*[Option 2 : if Joint ownership of Foreground is applicable]*

**ANNEX XXX : INTELLECTUAL PROPERTY PROVISIONS**

1. DEFINITIONS
   1. “Intellectual Property” shall have the meaning defined in Article 2 of the Convention Establishing the World Intellectual Property Organization, done at Stockholm on July 14, 1967. It may include confidential information such as know-how or trade secrets provided that they are unpublished, and in written or otherwise documented form, and
2. have been held in confidence by their owner,
3. are not generally known or available to the public from other sources, and/or are not generally available to the public in printed publications and/or other readable documents,
4. have not been made available by their owner to other parties without an obligation concerning confidentiality, and
5. are not available to the receiving party without an obligation concerning confidentiality.
   1. “Information” shall mean published data, drawings, designs, computations, reports and other documents, documented data or methods of research and development, as well as the description of inventions and discoveries, whether or not protectable, which are not covered by the term Intellectual Property as defined in paragraph 1.1.
   2. “Fair and reasonable conditions” shall mean appropriate conditions including possible financial terms taking into account the specific circumstances of the request for access, for example the actual or potential value of the Foreground or background to which access is requested and/or the scope, duration or other characteristics of the use envisaged.
   3. “Background" shall mean Intellectual Property or Information which is held by the Contractor prior to its signature of the Contract or outside its scope and which is needed for carrying out the Contract, for using the Foreground or for using the Goods or Services supplied under this Contract.
   4. “Foreground" shall mean Information and Intellectual Property whether or not protectable generated in the course of the execution of the present Contract including through subcontracting.
   5. "Dissemination" shall mean the disclosure of the Foreground by any appropriate means other than that resulting from the formalities for protecting it, and including the publication of these results in any medium.
6. BACKGROUND
   1. Contractor shall declare its background prior to the signature of this Contract. The declaration shall provide detailed information on the origin and ownership of the background as well as any legal restrictions relating to its use of which Contractor is aware. The Contractor cannot invoke the ownership of any background which is not clearly identified in the declaration of background. The declaration of the background shall form part of this Contract (Annex C).
   2. In case that background is identified after the signature of this Contract, it can be added to the declaration of the background upon the agreement of Fusion for Energy. Contractor shall justify why the existence of such background could not be invoked prior to the signature of this Contract.
   3. In case the background belongs to a third party and its use was granted to Contractor under a license agreement, Contractor shall obtain from that third party all the rights allowing use of the background in conformity with this agreement and the Annex on Information and Intellectual Property of the Agreement on the Establishment of the ITER International Fusion Energy Organisation for the Joint Implementation of the ITER Project[[1]](#footnote-1) (hereinafter “ITER Annex on Information and Intellectual Property”). Where a Contractor transfers ownership of background, it shall pass on its obligations regarding that background, as defined in the present Contract, to the assignee including the obligation to pass those obligations on to any subsequent assignee.
   4. If all or part of the background is confidential, it must be clearly identified so in the declaration and special additional measures may be agreed between the Contractor and Fusion for Energy to preserve its confidentiality.
   5. The Contractor shall remain the exclusive owner of its own background.
7. ACCESS RIGHTS TO BACKGROUND
   1. The Contractor shall provide a worldwide, non-exclusive, irrevocable, royalty-free licence to Fusion for Energy to the background for the use of the Foreground or for the use of the Goods or Services supplied under the Contract.
   2. Except for the case for which F4E has already access to background, the Contractor shall grant on fair and reasonable conditions to any third party nominated by Fusion for Energy for the purpose of fulfilling a Contract with Fusion for Energy a licence to use the background if such background is needed for using the Foreground or for the use of the Goods or Services supplied under the Contract.
   3. Upon the request from Fusion for Energy the Contractor shall grant, either directly or through Fusion for Energy, to the ITER Organization and/or to ITER Members access rights to its background, including the grant of licenses to such background, under the conditions established in Articles 4.2.2 and 4.2.3 of the ITER Annex on Information and Intellectual Property.
   4. When the background consists of confidential information such as know-how or trade secrets; the Contractor shall use its best efforts to either grant licenses to the background incorporated into the goods supplied under the Contract or to supply such goods to ITER Members under the conditions established in Article 4.2.4 and 4.2.5 of the ITER Annex on Information and Intellectual Property.
   5. The Contractor is encouraged to make its background incorporated into the goods supplied under the Contract available for commercial purposes under the conditions established in Article 4.2.6 of the ITER Annex on Information and Intellectual Property.
8. FOREGROUND
   1. Any Foreground generated in the course of the execution of this Contract shall be communicated without delay to Fusion for Energy as laid down in Article 5.1. and shall become the joint ownership of Fusion for Energy and the Contractor (hereinafter the “Joint Owners”).
   2. The terms and conditions for exercising the joint ownership will be established in a Co-ownership Agreement following the model in Annex XXX of the Contract.
   3. All information, documents and results given by or on behalf of Fusion for Energy to Contractor shall remain the property of Fusion for Energy. Contractor shall not dispose thereof without prior approval of Fusion for Energy.
9. NOTIFICATION AND PROTECTION OF FOREGROUND
   1. Contractor shall systematically and in due time report to Fusion for Energy any creation of Foreground using the form provided in Annex D to this Contract or through any other means agreed by Fusion for Energy.
   2. Where patentable Foreground is created in the execution of this Contract, the parties shall first agree on the rules regulating the co-ownerhisp of the Foreground (see article 4) and shall then file an application for its protection under the appropriate legal title of Intellectual Property (e.g. patents or utility model). To this effect, Contractor shall take the necessary legal and administrative measures to enable filing applications and obtain patents in the name of the Parties.
   3. Fusion for Energy may transfer its right to file patent applications and obtain patents to the European Atomic Energy Community (Euratom).
   4. In case Contractor files patent applications related to the subject matter of this Contract without the agreement of Fusion for Energy within a period of 24 months after its completion, the content of the application shall be considered as Foreground unless Contractor demonstrates that its has been created independently and outside the scope of this Contract. Any such filing arising after the completion of this Contract shall be notified to Fusion for Energy including sufficient references to enable Fusion for Energy to trace the origin of the patent application.
   5. If employees or other personnel working for Contractor are entitled to claim rights on the Foreground, Contractor shall ensure that it is possible to exercise those rights in a manner compatible with Contractors obligations under this Contract and that it does not hamper the rights of Fusion for Energy on the Foreground.
10. USE OF THE FOREGROUND
    1. The use of the Foreground will be regulated by the Co-Ownership Agreement that will be signed between Fusion for Energy and the Contractor.
