Agreements On Research Cooperation Between Industry And University – Suggestions For Solutions

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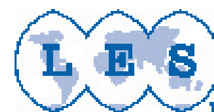

1. Introduction

The amendment to section 42 of the German law on employees' inventions, which has applied to "new contracts" since 7 February, 2002, and which, since 7 February, 2003, has in some cases also made it necessary to adapt "old contracts" concluded before 18 July, 2001, has led to an intensive search on the part of universities, and also on the part of industry, for model contractual solutions for standard situations.

It is desirable to find model solutions that will be regarded both by the universities and by industry as a positive basis on which to transpose the new legal standards into a form of practical co-operation which all concerned will consider tolerable and positive. In the search for these solutions, a working party of experts from the university and industrial sectors has been set up, at the suggestion and with the active participation of the IPAL Gesellschaft für Patentverwertung Berlin mbH, the Society for Patent Exploitation in Berlin, which is the central technology transfer institution for the majority of the Berlin universities, namely Charité, the Free University of Berlin, Humboldt University Berlin and Berlin Technical University. Intensive efforts, involving lengthy discussions, have been made to put together some components for a model contract, under the general heading "Berlin Contract," which is intended to make it easier in practice for academics, universities and industrial companies to handle the new legal situation that has arisen as a result of the abolition of the university lecturers' privilege.

The members of the above-mentioned working group, as well as the "Berlin Contract Components," can be seen from the web site of IPAL, namely *http://www.ipal.de*, which is continuously up-dated and will make also adapted, future versions of the Berlin Contract Components, as well as other news with regard to university-industry inventions, available in future. The essential parts of the "Berlin Contract" are attached to this paper.

2. Contract components "Berlin Contract"

2.1. Structure and organisation

A preface dealing with the genesis and the proposed practical application of the "Berlin Contract" is followed by a brief introduction, which is intended to explain how the Contract components are to be handled. This is then followed by differentiation indicia for the Contract components in the "Berlin Contract," which, it is hoped, will facilitate assigning a specific joint research project between a university and industry to one of the categories of a contract for work and services, research commission or co-operation on research. These differentiation indicia should not be understood here as alternatives, nor should they apply cumulatively, but, as the very name suggests, they are merely intended to provide the practitioner with pointers to help him make the appropriate assignment.

After the above-mentioned list of "differentiation indicia" come Contract components for research commissions between universities and industry, followed by appropriate Contract components for co-operation on research and development, which is referred to in the following as "research co-operation."

2.2. Pointers helping to differentiate between contracts for work and services, research commissions, research co-operation

2.2.1. Contracts for work and services

If an industrial partner commissions a university to carry out certain research work, with an unambiguous, known objective and laying down a defined way of performing that work, the university will generally demand that the entire costs be assumed. The university, in the person of the research worker (here and in the following usually understood to mean the "project director" responsible), is not required to interpret data or results in any way; neither the university nor the industrial partner has any interest whatsoever in publication. The result of a contract for work and services of this kind is an obligation owed by the university to the industrial partner. In this case, according to the "Berlin Contract" (and one is tempted to say that this ought to be self-evident!) all the results of the research, including any inventions that might be made by the university, i.e. by the research worker or by any other member of the university, belong to the industrial partner without any additional remuneration, and it is the latter which decides at its own discretion whether to file applications for any industrial property rights, to engage in exploitation actions, etc. It goes without saying that any applica-

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tions for industrial property rights are filed by the industrial partner exclusively in its own name, without any right whatsoever on the part of the university to participate.

2.2.2. Research commissions

In the context of research commissions, the industrial partner places a targeted commission with the university to carry out certain research work, the result of which is nevertheless open, but the way of performing that work and the purpose of the study are defined. In this case too, the university will expect the entire costs to be assumed. The data or results have to be interpreted by the research worker. The industrial partner, having placed the commission, will as a rule be interested in receiving the results at short notice or at least on schedule. The university, or the research worker, for their part have an interest in seeing the results published. In this case, no successful result is owed by the university.

