

IPR Workshop  
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## Experiences of the CRCs

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K1 Competence Center - Initiated by the Federal Ministry of Economy, Family and Youth (BMWFJ) and the Federal Ministry of Transport, Innovation and Technology (BMVIT). Funded by FFG, Land Steiermark and Steirische Wirtschaftsförderung (SFG).

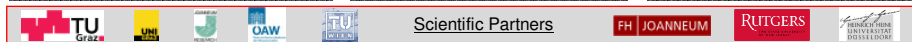
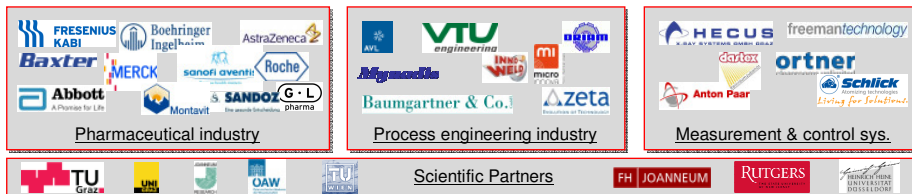


## Overview

- The RCPE at a glance
- The RCPE timeline to the first K1 project
- The framework defined by the FFG
- Problems/challenges met, solutions applied
  - Agreement
  - LOCs
  - Cooperation treaties
- Conclusions



- **RCPE: Research Center Pharmaceutical Engineering GmbH**
- K1-Center launched on the 1<sup>st</sup> of July 2008 (23 months in operation)
- Mission: research & development in the area of pharmaceutical process and product development
- 100% owned by research institutions (Graz University of Technology: 65%, University of Graz: 20%, Joanneum Research: 15%)
- *Not being partially owned by an industrial partner helps with IPRs, confidentiality and competition clause issues*



## Timeline

- 1 Dec. 2006 Submission of short proposal
- 15 June 2007 Submission of full proposal
- 17 Sep. 2007 Hearing at the FFG
- 28 Sep. 2007 RCPE is only new Center after the first hearing
- April/May 2008 Coordination and signing of the Agreement by all scientific partners and sponsors**
- 26 June 2008 Constitutive general assembly (signing of the company agreement, authorization of the executives and the board of directors)
- 26 June 2008 Constitutive board meeting
- 1 July 2008 Operational start of the RCPE
- 9 July 2008 Registration in the commercial register
- 15 July 2008 Start of the first K1-project; definition of 10 more K1-projects**

## The Framework of the FFG



### Agreement (prior to start of the Center)

- Definition of an Agreement based on the guidelines issued by the FFG
- Has to be approved by the FFG and the co-funding federal province
- 50% of all scientific partners have to sign the Agreement
- **50% of all industrial partners have to sign the Agreement**
- **50% of the project volume is confirmed by LOCs**

### Cooperation treaties (ongoing)

- Cooperation treaties define the cooperation of RCPE with each partner
- They contain:
  - A detailed project description
  - Detailed milestone and work package plan
  - Cash and inkind payment schedules
  - Industrial/strategic and legal project definitions
  - **Intellectual property rights**

## Agreement-Related Issues



### The situation in April/May 2008

- Definition, coordination and signing of the agreement
- RCPE is an idea/concept and not a company or even a legal entity!
- But: the Agreement has to be legally binding
- The Agreement is a precondition for the formation and the financing of the company „RCPE“

***How do you convince a future industrial partner to accept a legally binding agreement with a research center that does not yet exist?***

### The solution

- By establishing a personal level of trust between representatives of the company and future executives of the center (time-consuming!)
- Rather “easily” possible with previous and current cooperation partners
- A major challenge with new and/or international partners

## LOC-Related Issues

### The situation in April/May 2008

- Coordination and signing of LOCs
- Signed LOCs are a precondition for the formation and the financing of the company „RCPE“
- April/May: RCPE is an idea/concept and not a company or even a legal entity!
- “Details” of the cooperation project (work program, financial plan, IPRs) are NOT defined in the Agreement, but in project-specific cooperation treaties