    2. In the case of nuclear applications, only non-exclusive licenses or sub-license will be granted:
11. to third parties established in the territory of the members of Fusion for Energy provided that it informs Fusion for Energy prior to such intended use;
12. to third parties established outside the territories of the members of Fusion for Energy, provided that Fusion for Energy, following a consultation with the Commission, does not object in writing within 45 calendar days from the receipt of a written request.
13. Fusion for Energy may object to the granting of a license regarding the Foreground to third parties if it considers that this is not in accordance with defence interests of the Member States within the meaning of Article 24 of the Euratom Treaty.
14. TRANSFER OF THE CO-OWNED SHARES
    1. The Contractor shall be free to transfer, transmit or otherwise assign (hereinafter “transfer”) its shares in one or more Co-Owned IP Right to a third party at any time, if and only if the following procedure has been followed.
    2. The Contractor intending to transfer its shares in one or more Co-Owned IP Rights to a third party shall notify the Fusion for Energy of the proposed transfer, mentioning the name and address of said third party as well as the price said third party is willing to pay for the transfer, and enclosing a copy of the draft transfer agreement. This notification shall be accompanied by a declaration signed by said third party in which the latter agrees to be bound as the successor in title of the Contractor by the Co-ownership Agreement and by all license agreements signed with regard to the exploitation of every Co-Owned IP Right that is the object of the transfer of shares, should this transfer be finalised.
    3. Fusion for Energy may object to the transfer of the Contractor shares if it considers that this is not in accordance with the defence interests of the Member States within the meaning of Article 24 of the Euratom Treaty.
    4. Fusion for Energy shall enjoy a right of pre-emption, which can be realised within three months from the notification of the proposed transfer of shares by paying to the transferring Party the price said third party is willing to pay for the transfer of shares.
    5. If Fusion for Energy believes that the price announced by the Contractor is not accurate or not corresponding to a normal market price, it shall notify the Contractor within three month from the notification of the proposed transfer and request that the fixing of the price shall be referred to expert determination in accordance with the WIPO Expert Determination Rules. The determination made by the expert shall be binding upon the parties. The language to be used in the expert determination shall be English. The expert shall have as a mission to fix a fair price for the transfer of shares, taking into account all elements provided by all the Parties. The other Party shall then have one month from notification of the expertise, to pay the price indicated by the expert and to exercise thereby its right of pre-emption. The expert’s costs shall be borne by Fusion for Energy for having requested the appointment of an expert.
    6. If Fusion for Energy does not exercise its right of pre-emption within the time limit set under paragraph 7.4 hereinbefore, the Contractor will be free to transfer its shares to said third party.
    7. Fusion for Energy shall receive a copy of the assignment deed signed by Contractor and said third party.
15. PERMITS, LICENCES AND COPYRIGHTS
    1. The Contractor shall be responsible for obtaining all permits, licences and copyrights required for the implementation of the Contract under the laws and regulations in force at the place(s) at which the works under the Contract are to be carried out.
    2. If the Contractor is unable to obtain any of the permits, licences and copyrights referred to above, he shall forthwith inform Fusion for Energy, which after consultation with the Contractor and with due regard to the effect of this situation upon the works, shall decide whether all or any of the works are to be discontinued.
16. MANAGEMENT OF INTELLECTUAL PROPERTY
    1. Fusion for Energy and the Contractor shall communicate to each other any information concerning intellectual property rights which may impede performance of the Contract or the exploitation of its results. Whenever performance of the Contract or the use of its results involves the use of intellectual property belonging to a third party the Contractor shall indemnify Fusion for Energy against any action for infringement, which may be brought against Fusion for Energy. This obligation does not apply to the Contractor when Fusion for Energy requests the use of a particular Intellectual Property assets belonging to a third party.
    2. At the first indication of any action and in particular at the lodging of a claim by a third party, even after performance of the Contract, the Party implicated shall notify the other Party thereof without delay, whereupon both Parties shall act jointly and shall exchange all information and evidence which they may possess or obtain.
    3. Items supplied by the Contractor, or any part thereof, covered by an Intellectual Property owned by the Contractor, or in respect to which he possesses a licence, shall not prevent Fusion for Energy from repairing or causing repairs to be made to such a supply by whomsoever it may think fit, if the Contractor, after beeing asked by Fusion for Energy, cannot make the repairs himself within a reasonable time limit and at a reasonable price.
17. USE, DISTRIBUTION AND PUBLICATION OF INFORMATION
    1. Without prejudice to Article 4.3 of this annex, the Contractor hereby expressly authorises Fusion for Energy to process, use, distribute and publish, for whatever purpose, by whatever means and on whatever medium, any data contained in or relating to the Contract, in particular the identity of the Contractor, the subject matter, the duration, the amount paid and the reports. Where personal data is concerned, Article I.12 shall apply.
    2. Unless otherwise provided by the Special Conditions, Fusion for Energy shall be entitled to distribute or publish documents or information supplied in performance of the Contract. If the decision is taken not to publish the documents or information supplied, the Contractor may not have them directly or indirectly distributed or published elsewhere without prior written authorisation from Fusion for Energy.
    3. The use of information obtained by the Contractor in the course of the Contract for purposes other than its performance shall be forbidden, unless Fusion for Energy has specifically given prior written authorisation to the contrary.
18. DISSEMINATION
    1. Contractor shall not carry out any dissemination activities without the prior written agreement of Fusion for Energy.
    2. Contractor shall notably guarantee that any dissemination activity is compatible with the tasks and activities of Fusion for Energy, the protection of Intellectual Property and confidentiality obligations and with the defence interests of the Member States within the meaning of Article 24 of the Euratom Treaty.
    3. At least 45 calendar days prior notice of any dissemination activity shall be given to Fusion for Energy, including sufficient information on the planned dissemination activity and the data envisaged to be disseminated. Following notification, Fusion for Energy may object within calendar 15 days of the notification to the envisaged dissemination activity. In such cases, the dissemination activity may not take place unless appropriate steps are taken to safeguard these legitimate interests. The Contractor and Fusion for Energy may agree on a different procedure.
    4. Any dissemination of information relating to this Contract by Contractor shall include the following statement: " *This [work, document, publication, etc…] has been carried out in the context of [refer to the name of the project/contract]which has been funded with support from Fusion from Energy. The opinions expressed are those of Contractor only and do not represent Fusion for Energy’s official position*. ".
    5. Fusion for Energy shall guarantee that any dissemination activity is compatible with the protection of Intellectual Property and confidentiality obligations and with the defence interests of the Member States within the meaning of Article 24 of the Euratom Treaty.
19. SURVIVAL OF RIGHTS AND OBLIGATIONS