The parties involved in drawing up the "Berlin Contract" are unanimous in their opinion that, when research commissions are organised in this way, the university has a fundamental right to remuneration for any invention. The rights in the inventions concerned, including the right to file the first application and to carry out subsequent applications in other countries, also need to be settled in detail.

2.2.3. Research co-operation

In the case of research co-operation, the industrial partner places a research commission with the university, the objectives and results being open; the implementation is not defined in detail, and the intended practical application is neither known in detail nor definitively laid down. Both partners, i.e. the university and the industrial partner, contribute to carrying out the research project on which they are co-operating by providing personnel and/or assuming a share of the costs. The industrial partner, having placed the commission, has a medium to long-term interest in the outcome, both partners have a pronounced—and possibly a joint—interest in publishing the results. In this case, the university has no obligation vis-à-vis the industrial partner regarding the success of the research co-operation agreement.

The parties involved in drawing up the "Berlin Contract" are unanimous in their opinion that, in the case of research co-operation, the industrial partner has a separate obligation to remunerate the university for any invention, the details of which need to be settled depending on the situation, as do the filing rights with regard to patents, etc.

2.3. Features common to research commissions and research co-operation

A common feature of the contractual arrangements both in the case of research commissions and with regard to research co-operation is that, for the reasons which have in the meantime already been discussed in detail in the literature, a "trilateral" contract between the university, the industrial partner and the research worker is necessary.

Briefly, this necessity is based on the fact that, because of the peremptory provisions of the law on employees' inventions, it is only possible for the contractual agreement between the university and the industrial partner to regulate the situation concerning rights, and obligations to acquire the rights etc., in inventions which can be covered by patents or utility models. Any additional know-how and advisory services which the industrial partner wishes to receive "in person" from a specific research worker who is particularly important to him as a co-operation partner (e.g. a professor) can only be reliably obtained by the industrial partner on the basis of an appropriate contractual agreement with the research worker himself, since any "indirect route" via the university might in this case affect the research worker's personal rights with regard to research and teaching, which are guaranteed by the constitution.

A direct agreement between the research worker and the industrial partner is also needed if the research worker is to waive his negative publication rights. The same applies to any advance waiver of the research worker's right to take over any applications for industrial property rights or the industrial property rights themselves and to file applications in other countries.

For the reasons explained above, the members of the working party consider it appropriate, both in the case of research commissions and with regard to research co-operation, to conclude a "tripartite agreement" between the university, the industrial partner and the research worker. "Research worker" here is understood to mean the project director responsible who has been appointed by the university and the industrial partner. If—and this is likely to apply in most cases—other members of the university, whether students or university staff (employees), are involved in carrying out the work on the research project concerned, it needs to be ensured in advance, by means of an appropriate declaration of association, that the obligations of the project director also apply, mutatis mutandis, to that group of individuals.

2.4. Contract components for research commissions

According to the model contract, research results arising from a research commission belong exclusively to the industrial partner, irrespective of the extent to which the research worker or other "associated" members of the university is/are involved in the production of the corresponding research results, especially inventions.

Regarding the filing of any applications for industrial property rights, referred to in the following as "patent applications" for short, it is envisioned that the first application is filed either by the university or alternatively by the industrial partner, though of course in a manner to be settled in advance, but always as joint applications on behalf of the university and the industrial partner. This arrangement is intended to satisfy the universities' interests in appearing in the relevant "ranking"

lists with a corresponding number of first applications. The industrial members of the working party accept the fact that "ranking" positions of this kind are becoming more and more important in assessing the performance and the general reputation of universities for the sake of international comparisons.

It is the industrial partner alone which decides on whether to file foreign applications in the case of research results based on research commissions, and any foreign applications are also filed solely by the industrial partner in its own name.

