
Licensing, Transfer of Ownership and Dispute Resolution - Commercialization of Intellectual Property Generated in International R&D Projects

Roundtable Discussion: Experience in IP Exploitation, Valuation and Dispute Resolution

Dr. Lorenz Kaiser

WIPO Arbitration and Mediation Center, Austrian Research Promotion Agency (FFG) and Licensing Executives Society (LES)
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Dr. Lorenz Kaiser I: 20120601 WIPO, Wien



Four questions about IP - Management

1. What is the role of IP in the business between Research and Industry, esp. in Fraunhofer Institutes?

Different Aspects of IP

IP as asset for securing a position in technology

IP as patent manifesting market power

IP as acquisition instrument for business

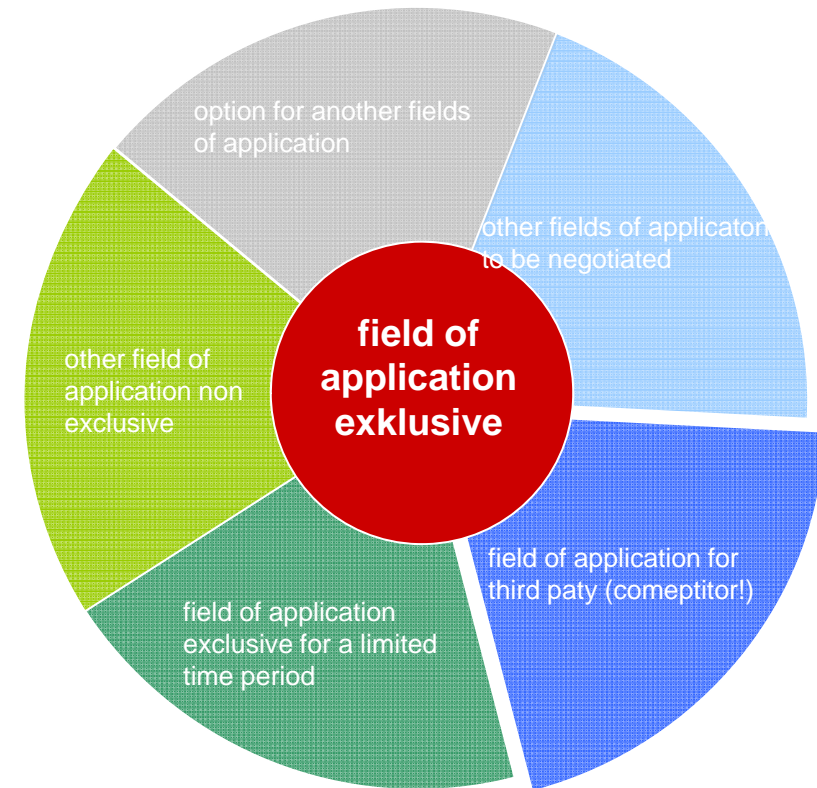
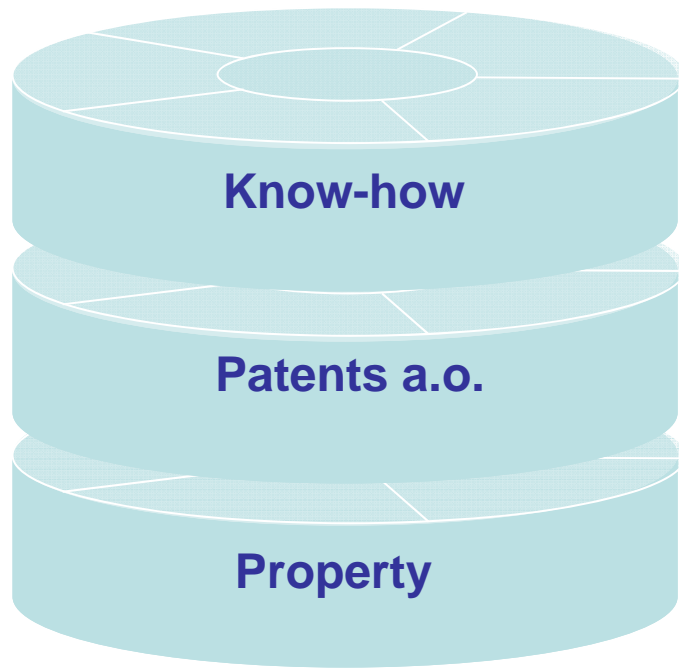
IP as defending instrument against competitors

