

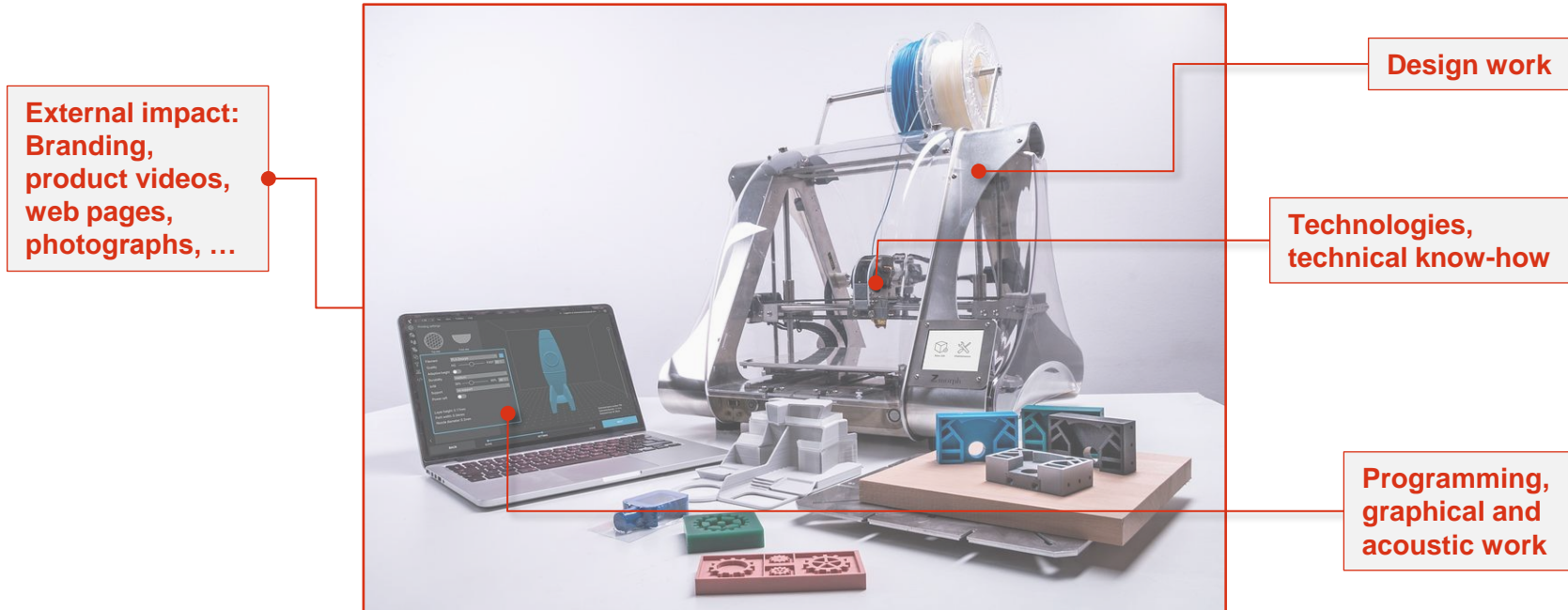
AGENDA

14.00	Welcome Tom Withnell
14:05	Introduction Viorel Peca (EIC), Patrice Pellegrino (EPO, tbc)
14.15	Introduction to licensing Christian Soltmann
14.30	Q&A Christian Soltmann
14.35	Business models based on licensing Bowman Heiden, Adéla Dvořáková
15.20	Q&A Adéla Dvořáková, Thomas Bereuter
15.25	Break
15.35	Practical aspects of licence agreements Karin Hofmann
16.05	Q&A Karin Hofmann
16:10	Case studies: Infinite Roots, Linari Engineering Sonja London, Natalia Drost, Stefano Linari
16:30	Q&A with all speakers
16.50	Closing remarks Tom Withnell
17.00	End of training

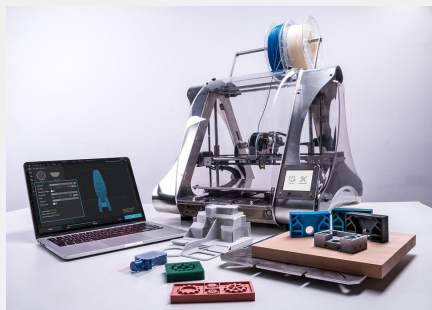
LICENCES IN A NUTSHELL – INTRODUCTION TO LICENSING

CHRISTIAN SOLTMANN | D0321 PATENT ANALYTICS | 9 JULY 2024

YOUR PASSION: CREATING PRODUCTS AND SERVICES



YOUR FUTURE: COMMERCIAL SUCCESS



Where you are



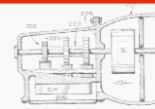




Nature of know-how and information:

- can be **reproduced** (technically) by everyone, usually at moderate costs
- **not possible (technically) to exclude** others from using the knowledge and know-how once it is made available



Where you want to be

INTELLECTUAL PROPERTY RIGHTS: A POWERFUL MEANS TO SECURE KNOW-HOW AND OTHER INTELLECTUAL ASSETS

Legal right	What for?	How?	
Patents	New inventions	Application and examination	
Copyright	Original creative or artistic forms (literary texts, music)	Exists automatically	
Trade marks	Distinctive identification of products and services	Use and/or registration	
Registered designs	External appearance	Registration	
Trade secrets	Valuable information not known to the public	Reasonable efforts to keep secret	

EXAMPLE: PATENTS

Patents protect (technical) inventions

Patent: A legal title which grants the holder the **exclusive right to prevent** others from making, using or offering for sale, selling or importing a product that infringes his/her patent without authorisation

Principle of **territoriality**: Valid in countries for which the patent was granted

Exist for a **limited time** (up to 20 years)

Exceptions and limitations apply



USE INTELLECTUAL PROPERTY RIGHTS AS PART OF YOUR BUSINESS STRATEGY

Used by the IP owner:
For own products and services



Used by the someone else
who is entitled



Transfer, e.g. to spin-
off company

Licence

LICENCE



Licensor/IP owner

Permission to use the intellectual asset



Compensating measures, e.g. royalties



Licensee, e.g. other company

- Licence agreement: specifies the terms under which the licensee can use the licensor's intellectual asset, e.g. a technology protected by a patent
- Licensor remains the owner of the intellectual asset

FORMS OF LICENCES FROM A BUSINESS PERSPECTIVE

	Out-licensing	In-licensing	Cross-licensing
Definition	Granting permission to use intellectual asset	Acquiring right to use intellectual asset of other party	Mutual permission to use intellectual assets
Main objective	Earn revenue Leverage unused or underutilised intellectual assets	Get access to external technology or other intellectual asset	Facilitate collaboration and mitigate risk of infringement

Source: J. Cosmopoulos et al., Empowering the licensing capabilities of EIC-funded startup companies, les Nouvelles, 2024

Q&A



European IP Helpdesk

Stay ahead of the innovation game.