The arrangement regarding remuneration in the case of research commissions has the following structure, according to the "Berlin Contract":

After the first application has been filed, the industrial partner pays the university a first remuneration amounting to m 2,500.00. This is then followed by remuneration payments according to the following alternatives:

a) m 2,500.00 at the beginning of exploitation, this remuneration rising to m 10,000.00 if exploitation begins more than 7 years after the first application; the industrial partner may, however, redeem the obligation to pay the increased lump sum by paying a further remuneration of m 2,500.00 before the expiry of the above-mentioned 7-year period.

b) When certain turnover thresholds are reached, further lump-sum payments are made, though it is necessary to lay down the details on this in the contract.

c) After exploitation has begun, an appropriate remuneration is paid, depending on the degree of exploitation, which is subject to later negotiation.

2.5. Research co-operation

The research results arising from research co-operation are in principle broken down into results achieved by the industrial partner, joint results and university results.

Results achieved by the industrial partner are research results attributable solely to the industrial partner's staff. Joint results mean research results in which the university's, or the university staff's, share of the invention is no more than 50 per cent. University results are research results, in which the university's share of the invention is more than 50 per cent.

2.5.1. Industrial partner's results

Research results which fall into the category of "industrial partner's results" belong exclusively to the industrial partner. The latter has the sole right to file applications for industrial property rights, exclusively in its own name where appropriate; the industrial partner has no obligations vis-à-vis the university whatsoever to pay any remuneration.

2.5.2. Joint results

In the case of joint results where the university's share of the invention is no more than 25 per cent, the industrial partner has the right to file the first application exclusively in its own name.

If the university's share of the invention is more than 25 per cent, the arrangement corresponds to the one for research results based on research commissions, i.e. the first application is filed as a joint application either by the industrial partner or alternatively by the university, in the names of the university and the industrial partner.

On the whole, in the case of joint results, foreign applications are filed in accordance with the arrangements regarding research commissions (see 2.4.), i.e. by the industrial partner and exclusively in its own name.

The remuneration for an invention which the industrial partner has to pay the university is settled as follows in the case of joint results: if the university's share of the invention is less than 50 per cent, the remuneration for the invention is paid in the same way as with research commissions. If the university's share of the invention is 50 per cent, the industrial partner pays the university remuneration for the invention as in the case of the university results, which will be discussed below (see 2.5.3), but deducting 10 per cent from the remuneration agreed for university results of that kind.

2.5.3. University results

University results, i.e. research results emanating from research co-operation, in which the university's share of the invention is more than 50 per cent, belong exclusively to the university. The industrial partner does, however, have an option on taking out an exclusive licence on reasonable terms. The corresponding remuneration for the invention may comprise one or more lump-sum payments or a reasonable licence fee. The members of the working party regarded the sample calculations annexed to the "Berlin Contract" as being appropriate for the standard situation.

In the case of university results, the university has the right to file the first application in its own, exclusive name. After the option is exercised (and only in this case does remuneration for the invention have to be paid to the university by the industrial partner, of course!) the corresponding application rights revert to the industrial partner in a manner to be agreed.

3. Concluding Remark

The members of the working party mentioned at the beginning hope that, by presenting the contract components of the "Berlin Contract," they have made a constructive contribution to the discussion of solutions which appear reasonable both to the universities and to the industrial partners for the future conduct of research projects in the university/industrial sectors. Making the discussion more objective, on a reasonable basis of this kind, is probably also likely to reduce the attractiveness of industry's thoughts about at least partially transferring research commissions into regions outside the purview of the law on employees' inventions.

Text Modules for the "Berlin Contract" – For Mission-Oriented Research Between University and Industry

1. Note: Contractual Parties

- University,

- Industrial enterprise (hereinafter: Industrial Partner),

- Project Manager.