The rights and obligations of the Contractor and Fusion for Energy arising out of the application of the provisions included in this annex shall subsist after the completion or termination of the Contract until such time as the as the information acquired through it falls into the public domain or as the relevant Intellectual Property rights expires, irrespective of whether the protection of Foreground was actually granted at the moment of expiry of the Contract, or whether it is still pending application.

**CO-OWNERSHIP AGREEMENT**

**BETWEEN**

**THE JOINT UNDERTAKING FOR ITER AND THE DEVELOPMENT OF FUSION ENERGY**

**and**

**Contractor**

The Joint Undertaking for ITER and the Development of Fusion Energy (hereafter referred to as "Fusion for Energy"), represented for the purpose of signing this License Agreement by \_\_\_\_\_\_\_\_\_\_\_\_, Director,

                                                                                                              on the one part,

and

\_\_\_\_\_\_\_\_\_\_, with registered offices at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (VAT: registration number \_\_\_\_\_\_\_\_), (hereafter referred to as "Contractor"), represented for the purpose of signing this Agreement by \_\_\_\_\_

                                                                                             on the other part,

WHEREIN Fusion for Energy and Contractor may hereinafter also be individually referred to as the “Party” or jointly as the “Parties”,

WHEREAS according to Article 4.1 of Annex XX applicable to the contract F4E-OPE-\_\_\_\_\_\_\_\_\_\_ any foreground generated in the course of the performance of this Contract shall become the joint ownership of Fusion for Energy and the Contractor (hereinafter the “Joint Owners”).