*How do you convince a future industrial partner to sign an LOC with a research center that does not yet exist and the specifics of the future cooperation left to be determined in the future?*

### The solution

- Same as with the agreement: by establishing a personal level of trust between representatives of the company and future executives of the center

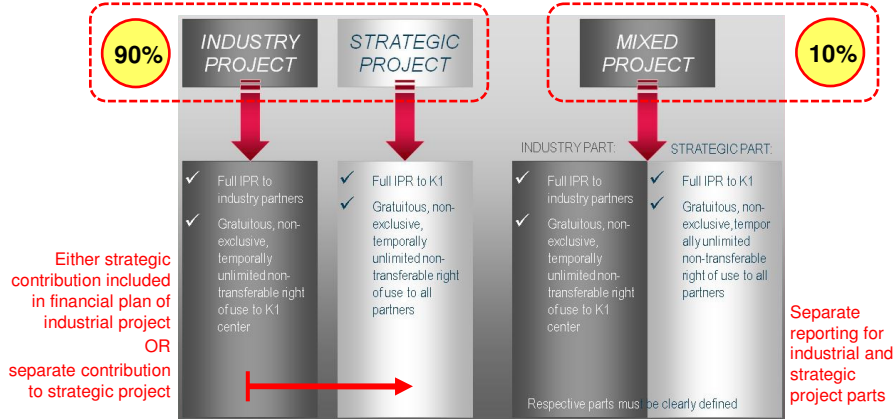
## Roadmap to a Cooperation Project

- The Agreement is valid for all partners of the center
- The Agreement only defines **general concepts and guidelines (incl. IPR)**
- The specifics of a project have to be defined in separate cooperation treaties
- Four-stage approach: signing the Agreement is a prerequisite for the definition of a project-specific cooperation treaty
  - ▶ **Step 1:** Subscription of the Agreement
    - ▶ **Step 2:** (Technical) definition of a research project
      - ▶ **Step 3:** Definition of a project consortium (multi-firm + scientific)
        - ▶ **Step 4:** Preparation of the cooperation treaty
          - Technical project definition
          - Financial project definition
          - Industrial/strategic project definition
          - **Legal project definition**
          - **IPRs**

## IPR Models

**Model I:** Industrial project & contribution to a separate strategic project

**Model II:** Mixed project with industrial and strategic parts



## Experience with the IPR Models

- Both models (separate and mixed projects) have been implemented in RCPE cooperation treaties (90% separate vs. 10% mixed)
- We have successfully implemented both models with national and international partners
- Discussions about IPR definitions are one of the most time-consuming issues in defining the cooperation treaty

**Our experience is that the best solution is to either split industrial and strategic parts into separate projects, or to implement a work-package- and industrial-partner-specific definition of IPRs**

- Our experience: the bigger the company, the more lawyers are involved
- Multi-firm projects with partners from different business areas are easier (partner structure; 100% ownership of research institutions)
- Pharma industry is "IPR-friendlier" than automotive industry
- Pre-existing knowledge und IPR definition are a major bottleneck!

## Conclusions



### Agreement

- The Agreement defines general concepts and guidelines for cooperations and is valid for all partners of the Center
- Pre-start signatures are a challenge (time & situation); post-start signatures have to be explained (international partners!) but are not as problematic
- No company refused to sign the Agreement up to date

### Pre-start phase

- Many challenges in a short period of time:
  - Definition and signing of the Agreement
  - Definition and signing of LOCs
  - Prerequisites for the official start of the center

### Post-start phase

- After the official start, it is „easier“ to integrate new partners because:
  - A legal, financial and technical framework is readily established
  - Ongoing projects can be used as a reference with new partners
  - The Center can be more restrictive in accepting or refusing projects