All other university employees participating in the research project who perform educational and research work in the research project within the meaning of sec. 42 of the German Employee Invention Act (ArbnEG), as well as freelance inventors, must also be incorporated into the contract (see Clause 3.2.4).

2. Subject Matter of the Contract

2.1. The subject matter of the contract is the realization of the following research project as described in detail in the research plan *(Appendix 1)* (hereinafter: Research Project):

[...] [To be completed in accordance with the specific research project involved.]

Note: To the extent that the primary subject matter of the research plan is the commercial exploitation of copyright protected works and related intellectual property rights, such exploitation will not be covered by the following contractual modules.

2.2. Performance of the contract

[...] [Depending on the specific research project involved, add any further individual provisions regarding the performance of the contract, including the Project Manager's obligation to assume the tasks in the research project according to the research plan.]

3. General Regulations on Inventions, Intellectual Property Rights and Know-how

3.1. Old Intellectual Property Rights

3.1.1. Each contractual party remains the owner of the inventions it creates prior to the commencement of the Research Project, as well as the intellectual property rights applied for or granted for such inventions (hereinafter: Old Intellectual Property Rights).

3.1.2. The Project Manager shall inform the Industrial Partner according to his best knowledge prior to the commencement of the Research Project and then on an ongoing basis regarding the existence of Old Intellectual Property Rights belonging to him or the university, where it is anticipated that they will be necessary in order to utilize the work results engendered in the course of realizing the Research Project and pertain to the task as formulated in the research plan (hereinafter: Research Results). He shall further inform the Industrial Partner according to his best knowledge of the extent to which third parties are entitled to use such Old Intellectual Property Rights and to what extent the respective owner of the right is restricted in the use of such rights.

Should such a restriction prevent the Industrial Partner from using the Research Results and if the right to such use cannot be achieved by modifying the research plan, the Industrial Partner shall be entitled to terminate the contract for cause. Such a termination must be declared in writing within two weeks of learning of the restriction. The Industrial Partner shall assume all costs incurred by the University up to the date of the termination, as well as any costs resulting from obligations entered into at the time of the termination.

3.1.3. Where Old Intellectual Property Rights—whether or not notified pursuant to Clause 3.1.2.—are necessary for the realization of the Research Project and there are no conflicting third party rights, the respective contractual party shall grant the other party free of charge a non-exclusive license limited to the duration and purpose of the Research Project.

3.1.4. To the extent that and as soon as the Old Intellectual Property Rights notified pursuant to Clause 3.1.2 are necessary for the exploitation of the Research Results and no conflicting third party rights exist, the University or the Project Manager shall grant the Industrial Partner a non-exclusive license to these rights at terms and conditions customary in the market. If the University's collecting society is entitled to such Old Intellectual Property Rights, the University shall ensure that the Industrial Partner is granted a license to use these rights.

3.1.5. Clause 3.1.4. shall apply analogously to Old Intellectual Property Rights which were not notified pursuant to Clause 3.1.2., unless at the time of the Industrial Partner's inquiry about a license for such Old Intellectual Property Rights the University is already engaged in negotiations regarding the exploitation of such rights with good prospects for success.

3.1.6. Clauses 3.1.1 to 3.1.5 shall apply *mutatis mutandis* with respect to the know-how obtained by each Party prior to the commencement of the Research Project, as well as for existing copyrights or copyright licenses.

3.2. Research Results

3.2.1. Notwithstanding the provisions in Clause 6 regulating applications for intellectual property rights, the Industrial Partner shall be exclusively entitled to all substantive rights to the Research Results.

Upon conclusion of this Agreement, the University and the Project Manager shall transfer to the Industrial Partner in advance all rights to any Research Results created in the future; such transfer applies to the Project Manager with respect to Research Results which are not eligible for protection, independent inventions which are not job-related *(freie Erfindungen)* and, with reference to the time at which they become independent, for any inventions that become independent. This transfer is subject to the condition precedent that the Industrial Partner meets its financial obligations pursuant to Clause 9.