WHEREAS according to Article 5.2 of Annex XX applicable to the contract F4E-OPE-\_\_\_\_\_\_\_\_\_ where patentable foreground is created in the performance of this Contract, the parties shall file an application for its protection under the appropriate legal title of Intellectual Property (e.g. patents or utility model). To this effect, Contractor shall take the necessary legal and administrative measures to enable filing applications and, when appropriate, obtain patents in the name of the Parties.

WHEREAS Fusion for Energy and Contractor have decided to provide for the protection of such foreground and by the present Agreement they are settling the allocation and the terms of exercise of the joint ownership regime.

THE PARTIES HAVE AGREED AS FOLLOWS

## ARTICLE 1: Definitions

* 1. **“Priority Application”** shall mean the patent/utility model application to be filed in relation to an invention.
  2. **“Co-owned IP Rights”** shall mean the Intellectual Property and Information generated whether or not protectable, including any Patent Rights, generated in the course of the execution of the F4E-OPE-\_\_\_\_\_ contract including subcontracting. A list summarising the co-owned IP rights is attached in Annex A
  3. **“Intellectual Property”** shall have the meaning defined in Article 2 of the Convention Establishing the World Intellectual Property Organization, done at Stockholm on July 14, 1967. It may include confidential information such as know-how or trade secrets provided that they are unpublished, and in written or otherwise documented form, and

1. have been held in confidence by their owner,
2. are not generally known or available to the public from other sources, and/or are not generally available to the public in printed publications and/or other readable documents,
3. have not been made available by their owner to other parties without an obligation concerning confidentiality, and
4. are not available to the receiving party without an obligation concerning confidentiality.
   1. **“Information”** shall mean published data, drawings, designs, computations, reports and other documents, documented data or methods of research and development, as well as the description of inventions and discoveries, whether or not protectable, which are not covered by the term Intellectual Property as defined in paragraph 1.3.
   2. “**License Revenue**” shall mean: revenue received from third parties in consideration of a granted license under Co-Owned IP Rights.
   3. “**Patent Expenses**” shall mean: expenses, as evidenced by invoices or payment receipts from third parties, relating to preparing, filing, prosecuting, defending, maintaining or otherwise litigating on the basis of Co-Owned IP Rights.
   4. **“Patent Rights”** shall mean the Priority Application as well as, unless provided otherwise:
5. any subsequent national or regional patent or any application for a patent relating to an invention disclosed in Annex A, claiming priority to said Priority Application and owned by both Parties;
6. any subsequent utility model, pending or granted, relating to an invention disclosed in Annex A claiming priority to said Priority Application and owned by both Parties;
7. any divisional, continuation or other application derived from one of the above, provided it is owned by both Parties;

and more generally any pending or granted intellectual property title concerning the invention disclosed in Annex A, claiming priority to said Priority Application and owned by both Parties.

## ARTICLE 2: Ownership and Ownership Shares

* 1. The present Agreement sets forth the rights and obligations of the Parties on the Co-Owned IP Rights, and the conditions of exploitation of the Co-owned IP Rights.
  2. Except as otherwise provided herein, the Parties shall be co-owners in each and every intellectual property right belonging to the Co-owned IP Rights with equal shares (fifty per cent each), as well as equal rights and obligations.

## ARTICLE 3: Entitlement and Prior Obligations

* 1. Each Party warrants that all rights on the Co-Owned IP Rights have been transferred or obtained according to legal, statutory or contractual dispositions in the name of said Party and that said transfer has been realised in accordance with all applicable internal procedures. Each Party agrees to defend and hold harmless the other Party from any claim that the Party was not fully empowered and authorised to file any Priority Application in its name.
  2. Should a conflict as to the entitlement to any one of the Co-owned IP Rights be initiated by one of the inventors mentioned in the Priority Application, the Party contractually bound to such inventor will do its best efforts to rapidly solve the conflict and to defend and hold harmless the other Party of such dispute.
  3. Each Party shall be responsible for the payment of any consideration, which may be due to its own inventors in accordance with the legal provisions applicable in its country or according to its legal system.