IP as basis for licence revenues

IP as incentive and motivation of staff

The "Rights-to-the-Results-Problem of Contract Research"

Rights to the Results



usual industry position: overall property of IP in contract research

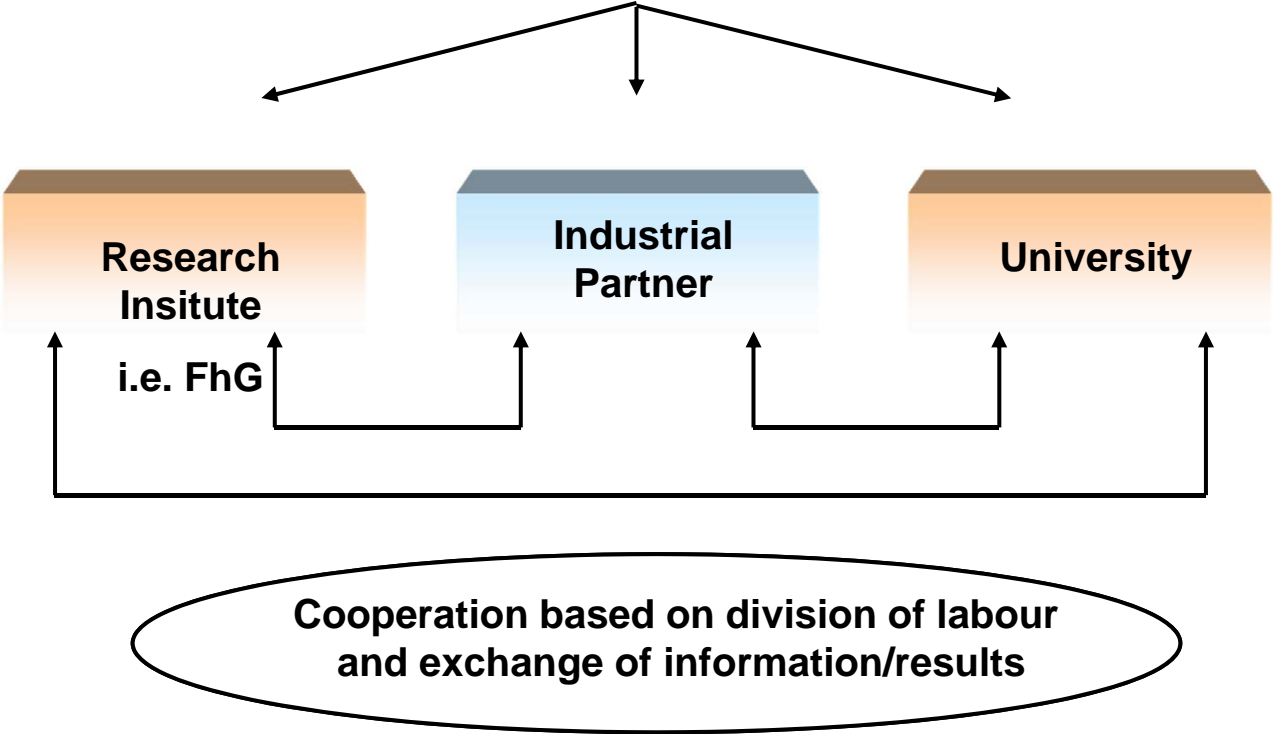
R & D - collaborative research between science and industry

Most difficult question:

User rights
for commercialisation

non-exclusive ?
royalties (for research)

state aid topic !!!!
art. 3 of Framework



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Four questions about IP - Management