3.2.2. In order to secure this comprehensive transfer of rights pursuant to Clause 3.2.1, the Project Manager undertakes not to bring University employees falling within the scope of sec. 42 no. 2 Employee Invention Act into the Research Project until they likewise assume his duties under this Agreement by

way of a declaration corresponding to the example attached as *Appendix 2*. The names of the University employees envisioned for the performance of the Research Project who carry out educational and research work within the meaning of sec. 42 Employee Invention Act are listed in *Appendix 3*. The Project Manager affirms that such University employees have rendered a declaration corresponding to the sample attached as *Appendix 2*.

The Project Manager shall further ensure that other persons participating in the Research Project who are not employed by the University (e.g. graduates, doctoral candidates, students) are not brought into the Research Project until they assume the Project Manager's obligations under this Agreement *mutatis mutandis* and have ensured the direct transfer of all rights to the results of their research to the Industrial Partner.

The University shall assume responsibility for these obligations of the Project Manager.

3.2.3. The University and the Project Manager shall be entitled to a non-exclusive, non-transferable right to use the Research Results for their research and educational work. This shall not affect the contractual provisions regarding the secrecy of the Research Results. Moreover, the Research Results may be used within the scope of research for or with third parties only upon the Industrial Partner's prior written consent, which, however, may not be unreasonably withheld. Excepted from this provision shall be Old Intellectual Property Rights, know-how which existed prior to the conclusion of this Agreement and non-confidential information.

3.3. Copyrights

With respect to copyrights pertaining to the Research Results, the Industrial Partner shall be granted, free of charge, an exclusive, transferable license for all types of use which is unlimited in time, territory and subject matter. Clause 3.2.3. applies *mutatis mutandis*. Where the Industrial Partner uses copyright protected works or objects protected by related intellectual property rights for commercial purposes, it shall remunerate the author appropriately within the meaning of sec. 32 UrhG.

3.4. Results Outside of the Research Plan

Results arising in the course of carrying out the research plan, which, however, are not related to the task assigned in the research plan, shall accrue to the Party who has achieved them.

4. Negative and Positive Publication Rights

4.1. The Project Manager undertakes vis-à-vis the Industrial Partner to report all the Unversity's service inventions pursuant to sec. 5 Employee Invention Act and identify to the University the respective share each inventor had in the invention. With rspect to all Research Results, the Project Manager undertakes vis-à-vis the Industrial Partner to waive the assertion of his right to refrain from publishing them pursuant to sec. 42 no. 2 Employee Invention Act.

4.2. The Industrial Partner acknowledges that the University must publish research results and shall take this interest into account. However, the Project Manager and University undertake vis-à-vis the Industrial Partner to refrain from publishing Research Results or disclosing them to other third parties—even during the preliminary publication procedure—without the Industrial Partner's written consent as long as the Research Results are subject to a duty of confidentiality pursuant to Clause [...]. They shall present the Industrial Partner with the manuscript intended for print or oral announcement (hereinafter: the Publication) for its review at least sixty (60) days before submitting the manuscript to third parties or making the announcement.

If the Industrial Partner communicates within forty-five (45) days after receiving the manuscript that the Publication conflicts with secrecy requirements, the University and the Project Manager shall ensure that Publication does not occur or that the information requiring secrecy from the Industrial Partner's point of view is deleted. If the Industrial Partner does not respond within forty-five (45) days, it shall be deemed to have consented to the Publication. In the case of a planned Publication of Research Results which are eligible for protection as intellectual property from the Industrial Partner's point of view, the Industrial Partner shall no longer withhold its consent once twelve (12) months have elapsed since the filing of the application.