Licensing-Based Business Models

Bowman Heiden, CIP

09.10.2024





Agenda

1. Brand/Trademark Licensing
2. Software/Copyright Licensing
3. Technology/Patent Licensing



1

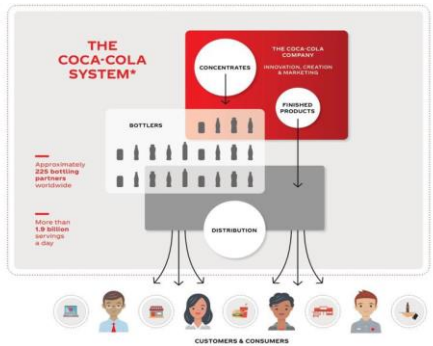
Brand/Trademark Licensing



Brand-Based Licensing models



Brand License



Franchising



Merchandising

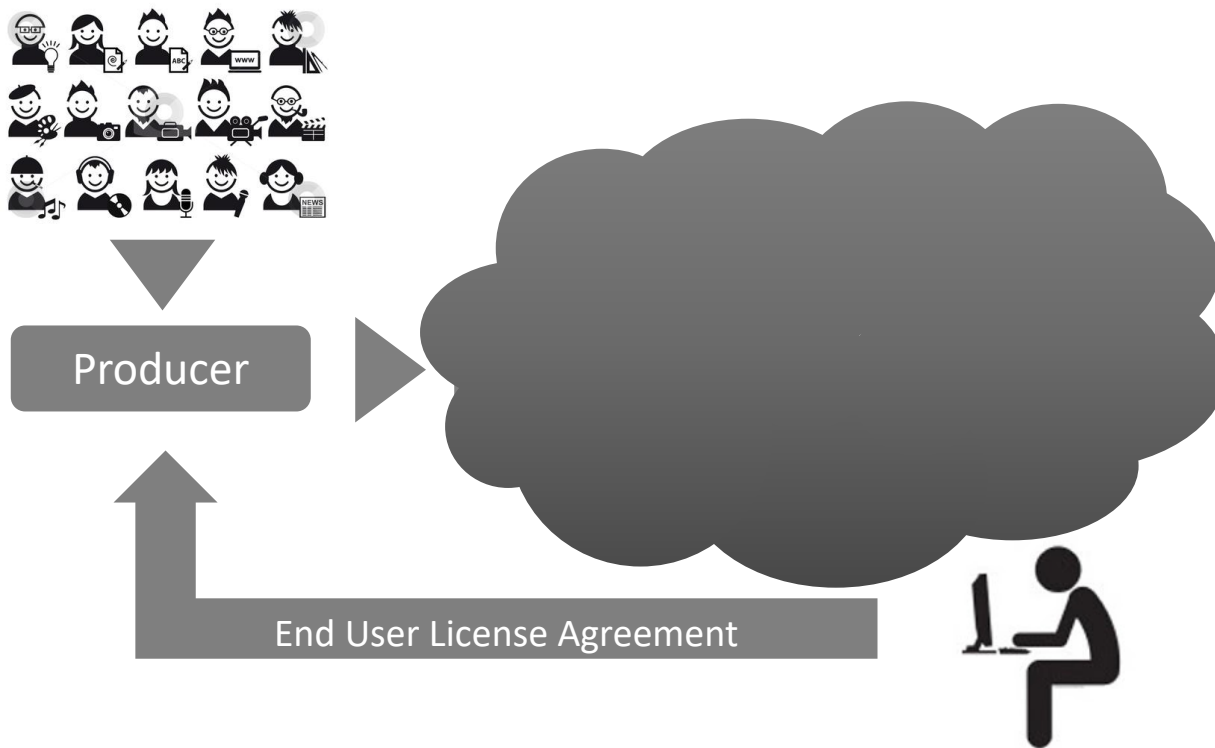


2

Software/Copyright Licensing



Software – a B2C license

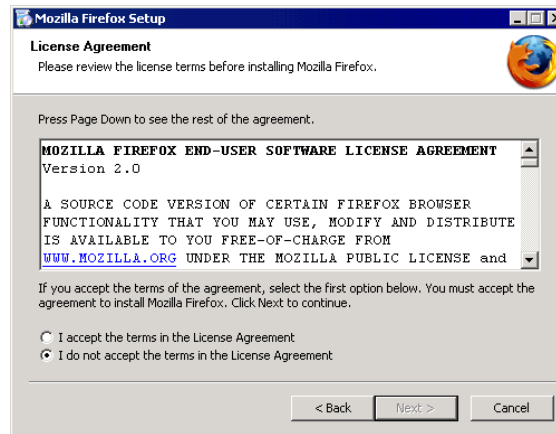




EULA – Regulating customer behavior



Shrink-wrap



Click-wrap



EULA – Regulating customer behavior



Seed-wrap



Mouse-wrap

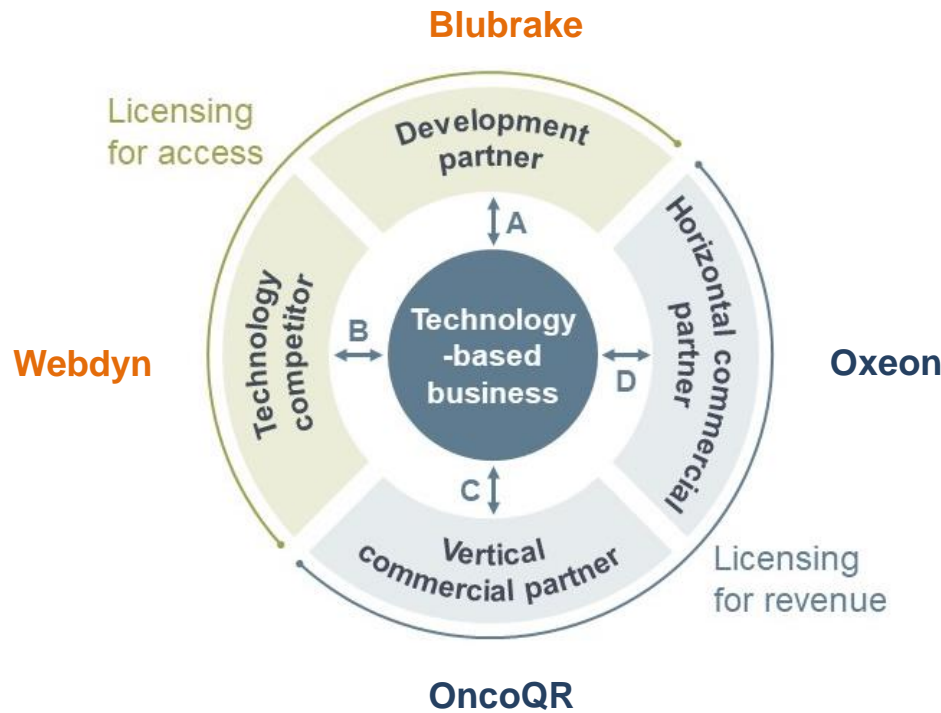


3

Technology/Patent Licensing



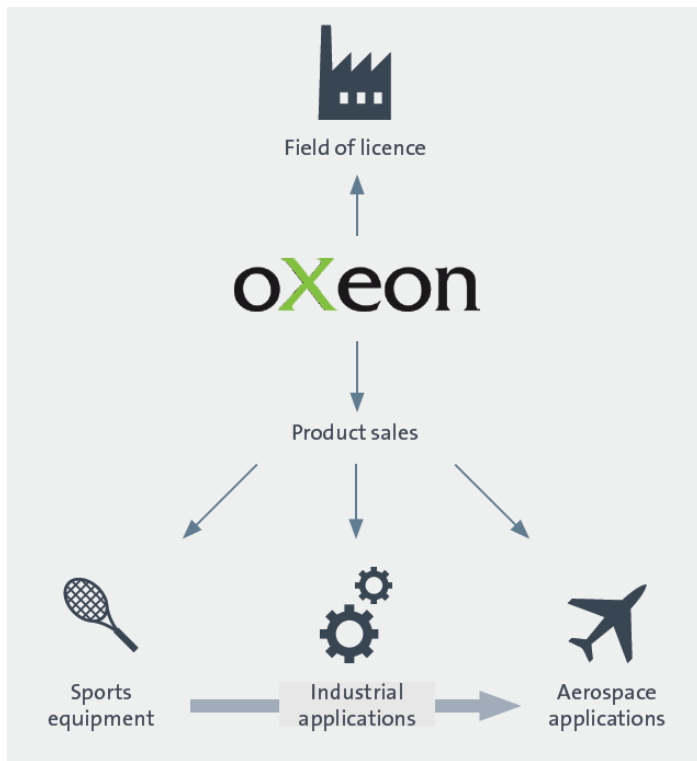
Technology-Based Licensing Models



- A. Access to Technology
- B. Freedom-to-Operate
- C. Licensing vs. Production
- D. Complementary Licensing



Oxeon: A portfolio of opportunities



- **Product sales to multiple industries**
Oxeon's unique "spread tow" technologies allows for different types of fibres and tapes may be used in the production process, resulting in a variety of products for different industries.
- **Technology licensing by field of use**
The process for manufacturing can also be licensed to other firms operating in non-competing markets.



