

7. Intellectual Property

Chapter Summary

To facilitate knowledge transfer and help ensure value for money we have created default treatment for intellectual property rights (IPR). This chapter sets out the default arrangements for the treatment of IPR.

Introduction

7.1. We recognise that the projects financed by the NIA may create intellectual property rights (IPR) either for the Funding Licensee or for any Project Partners (whether for both or jointly), and that these rights could restrict the Dissemination of knowledge and also provide a value through future revenues.

7.2. The Licensee is required to enter into contractual arrangements with Project Partners which reflect the arrangements described in this section of the Governance Document. The purpose of these arrangements is to:

- ensure the Dissemination of knowledge generated by each NIA project, and
- protect customers against paying excessively for new products or approaches (to which they have contributed toward the cost of development by providing NIA funding).

7.3. Given the light touch nature of these arrangements we expect the vast majority of NIA projects to be able to meet the requirements of this condition. However, in the circumstance that a potential Project Partner is not prepared to enter into contractual arrangements on this basis, we are willing to consider alternative arrangements on a case by case basis. In any event, all arrangements must comply with the criteria set out in paragraph [3.10].

Ensuring Knowledge Dissemination

7.4. Licensees must ensure that their IPR arrangements allow for the Dissemination of knowledge in respect of a Project. This knowledge may be the knowledge necessary to reproduce or simulate the outcome of a Project. It may also be the knowledge necessary to avoid a negative outcome. Where the deployment of IPR materially reduces the cost, difficulty or time associated with reproducing the outcome of a Project, this would also constitute an IPR which is material to the Dissemination of knowledge.

7.5. Foreground IPR that other Licensees will need to utilise in order to implement the Method(s) being trialled in the Project is classed as Relevant Foreground IPR. Any Relevant Foreground IPR will be identified in the Project Progress Information in sufficient detail to enable others to identify whether they wish to licence that IPR. For clarification it is not expected that the confidential details of IPR would be disclosed in the Project Progress Information, only sufficient information to enable others to identify whether the IPR is of use to them. Where Background IPR is required to use the Relevant Foreground IPR, this must also be clearly stated.

7.6. All other Licensees will have the automatic right to use Relevant Foreground IPR for use within their network system royalty free. The Licensee will ensure that arrangements are in place to allow such access.

Ensuring value

7.7. For the avoidance of doubt, each Participant in the Project, whether a Licensee or a Project Partner shall retain all rights in and to its Background IPR.

7.8. Each Participant shall own all Foreground IPR that it independently creates as part of the Project, or where it is created jointly then it shall be owned in shares that are in proportion to the effort and work done in its creation.

7.9. We are conscious that projects funded (in full or in part) by the NIA could result in the development of commercial products which, when protected by IPR, could be exploited to make a significant profit. Licensees need to be mindful of this when they utilise consumers' money through the NIA.

7.10. The Licensee is required to consider and enter into contractual arrangements that will provide best long term value to all consumers during, and following the completion of, the Project. These arrangement must provide value with regard to the level of funding provided by other Project Partners, the IPR terms agreed between the licensee and Projects Partners as well future pricing commitments (e.g. firm pricing for post Project products, discounts arrangement etc) offered by Project Partners.