2. Are Model Contracts useful for agreements on IP rules, esp. in the international sector?

Model Agreements

EU Practice



■ **UK**

Lambert Tool Kit



■ **Austria**

Intellectual Property Guide



■ **Cyprus**

Model Consortium Agreement



■ **Denmark**

Guidelines for Innovation Consortium and
Johan Schlüter Model Agreements



■ **Germany**

BMWi Model Contracts from the German
Ministry of Economy

- extensive use of model agreements
- notice: **ambivalent role** of model contracts in German public research organisations

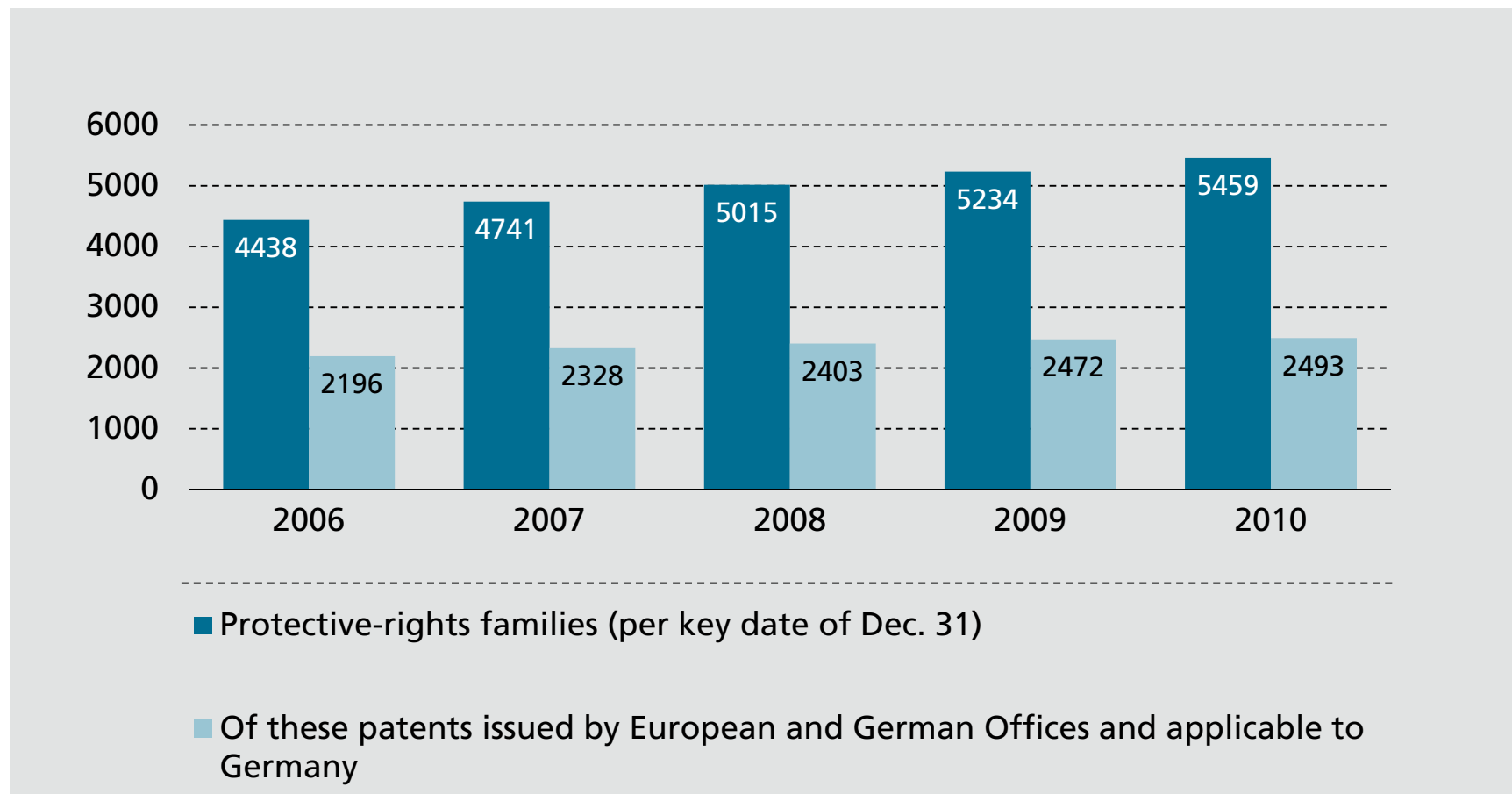
Model Agreements

- the contracts cannot adjust to the **singularity** or **diversified structures** of the individual case
- the **contextual** factors often are addressed quite slightly
- If detailed most of the Model Contracts privilege either academia or industry

Four questions about IP - Management

3. What are crucial aspects for commercialization of IP in R&D?

Business-relevant impact of the Fraunhofer-Gesellschaft



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Sources of Patents in a Public Research Organization

1. Basic Research
(own financial sources)

Different handling

2. Contract Research
(financed by client – basically by industry)

3. Collaborative Research
(basically publicly funded: National or EU)

Learning from business models for IP Management in industry*

1. **Protection Center** (defending strategy)
Festo: product development is linked with patent portfolio mgt
2. **Cost Center** (cost/profit relationship strategy)
EADS creates Technology Road maps for defining future technical fields
3. **Profit Center** (active licencing strategy)
IBM, NEC, Thompson creating and broadening the patent portfolio-basis and extending the licence activities
4. **Asset Center** (combination 1 and 3)
Siemens Com 30 % of all R&D investment of Siemens and 23 % of total turnover integrates licence income and defence strategy

> no model is typical for a business sector

*Kaiser, Wurzer, Patente, Produkte und Profite in Harvard Business Manager 3/2006 p. 23-35

Four questions about IP - Management

4. What are the outcomes of the International Knowledge Transfer Report of the EU expert group last year – at a glance?