5. Provisions on the Technical Processing of Applications for Registration

In the course of performing this Agreement, the Parties shall use their best efforts to secure the Research Results through intellectual property rights (hereinafter: New Intellectual Property Rights). The application for such New Intellectual Property Rights shall be subject to the following regulations:

5.1. Upon receipt of an invention report which is complete from the University's point of view, the University shall inform the Industrial Partner of the content of the invention report without delay.

5.2. Within forty-five (45) days after the Industrial Partner's receipt of the invention report, it shall inform the University in writing whether and to what extent it wishes to file an original application giving rise to a right of priority *(prioritätsbegründende Erstanmeldung)*. If the Industrial Partner does not respond within this period, or its response is negative, the substantive rights to the respective invention shall accrue to the University and shall be transferred to it by the Industrial Partner. In such a case, if the University claims the invention, it shall grant the Industrial Partner a non-exclusive, worldwide, irrevocable and non-transferable license to the invention involved and the intellectual property rights resulting therefrom. Otherwise, the Project Manager shall grant such license to the Industrial Partner.

5.3. [Note: *With respect to the processing of the application, the Parties may choose from the following alterna-*

tives upon concluding the Agreement:]

Alternative 1: If the Industrial Partner desires an original application giving rise to a right of priority, the University shall claim the invention accordingly and without restriction. The University shall then file such an application without delay in the name of both the University and the Industrial Partner (Clause 6). The University undertakes to engage a lawyer or patent attorney, to be designated by the Industrial Partner in its communication pursuant to Clause 5.2 sent. 1, to draft such an application. If the Industrial Partner has not designated a lawyer or patent attorney in its communication pursuant to Clause 5.2 sent. 1, the University shall select a lawyer or patent attorney. The content of the filing shall be determined by the Industrial Partner.

Alternative 2: If the Industrial Partner desires an original application giving rise to a right of priority, the University shall claim the invention accordingly and without restriction. The Industrial Partner shall then file such an application itself without delay or have it filed by a lawyer or patent attorney it has engaged in the name of both itself and the University. The Industrial Partner shall be entitled to direct the procedure and have the right to formulate all texts and rights, as well as to carry out review procedures.

5.4. The Parties undertake to support the entitled Party in its efforts to obtain the New Intellectual Property Rights, in particular to submit all requisite declarations in a timely and factually accurate manner. The Parties shall further refrain from any and all actions which could be detrimental to the granting and maintenance of New Intellectual Property Rights.

5.5. The University shall have the right to entrust an exploiting company (hereinafter: Exploiting Company) to process the application in its stead and consequently to disclose information it obtains within the scope of this Agreement to the Exploiting Company as necessary, provided that the Exploiting Company has previously obligated itself to maintain secrecy in accordance with the provisions in this Agreement.

6. Status of Applicant; Trusteeship

6.1. The original application giving rise to a right of priority shall be filed by the University and the Industrial Partner jointly, unless the University waives submission in its name in writing to the Industrial Partner until the latter has issued its communication pursuant to Clause 5.2. The original application giving rise to a right of priority shall, as a rule, be an application for a German or European registration.

6.2. The University shall hold the status of applicant merely in trust for the Industrial Partner. Internally, the right to the New Intellectual Property Right shall accrue exclusively to the Industrial Partner. The University shall therefore comply with the Industrial Partner's instructions with respect to the exercising of the rights under the application and under the New Intellectual Property Right granted.

6.3. After eighteen (18) months have elapsed since the date of the filing, the University shall transfer its share in the application to the Industrial Partner without delay, or its share in the respective New Intellectual Property Right if it has already been granted, and render all declarations necessary for that purpose.

7. Foreign Filings, Abandonment of Intellectual Property Rights in Individual Countries

7.1. The Industrial Partner shall prepare and file the foreign applications in its own name. It shall select the countries for which it will file applications at its own discretion.

7.2. The Industrial Partner shall be free to abandon New Intellectual Property Rights in whole or in part at any time, or to refrain from further pursuing filings in foreign countries.

