permit the research partners exclusive use against payment of the usual compensation up to the amount of the funds received by the German Government. In case the Israeli Government declares infringement of competition according to the powers by the Israeli law of competition it can permit the research partners exclusive use against payment of the usual compensation up to the amount of funds received by the Israeli Government.

These rules shall not prejudice decisions or actions by the competent authorities in either country with respect to national or European anti-trust laws or competition laws.

e) The exclusive right of use of the results contained in the final report can be restricted by the Funding Governments (article 1.9 below) acting jointly in time, in contents and geographically, if the technology management plan does not provide for use or if new possibilities of use are recognised but are not included in the plan by the research partners within an appropriate period of time. If Funding Regulations, Contracts with the Research Partners or other national legislation or administrative rules entitle to such action, non-funding governments may also exercise these rights acting jointly with the other government.

f) The research partners must support the Governments in legal proceedings and disputes outside

the courts with third parties over permitting exclusive use. In particular, the research partners must provide the Funding Governments with information on the market and competition situation if requested to do so.

g) For the purpose of these rules Funding Government means either government providing project funds directly or through an agency acting on behalf of this government for the specific project; according to the financial plan.

h) The results must be made available for teaching and research in Germany and Israel upon request and free of charge. Information on the results should first be obtained from the published final report. Requests for information which has not been published need only be answered by the research partners if the recipient agrees to sign a confidentiality agreement.

2. The research partners shall draw up a joint technology management plan for sharing the intellectual property and outlining the strategy for commercial utilisation of the research results. A standard plan is annexed to these rules. The technology management plan is an integral part of the research proposal.

The plan is to be updated annually; information about ongoing activities is to be included.

3. Failure to observe the requirement to utilise the results

a) If the research partners, without sufficient reason, do not fulfil their obligation to commercialise the results within an appropriate period after completion of the project - two years, unless stated otherwise in the technology management plan - their right of exclusive use will cease.

b) In that case the research partners must, upon request, grant third parties a non-exclusive and non-transferable right of use or utilisation, for the respective domestic sphere (Germany or Israel), of the result, the rights in the result and the copyrighted parts of the result. This must be done at the conditions usual in this sector. Upon request by third parties, the research partners must extend the right of use or utilisation to the sale, in certain countries, of objects manufactured in domestic production by exploiting the right of use or utilisation. This shall not apply if either research partner can show that he has applied for patents or has obtained patents in one of these countries, and can demonstrate an essential interest in using the results himself (directly or by granting licences).

c) The research partners must also grant the German and Israeli governments an irrevocable, royalty-free and non-exclusive right of use or utilisation in the result and in the related domestic and foreign rights.

d) Both Governments are entitled to transfer their rights under No. 3.c for non commercial use to third parties for the promotion of science, technology and innovation, also in international co-operation. If Funding is totally or partially provided by the other government, it is necessary to reach agreement with the other government before any rights for utilisation are transferred.

e) If the results shall be utilised outside the EU and outside Israel both governments have to give prior approval. In case of utilisation outside the EU and Israel in absence of its prior approval, the Funding Government(s) (as defined in 1.g) which have not given such an approval can require the research partners to repay the funds received.

4. The research partners may not sell property rights unless the purchasers agree to take on the obligations involved (e.g. the obligation to commercialise the results) under the notification of award or the funding contract (PLEASE INDICATE CORRECT TITLE OF RESEARCH PROPOSAL) for themselves and their legal successors.

If contracts are signed by the research partners with third parties at home or abroad for the utilisation of the results or parts thereof (e.g. through the transfer of property rights and/or know-how, through the granting of licences or the transfer of other knowledge or documents), the research partner must inform the German and Israeli governments, within one month from the date of signing the contract,

about the contents (in abbreviated form), the partner/s and the duration of the contract. Contracts with third parties in countries other than EU member states and Israel require prior approval in writing by the German Government if they deviate from the technology management plan.

The right of commercialisation outside the EU and Israel can be made dependent on payment of an appropriate compensation up to the amount of the funds received. Approval is considered to have been given if the German Government has not expressed any reservations regarding approval within eight weeks of receipt of the request to give approval.

5. The term research partner used in these rules shall include German cooperation partners who do not receive any separate funds for their co-operation in German-Israeli research projects if so specified by the German Funding agency (e.g. in Energy Research).

6. The research partners shall ensure that all publications related to the research conducted within the framework of the bilateral research projects acknowledge the support received from BMBF/BMWi-MOS.

7. The rules shall enter into force on Oct. 01, 2001.
They shall apply to research projects started after entry into force of the rules. These rules apply in ongoing projects which started after Oct. 9th 1998 and before Oct. 01, 2001, if the research partners jointly agree.

8. Either government may terminate these rules by written notice observing a six month notice period, starting with the receipt of the notice.
The termination will not affect the application of these rules in ongoing projects at the time of termination.

Annex

Model Technology Management Plan

Recipient of the funds

Promotional reference no.

Project

Duration

Period covered by Report

The Plan should contain brief information on the following:

- A 1. List the most important intended scientific/technical results and other major events.
- A2. List R&D results achieved by third parties that are relevant for the execution of the project.
- A3.. Annual projection of the utilisation plan. Where appropriate in individual cases this should include data on the following points (RF's business secrets do not need to be revealed):
- Inventions/patent applications and patents projected, made or utilised by the RF or other persons involved in the project, and the location of their utilisation (licences etc.); other evident possibilities for utilisation
 - Prospects of commercial success after the completion of the project (with time scale)e.g. functional/commercial advantages over competitors, benefit to various groups of users/industries in Germany and in Israel, implementation and transfer strategies (information as far as the nature of the project permits)
 - Prospects for scientific and/or technical success after completion of the project (with time scale) - Le. how the envisaged results can be used in other ways (e.g. in public work, data banks, networks, transfer offices etc.). Any co-operation with other facilities, firms, networks, research facilities etc. should be included.
 - .Possibility of continuing the scientific and commercial work in a follow-up phase that might prove necessary, or the next innovative steps to the successful implementation of the R&D results.