

Frequently asked questions about contracts

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The list with frequently asked questions about contracts is meant as a check list. As an expedient to check if the most important questions (out of this list) for your institute/company are covered in the contract.

1.1 Rights and ownership

1. Clear definition of intellectual property rights, in particular when various kind of national scientific bodies are involved.
2. Which policies and agreements for the exploitation of results should be built up when a non-profit organization and a profit organization are involved in the agreement?
(In other words, sometimes organizations with different statutes objectives and constraints need to find an agreement that should not collide with their ruling constraints.)
3. Who is in charge to protect a generated knowledge?
There might be particular difficult situation such as: a partner intends to protect generated knowledge in the country of another partner that has interest to keep the generated knowledge free of protection.
4. Intellectual Property (IP) ownership. What background IP will the company need to license to the University to get the project work done (if any) and who will own any new IP stemming from the project? Usually the industrial partner will want to own all new IP in return for paying full overhead costs under an industrial research contract. What are the options / rights for each partner on completion of key milestones?
5. The industrial partner will need access to the project staff / documents under an agreed protocol. Which Company staff will be used in the project and how will they be deployed?
6. How will the project be concluded and what are the final outcomes on options / ownership?
7. Access to results (royalty free licenses?) Who owns the results (depends on 'kind of research')? What are the conditions?

8. Who owns the patent in case of invention (generally, in Germany the patent is owned by the research institute)?
9. Right to use is more important than property. The industry that partly funds research projects expects the right to use the new technology developed by supported research institutes at reasonable and preferential (no) costs.
10. IP ownership: this is often an issue and it is best to try to deal with as much as possible at the outset of a collaboration. Each party should try to take a reasonable stance on value of the IP and the inputs of the parties involved (resources as well as intellectual). Industry partners are likely to want a first option to negotiate a commercial licence as a minimum.

1.2 Confidential

11. Diffusion of outcomes of the research to third parties, when signatories parties are bound with the use of the results, and management of confidentiality during the research period : there are some provisions about it but in general terms.
12. Confidentiality - who are we dealing with at the University and how do we keep the discussions / project confidential?
13. What information is confidential?
14. Confidentiality: The collaborations often need confidential background information (from both sides) to implement a project. It is important to make sure that confidentiality of this information, as well as foreground information generated in the project (as above re publication and disclosure) is respected.
15. Language of writing: in some situations contracts may be written and in French and in the other language: complicated, expensive etc. A possible solution is acceptance of English by anybody.

1.3 Government

16. Appointing competent court that settle up disputes (when all tentative to settle up "gently" the dispute have failed).
17. Who decides which law is the one governing the contract? How can we have a neutral law? Does a European standard or recommendation exist?

1.4 Publications

18. How can a simple standard protocol to publish the outcomes of the research in a scientific magazine be produced, avoiding to wait for long a time without being obliged of receiving signed agreements from every partner?

An issue which may be unique to some organizations is that they may have a mandatory in house publications review process which may take up to 6 weeks, involving legal council as well as scientific review, and this level of lead time is invariably alien to academic collaborators, especially when applied even to something as simple as a poster at a minor local scientific meeting.

19. Publication/disclosure: Important to recognize the importance of the academic institution to publish, but it needs to be balanced with the need to avoid eroding any potential IP. So good communication between the parties (industry and academia) is important. Both parties need to be fully involved and aware of potential publications from the collaboration and have the ability to review each others potential publications before they are submitted (this includes posters as well as papers in journals). This gives chance to avoid premature disclosure and erosion of IP. Timing is important here – contracts usually specify a reasonable period to review and respond to draft manuscripts, however, it is not unusual to receive a request on a much shorter timeframe. Sticking to agreed timetables is simply good practice that should be adhered to by all.
20. How to deal with publishing without prior consent?
21. How are publications treated (Researchers have to publish, but publications have to be reviewed by industry that no confidential information is published)

1.5 Time

22. What is a proper time span for legal objections, or for receiving permissions from other partners.
23. Failure to meet deadlines in the project - passive attitude to all except the invoice!
24. How important are go/no go moments?

1.6 Contradictions groups

25. We have evolved agreements which are usually acceptable to ourselves and both academic and research institutions but for groups new to the process, there can be quite protracted discussions
26. Difficulty in getting a contract prepared - researchers not really bothered to sort it out
27. What are the conflicts between the academic institute's requirements for staff to publish versus the industrial partner's requirements to patent? A protocol must be agreed.
28. What input comes from industry (only third party funds or material as well?)
29. Contract should reflect a real partnership.

1.7 EU funding

30. Is my contract involved in Funding from the European Union?
31. If I want information about EU-funding, whom should I contact?

1.8 Other

32. What will the research cost and how will costs be managed by the academic partner?
33. Additional issues may arise relating to staged payments if these are dependent on reaching certain milestones and if the collaboration involves animal experimentation, agreement on our requirement to inspect facilities and procedures and to have ethical review of protocols. How will any academic staff be managed to deliver on time under key milestones? What is the penalty for failure?
34. How do I know if the contact person at the university or institute is legally allowed to sign an agreement?
35. What are the costs/efforts, according to the research project, subscribed to the different parties.
36. License fee for third parties (industry that has not supported the research) should be higher than for industry partners, but at a level that allows to widely use the new technology (generate money for covering investment costs of all! partners and financing further research). Exclusive agreements that prevent wide use should be avoided.

1.9 Remarks

It would be nice to have clear guidelines what a good and fair contract should include.

Problems are:

- Ø Lack of interest
- Ø Lack of information
- Ø Interaction between the two (not looking for information)

Possible solution: basic information, simply worded, drawn or whatever to create a basis for interest.

1.9.1 **Problems with research contracts**

Its all down to people!

With the best wil in the world, if you can't get on with the person you are dealing with no amount of contractual details is going to make it work.

Interesting sites with regard to frequently asked questions:

- Ø http://europa.eu.int/comm/internal_market/en/indprop/patent
- Ø http://europa.eu.int/comm/internal_market/indprop/index_en.htm

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