## ARTICLE 4: Management of Co-Owned IP Rights

* 1. The Parties appoint and duly empower Fusion for Energy as “Managing Party” of the present Agreement. Without prejudice to any other responsibilities established in this agreement the task of the Managing Party shall be to coordinate and supervise the granting process, prosecution, defence and maintenance of the Co-Owned IP Rights. Fusion for Energy accepts to perform this task, except otherwise specified herein, free of charge and by taking into account the legal and commercial interests of Contractor.
  2. The Parties will jointly appoint a patent attorney firm as their common representative for managing the granting process, prosecution, defence and maintenance of Co-Owned IP Rights, hereinafter referred to as the “Common Representative”.
  3. Except otherwise provided herein, the Common Representative will receive his instructions from the Managing Party and will report to the Managing Party.
  4. The Managing Party will without undue delay inform Contractor in writing of all communications related to the Co-Owned IP Rights, including, but not limited to, patent applications, office actions, examination reports, responses to official communications, and keep Contractor fully informed of the status of Patent Rights. Said notification shall include a copy of said communications.

## ARTICLE 5: Management of Patent Rights

* 1. The Parties shall consult with each other to decide jointly on the course of action in respect of the prosecution of Patent Rights, before the Managing Party sends its instructions to the Common Representative. Should the Parties not be able to agree on a course of action, both Parties shall notify the Common Representative of such disagreement and explain their preferred course of action. The Common Representative shall then—within the bounds of possibility—first try to obtain concurrent instructions from the Parties. If this is not possible, the Common Representative shall follow, as far as possible, the instructions of the Party which will most probably result in the smallest loss of patent rights or the highest extent of rights. The course of action adopted by the Common Representative shall then be binding for all Parties, who will not contest the corresponding Patent Expenses
  2. Within the bounds of possibility, each Party shall have the right to review and comment upon any amendment or any response to an office action or examination report of a Patent Right before such amendment or response is filed with the Patent Office.
  3. If the Managing Party anticipates extraordinary Patent Expenses arising from the granting procedure, prosecution, maintenance, defence or litigation of any Patent Rights, then the Managing Party shall provide the other Party with full details and the Parties shall determine—within the bounds of possibility—a mutually acceptable course of action prior to incurring such Patent Expenses.
  4. Except otherwise provided herein, Patent Expenses will be borne by the Parties proportionally to their respective shares in the Patent Rights. Each Party shall receive from the Common Representative a detailed debit note mentioning the total amount of the fees and services incurred and the Party’s share to be paid. Each Party shall be responsible for respecting the payment conditions agreed with or proposed by the Common Representative.
  5. Unless renouncing to its shares in a Patent Right in accordance with the procedure set forth under Article 7 below, a Party cannot discontinue paying its portion of the costs associated with said Patent Rights.
  6. If a Party discontinues paying its portion of Patent Expenses associated with a given Patent Right without renouncing its shares therein, the other Party may pay the outstanding invoices in replacement of the discontinuing Party and recover its corresponding disbursements, including interests, directly from the discontinuing Party. The interest rate shall be fixed charging a surcharge of two (2) points over the current legal interest rate in the country of domicile of said second Party.

## ARTICLE 6: Maintenance and filing of subsequent patent applications

* 1. In case an international patent application (under the Patent Cooperation Treaty) is filed to extend the Priority Application, and under priority thereof, in the name of both Parties, such international patent application will be forming part of the Patent Rights.

National or regional phases that have been retained by both Parties shall be filed as co-owned patent applications.

National or regional phases that are selected by one Party only shall be filed in the name of that Party and at its own expenses. The other Party is deemed to and shall assign, free of charge for this other Party, its entire share of the co-owned patent application. The costs for registering this assignment into the Patent Register shall be borne by the filing Party. The corresponding national or regional phases selected by said only one Party, will not form part of the Patent Rights.

* 1. For each regional patent application that may be part of the Patent Rights, the Parties will jointly decide, when appropriate, in which countries the granted regional patent shall be validated.

The Managing Party will notify to the Common Representative the list of countries commonly selected by the Parties.

If one or more countries are selected by only one Party, it shall be allowed to validate the regional patent in said one or more countries at its own expense. The Managing Party will inform the Common Representative accordingly so that appropriate measures may be taken for such validations. The other Party is deemed to and shall assign, free of charge for this other Party, all of its share of co-ownership to the solely validating Party. The costs for registering this assignment shall be borne by the validating Party. The corresponding national part(s) selected by said only one Party of the regional patent will not be considered as Patent Rights.

* 1. If a Party wants to derive a divisional, continuation or other application from a Patent Right, said Party shall have to inform the Common Representative thereof. The latter shall set to the second Party a time limit reasonable under the circumstances for confirming its agreement to become (co-)applicant on said divisional, continuation or other application.

If the second Party does confirm its agreement within the time limit set by the Common Representative, the latter will then proceed to the filing in the name of both Parties, whereby said divisional, continuation or other application will be considered as Patent Right and, consequently, be bound by the present Agreement.