8. Cost of the Intellectual Property Rights

The costs involved in the filing, maintenance, defense and enforcement of the New Intellectual Property Rights shall be borne by the Industrial Partner, unless it has transferred its substantive rights to such rights to the University pursuant to Clause 5.2.

9. Note: Remuneration for the Work

9.1. For carrying out the Research Project, including the materials and use of all facilities necessary for the performance of this Agreement, the University shall receive a remuneration in the amount of m [...] (hereinafter: "Contractual Sum").

9.2. This sum shall be due and payable as follows:

[...] [additional individual regulations for each specific research project]

9.3. A prerequisite for each payment is the proper issuance of an invoice by the University. If the realization of the Research Project is subject to turnover tax for the University, it shall receive the turnover tax at the statutory rate in addition to the Contractual Sum pursuant to Clause 9.1, provided that the net amount, the tax amount with the tax rate and the gross amount are stated on the invoice.

10. Remuneration for Inventions

10.1. The Industrial Partner shall pay the University the sum of m 2,500 forty-five (45) days after the original application for New Intellectual Property Rights, but no later than six (6) months after the Industrial Partner has issued its communication pursuant to Clause 5.2 sent. 1.

10.2. In the event that the invention underlying the original application is used for commercial purposes, the Industrial Partner shall further remunerate the University as follows:

[Note: *For the remuneration the parties can choose from among the following alternatives upon concluding the contract*:]

10.2.1. [*Alternative 1*] The Industrial Partner shall pay the University a sum of m 2,500 for each patent family if the invention is used for commercial purposes. This sum shall increase to m 10,000 if the Industrial Partner begins to use the invention

more than seven (7) years after the original application. The latter debt can be discharged by the Industrial Partner with a payment of the m 2,500 to the University before the seven (7) years have elapsed.

[*Alternative 2*] The Industrial Partner undertakes to pay additional remuneration for each patent family if the following thresholds are achieved:

up to m [...] invention-related proceeds m [...]

from m [...] to m [...] invention-related proceeds m [...]

from m [...] to m [...] invention-related proceeds m [...]

[*Alternative 3*] If the Industrial Partner uses the New Intellectual Property Rights commercially, the University shall have a claim to reasonable remuneration for each patent family, the type, amount, duration of which the Parties shall define at the proper time by mutual agreement.

10.2.2. Use within the meaning of Clause 10.2.1. shall be understood to mean the actual deployment of the inventive activity behind the invention, in particular in the forms of use set forth in sec. 9 of the German Patent Act (PatG). If the use consists of the fact that the patent/patent family is merely licensed by the Industrial Partner within the framework of a patent license exchange contract in a broad technical area in which the respective licensed intellectual property rights are not explicitly listed, the remuneration pursuant to Clause 10.2.1. shall be reduced by half.

10.3. For the simple rights pursuant to Clause 5.2. the Industrial Partner shall pay the University a remuneration of [...].

10.4. The University shall be responsible for remunerating all inventors involved in the Research Results who are its employees or with whom it has another form of contractual relationship, in accordance with the statutory provisions.

Appendix – Letter from the university employee to the Industrial Partner

(Address of Industrial Partner)

Letter of Accession to the Obligations of the Project Manager in the Agreement between the [name of university] ("University") and [name of industrial partner] ("Industrial Partner") on the Research Project in the Area of [description of research area]

Dear Sir or Madam,

Within the framework of the aforementioned contract (the "Contract"), I as an employee of the University within the meaning of sec. 42 of the German Employee Invention Act ("ArbnEG") am involved in the execution of the work according to the Contract ("Research Project"). The Contract contains a number of provisions which also affect my involvement in the Research Project and require a separate agreement with you. Accordingly, we hereby agree as follows:

1. My rights to inventions and the intellectual property rights applied for or granted prior to the commencement of the Research Project ("Old Intellectual Property Rights") remain unaffected by this Agreement. Where any of my Old Intellectual Property Rights are necessary for the execution of the Research Project, I hereby grant the University and the Industrial Partner a non-exclusive use right free of charge which is limited to the duration of the Research Project. To the extent that and as soon as such Old Intellectual Property Rights become necessary for the use of the results of the Research Project ("Research Results") and no conflicting third party rights exist, I shall grant the Industrial Partner a non-exclusive license to these rights at the terms and conditions customary in the market. The same shall apply to the know-how I acquired prior to the commencement of the Research Project and for any existing copyrights.