At a Glance:

Findings of the Expert Group

Final Report: *International Knowledge Transfer. Investigations on European Practices*, Brussels 2011, available at

http://www.era.gv.at/attach/IKTEExpertReport-Final_21_10_2011.pdf

Analysis of current IKT mechanisms

- **Internationalisation of R&D:** statistics and trends of increasing cross-boarder cooperation, especially in the triad Japan, EU, US
- **Practices:** on the **extra-EU level** the same **knowledge transfer instruments** as on the national level are performed, i.e. contract research (DTI), licensing (FhG/mp3), collaboration models (IMEC), researcher mobility, strategic alliances (Iter), subsidiaries (Fraunhofer USA), spin-offs (VTT), **new models** like virtual institutes (EIT) or the JTI take place on the intra-EU level

At a Glance:

Findings of the Expert Group

- **Obstacles to efficient IKT:** legal differences, funding mechanisms, administrative burdens, cultural and linguistic differences
- **Prerequisites** to effective IKT depend on the kind of research and the research goal, they are e.g. IP management, R&D strategies, entrepreneurship, international networks

IKT Agreements

- **Economic Partnership Agreements (EPAs), EPA proposals**
EU-CARIFORUM, EU-India, EU-ASEAN
use of standard language in IP clauses, IP clauses which are not modeled to the individual case are likely to miss the real causes for insufficient IP protection and enforcement, e.g. bi-furcation of administrative-judicial enforcement in post-socialist Asian countries

At a Glance:

Findings of the Expert Group

- **Bilateral Agreements on Scientific and Technological Cooperation** (E.g.) Finland-South Korea, Germany-China, UK-Singapore, need of **tailored IP clauses**, attention to the **contextual factors** of research environment and institutional peculiarities

Review of tools and support measures for European PROs entering into IKT activities

- The *Lambert Toolkit* and many Model Agreements, e.g. the *Model Consortium Agreement* (Cyprus), would have to be **expanded in scope** or **refined further** to anticipate at least some of the crucial questions which participants in IKT activities have to face

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