In case the second Party does not want to be co-applicant in such divisional, continuation or other application, the first Party shall be allowed to instruct the Common Representative to proceed with the filing in its own name and at its own expense. The other Party is deemed to and shall assign, free of charge for this other Party, all of its share of co-ownership to the first Party. The costs for registering this assignment shall be borne by the first Party. The resulting divisional, continuation or other application shall not be considered as a Patent Right and, consequently, not be subjected to the present Agreement.

* 1. The Parties undertake to provide, free of charge, any administrative or technical document which is necessary for filing, prosecuting and transferring Patent Rights, as well as for filing, prosecuting and transferring any patent application, divisional, continuation or other application derived from Patent Right but assigned to one single Party.

## ARTICLE 7: Renunciation

* 1. A Party may at any time decide to renounce its share in a Co-Owned IP Right, hereinafter the renouncing party, whereby such renunciation shall be notified to the other Party, in case of Patent Rights to the Common Representative, by registered mail. Such a renunciation notification shall be irrevocable. Upon receipt of such notification, the second Party shall confirm in writing within 15 business days its agreement to become the sole owner of said Co-owned IP Right with all rights and obligations.
  2. If the second Party does not confirm its agreement within the time limit set by the other Party or the Common Representative, said Co-owned IP Right shall be abandoned in the most cost-effective way.
  3. If the second Party continues paying the full Patent Expenses for any Patent Right, the renouncing Party shall have to execute upon request and without any delay any documents necessary for registering into the Patent Register an assignment of its shares in the Patent Right to the second Party. The costs for registering this assignment into the Patent Register shall be borne by the second Party. Such an IP Right that is assigned to a single Party shall no longer be considered as a Co-Owned IP Right and, consequently, no longer be bound to the present Agreement. The renouncing Party must however still bear its share of any Patent Expenses incurred until the day of receipt of its notification of renunciation according to paragraph 7.1.
  4. In case of abandonment of a Co-owned IP Right, both Parties shall continue to support each part proportional to their share of any Patent Expenses until final confirmation of abandonment of the latter. In case the second Party agrees to become the sole owner of said Patent Rights, the renouncing Party shall be freed from the payment of related Patent Expenses concerning services performed and fees paid after the Common Representative’s reception of the renunciation notification.
  5. In case of renunciation by Fusion for Energy to any Co-Owned Right, Fusion for Energy shall keep access to the renounced right in the form of a worldwide, non-exclusive, irrevocable, royalty-free license with the right to further sub-license and use it to carry out its tasks as established by Article 1.2 of Council Decision 2007/198/Euratom.
  6. In case of renunciation by Fusion for Energy to any Co-Owned Right, Contractor will inform Fusion for Energy of any License or transfer of ownership of said Co-Owned right to ensure the compliance with Title II, Chapter 2 of the Euratom Treaty.

## ARTICLE 8: Infringement and Defensive Actions

* 1. If a Party becomes aware:

1. of any potential act of infringement of a Co-Owned IP Right; or
2. of any claim concerning ownership of a Co-Owned IP Right; or
3. of any validity challenge of a Co-Owned IP Right; or
4. of any allegation or complaint by a third party concerning the right of exploitation of a Co-Owned IP Right, as e.g. an allegation of infringement of a third party’s patent rights;

then that Party shall notify the other Party without undue delay. The Parties shall then consult with each other and endeavour to determine a common strategy how best to encounter such infringement, claim, challenge, allegation or complaint. Nevertheless, regarding a possible claim as to ownership the Parties remain bound by their obligations under Article 3.

* 1. Either Party shall not make any statement or admission in respect of any such infringement, claim, challenge, allegation or complaint, except with the other Party’s prior written consent to the making of and the precise contents of such statement or admission, except that one Party may state that the matter has been or will be discussed with the other Party.
  2. In case the Parties agree to start an infringement action against a third party, they shall set up a regulation for the management of said action. This regulation shall inter alia provide that all revenues received as a result of said action shall be shared by the Parties in the same proportion as the costs of said action, wherein the costs of said action shall be shared, except otherwise agreed upon by the Parties, in proportion of the shares each Party owns in the Co-Owned IP Right concerned by the infringement action.
  3. If one of the Parties is not willing to participate in an infringement action, then the willing Party shall have the right to prosecute said infringement action, provided it bears all expenses associated with said action, and by taking into account the legal and commercial interests of the other Party. In particular, should the proposed action lead to a potential cancellation or nullification action against the Co-Owned IP Right having high chances of success, the willing Party shall refrain from initiating said action. All revenues received as a result of said action shall be kept by the prosecuting Party. If said infringement action has as a result a nullity or cancellation action against a Co-Owned IP Right, the Party having started the infringement action shall have to defend—in as far as reasonably possible—the validity of the Co-Owned IP Right at its own costs, unless the action has been joined by the other Party, where each party shall bear its own costs.
  4. Each Party shall use its best efforts to supply all assistance reasonably requested in connection with any patent infringement action or nullity action. If not both Parties participate in an action, the Party participating shall keep informed the other Party, on a bi-monthly basis, of the development and, if any, of the conclusion, either through the decision of a court or through an amicable settlement, of said action.