2. I hereby undertake vis-à-vis the Industrial Partner to report to the University all service inventions made in the course of the Research Project pursuant to sec. 5 ArbnEG and quantify my share in the invention to the University. In this connection, I hereby undertake vis-à-vis the Industrial Partner to waive the assertion of my right to refrain from publishing pursuant to sec. 42 no. 2 ArbnEG.

3. I hereby transfer to the Industrial Partner in advance all my rights to Research Results arising in the future, provided they are not eligible for protection, independent inventions which are not job-related (freie Erfindungen) or inventions which become independent.

4. I shall assist the respective contractual party which is entitled under the Contract in its efforts to obtain new intellectual property rights; in particular I shall submit any necessary declarations accurately and in a timely manner. I shall further refrain from any activity that could be detrimental to the granting and maintenance of new intellectual property rights.

5. With respect to copyrights pertaining to the Research Results, I hereby grant the Industrial Partner an exclusive, transferable license for all types of use, which is unlimited in time, territory and subject matter.

6. I shall retain a non-exclusive, non-transferable right to use the Research Results for my research and teaching activities. This shall not affect the contractual provisions on the obligation to maintain secrecy with respect to the Research Results. I further undertake to use the Research Results while carrying out research for or with third parties only with the written consent of the Industrial Partner. This restriction shall not apply to my Old Intellectual Property Rights, to know-how I acquired prior to the commencement of the Research Project, to copyrights which have arisen and to subject matter which is not confidential.

7. The Contract also contains provisions on the confidentiality of the Research Results and tech-

nical knowledge and information which the Industrial Partner makes directly or indirectly accessible to the participating scientists within the framework of the Research Project. I therefore undertake, [...] [confidentiality clauses specific to the industry].

8. I hereby undertake vis-à-vis the Industrial Partner to refrain from publishing Research Results or otherwise disclosing them to third parties—even during the preliminary publication procedure—without the Industrial Partner's written consent, as long as the Research Results are subject to the duty of confidentiality. I shall present the Industrial Partner with the manuscript intended for print or oral announcement (the "Publication") for its review at least sixty (60) days before submitting the manuscript to third parties or making the announcement.

If the Industrial Partner communicates within forty-five (45) days after receiving the manuscript that the Publication conflicts with secrecy requirements, I shall ensure that Publication does not occur or that the information requiring secrecy from the Industrial Partner's point of view is deleted. If the Industrial Partner does not respond within forty-five (45) days, it shall be deemed to have consented to the Publication. In the case of a planned publication of Research Results which are eligible for protection as intellectual property from the Industrial Partner's point of view, the Industrial Partner shall no longer withhold its consent once twelve (12) months have elapsed since the filing of the application.

9. This Agreement is concluded for the duration of my participation in the Research Project. The duty to maintain secrecy and the obligation to present manuscripts shall end [...] years (e.g. five years) after the completion of my participation in the Research Project. The provisions pertaining to inventions within the scope of this Agreement shall end with the expiration of the longest-lived intellectual property right resulting from the Research Project.

10. Should any of the provisions of this Agreement be or become wholly or partially invalid or void, this shall not affect the validity of the remaining provisions. We shall replace such provisions with new, valid provisions which correspond most closely to the purpose of the contract.

To indicate your consent to this Agreement, please sign the attached copy of this letter and return it to me.

(Complimentary close)