## ARTICLE 9: Exploitation and Licensing

* 1. Unless otherwise agreed in writing between the Parties, each Party shall work and use the invention covered by the Co-Owned Patent Rights for its own needs and benefit. The right to use includes the right to use by the Parties but also the right to have manufactured the product for own needs by a third party by using the patent. No compensation shall be paid to the other Party in respect of said work or use.

The Parties are free to use the patent in research work carried out by themselves with third parties. The Parties will inform each other of such plans and on the results of the research.

The Parties shall inform each other in writing and without undue delay of any planned working or using the invention covered by the Co-Owned Patent Rights for its own needs and benefit.

* 1. Each Party shall be entitled to initiate the negotiation of license agreements concerning Co-Owned IP Rights for and on behalf of both Parties only upon the agreement by the other party in writing for every individual case, The Parties shall inform each other in writing and without undue delay of any proposal for commercialization, licensing and exploitation of the invention(s) covered by the Co-Owned Patent Rights they may receive.
  2. The Parties agree to closely cooperate with regard to the negotiations relating to commercialization, licensing and exploitation of the invention(s) covered by the Co-Owned Patent Rights.
  3. The negotiating Party shall in particular inform the other Party on the status of ongoing negotiations with potential licensees as soon as the main elements of said license are agreed upon by the parties to the license, and shall provide the other Party with the first draft license agreement. The Parties shall jointly discuss the scope of the license agreement, in particular concerning the territories, the field of use, the exclusivity or non-exclusivity, the duration and the royalty rates. In case the Parties cannot agree upon the main elements of the license, the Parties agree to refer the case to the mediation procedure according to Article 12.2(a). If the Parties remain in disagreement, the Common Representative shall present a balanced proposal taking into account the requirements and interests of the two Parties.
  4. Any license agreement under the Co-owned IP Rights shall be executed by the negotiating Party only prior approval in writing from the other Party regarding the terms, main elements and the scope of the license agreement according to Article 9.4.
  5. The negotiating Party shall be the administrator of the licence and perceive accordingly all the corresponding License Revenue. This Party shall transfer fifty per cent (50%) *(subject to variations depending on the value of the share of the Co-Owned rights*) of the License Revenue to the other Party, after deduction of management fees to be agreed upon in writing between the Parties. Such transfer of License Revenue will be calculated in respect of each civil year and due before the end of March of the following year.
  6. In case of a request for a license concerning the Co-owned IP Rights from any of the parties to the ITER Agreement, the Parties agree to give full effect to the aforementioned Agreement and to its Annex on Information and Intellectual Property and the rights and obligations resulting thereunder, such as it is stipulated in the contract under which the Co-owned IP Rights were developed.
  7. In the case of nuclear applications, only non-exclusive licenses or sub-license will be granted:

1. to third parties established in the territory of the members of Fusion for Energy provided that it informs Fusion for Energy prior to such intended use;
2. to third parties established outside the territories of the members of Fusion for Energy, provided that Fusion for Energy, following a consultation with the Commission, does not object in writing within 45 calendar days from the receipt of a written request.
   1. Fusion for Energy may object to the granting of a license regarding the foreground to third parties if it considers that this is not in accordance with defence interests of the Member States within the meaning of Article 24 of the Euratom Treaty.

## ARTICLE 10: Transfer of Shares

* 1. Each Party shall be free to transfer, transmit or otherwise assign (hereinafter “transfer”) its shares in one or more Co-Owned IP Right to a third party at any time, if and only if the following procedure has been followed.
  2. A Party intending to transfer its shares in one or more Co-Owned IP Rights to a third party shall notify the other Party of the proposed transfer, mentioning the name and address of said third party as well as the price said third party is willing to pay for the transfer, and enclosing a copy of the draft transfer agreement. This notification shall be accompanied by a declaration signed by said third party in which the latter agrees to be bound as the successor in title of said first Party by the present Agreement and by all license agreements signed with regard to the exploitation of every Co-Owned IP Right that is the object of the transfer of shares, should this transfer be finalized.
  3. The other Party shall enjoy a right of pre-emption, which can be realized within three months from the notification of the proposed transfer of shares by paying to the transferring Party the price said third party is willing to pay for the transfer of shares.
  4. If the other Party believes that the price announced by the transferring Party is not accurate or not corresponding to a normal market price, it shall notify the transferring Party within three month from the notification of the proposed transfer and request that the fixing of the price shall be referred to expert determination in accordance with the WIPO Expert Determination Rules. The determination made by the expert shall be binding upon the parties. The language to be used in the expert determination shall be English. The expert shall have as a mission to fix a fair price for the transfer of shares, taking into account all elements provided by all the Parties. The other Party shall then have one month from notification of the expertise, to pay the price indicated by the expert and to realize thereby its right of pre-emption. The expert’s costs shall be borne by the Party having requested the appointment of an expert.
  5. If the other Party does not realize its right of pre-emption within the time limit set under paragraph 9.3 hereinbefore, the transferring Party will be free to transfer its shares to said third party.
  6. The other Party shall receive a copy of the assignment deed signed by said transferring Party and said third party.

## ARTICLE 11: Entry into Force, Term and early Termination

* 1. The present Agreement shall enter into force upon signature by the last Party.
  2. The present Agreement shall remain in force as long as at least one Co-Owned IP Right is in force.
  3. Early termination of the present Agreement requires an amendment signed by all Parties or a decision by Court.

## ARTICLE 12: Law and Jurisdiction

* 1. The present Agreement shall be construed in accordance with and governed by the Spanish law.
  2. In the event of any disputes as to the formation, existence, binding effect, validity, interpretation, performance, breach, termination and enforcement of the Agreement and any subsequent amendments of this Agreement, as well as non-contractual claims relating to said Agreement, the following procedure shall apply:

1. The Parties shall convene a Committee of two senior executives and two legal advisers, each party appointing one senior executive and one legal adviser, within a fifteen-day period following a request for the convening of such Committee by one of the parties by registered letter with return receipt. Said Committee shall have two months to draft a protocol stating either that the parties have agreed to resolve the difficulty or that they remain in disagreement.
2. The disagreement may then be referred to and finally determined by arbitration in accordance with the WIPO Expedited Arbitration Rules. The place of arbitration shall be Geneva. The language to be used in the arbitral proceedings shall be English. The dispute, controversy or claim shall be decided in accordance with the Spanish law.
   1. Failure of a Party to enforce a right under the present Agreement shall act neither as a waiver of that right nor as a waiver of the ability to later assert that right relative to the particular situation involved.
   2. Should any provision of the present Agreement be or become fully or partly legally invalid, this shall be without prejudice to the validity of the present Agreement. The invalid provision shall be retroactively replaced by a valid provision, which shall to the greatest possible extent comply with the meaning of the invalid provision and with the purpose of the present Agreement.

## ARTICLE 13: Administrative provisions

* 1. Any notice or other document required to be served under the present Agreement must be served in writing and may be delivered by hand or sent by certified mail with acknowledgement of receipt to the parties to be served at the address appearing below, with a courtesy copy addressed to the Common Representative if applicable:

*For Fusion for Energy*:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Director

Fusion for Energy

For administrative and technical matters:

Fusion for Energy

Administrative Department

To the attention of the Head of the Contracts and Procurement Unit

*For Contractor:*

Contractor SE

IP Department

To the attention of \_\_\_\_\_\_\_\_\_\_\_\_

* 1. These notices shall have effect on delivery (if delivery by hand) or on the date of the acknowledgement of receipt (if sent by certified mail).
  2. In case of a change of address of a Party, the latter has to serve its new address to the other Party in accordance with the provisions of the present section. Until such change of address has been duly served on the other Party, any notice or other document served to the previous address shall be deemed to have been validly served.
  3. The Agreement reference is n° xxxxxxxxxxxxxx. It shall be quoted in all correspondence with Fusion for Energy.

## ARTICLE 14: Miscellaneous

* 1. The present Agreement shall not be assigned by either Party without the prior written consent of the other Party. In case of an internal reorganization of one Party necessitating an assignment of the present Agreement, the other Party shall not unduly withhold their agreement to such assignment.
  2. The present Agreement constitutes the entire and only agreement between the Parties for Co-Owned Patent Rights and all other prior negotiations, representations, agreements, and understandings are superseded hereby. No agreements altering or supplementing the terms hereof may be made except by a written document signed by both Parties.
  3. Headings of the present Agreement are included herein for convenience only and shall not be construed as having any bearing upon the interpretation or meaning of the provisions of the present Agreement.
  4. The present Agreement does not constitute and shall not be construed as constituting an agency, partnership or joint venture relationship between the Parties.
  5. The language of the present Agreement and of the transactions envisaged by it is English and all notices, demands, requests, statements, certificates or other documents or communications shall be in English unless otherwise agreed.

## ARTICLE 15: Annexes

The following are appended to and are an integral part of this Agreement:

Annex A: List of Co-owned IP Rights and description of the co-owned invention

Done in Barcelona,

In two originals in the English language.

|  |  |
| --- | --- |
| For and on behalf of Contractor | For and on behalf of Fusion for Energy |
| (signature) | (signature) |
|  |  |
|  | Director |
|  | Fusion for Energy |

**Annex A to the Agreement n° xxxxxxxxxxxxxxx   
List of Co-owned IP Rights and description of the co-owned invention**

1. Official Journal L 358 of 16.12.2006, p.62 [↑](#footnote-ref-1)