Thank you!

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- LinkedIn [/european-ipr-helpdesk](#)
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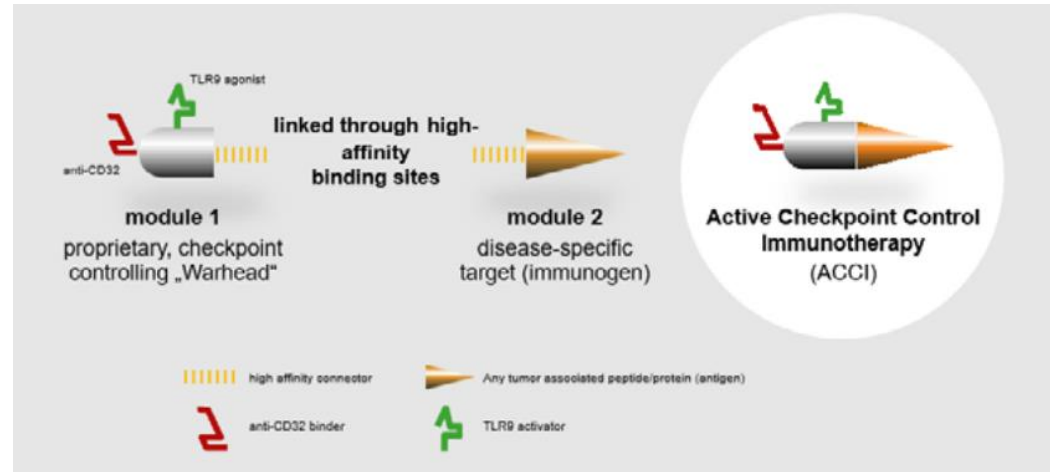
OncoQR case study

Boosting the immune response to fight cancer

Adéla Dvořáková, Project Adviser, EIC Transition

Specific Total Immune Remodulation (S-TIR)

- **Platform** for immunotherapy vaccines against cancer
- “Warhead” + disease-specific immunogen





- **IP strategy:** broad patent protection of main elements of the warhead + trade secrets + optional product patents
- ✓ *Multiple pathways towards product commercialization*
- ✓ *Financing own R&D through licensing*
- ✓ *Saving patenting costs*

Platform patents

No.	Title	Priority	Patent number	Comment
1	Bispecific molecule binding TLR9 and CD32 and comprising a T cell epitope for treatment of allergies	3 March 2006	EP1996230B1 WO2007098934A1	S-TARget therapeutics GmbH Use in oncology exclusively licensed to OncoQR ML GmbH
2	Immunoregulatory vaccine	13 July 2012	EP2872169B1 WO2014009209A2 WO2014009209A3	S-TARget therapeutics GmbH Use in oncology exclusively licensed to OncoQR ML GmbH
3	Coiled-coil connector	1 September 2015	EP3344647A1 WO2017037158A1	OncoQR ML GmbH

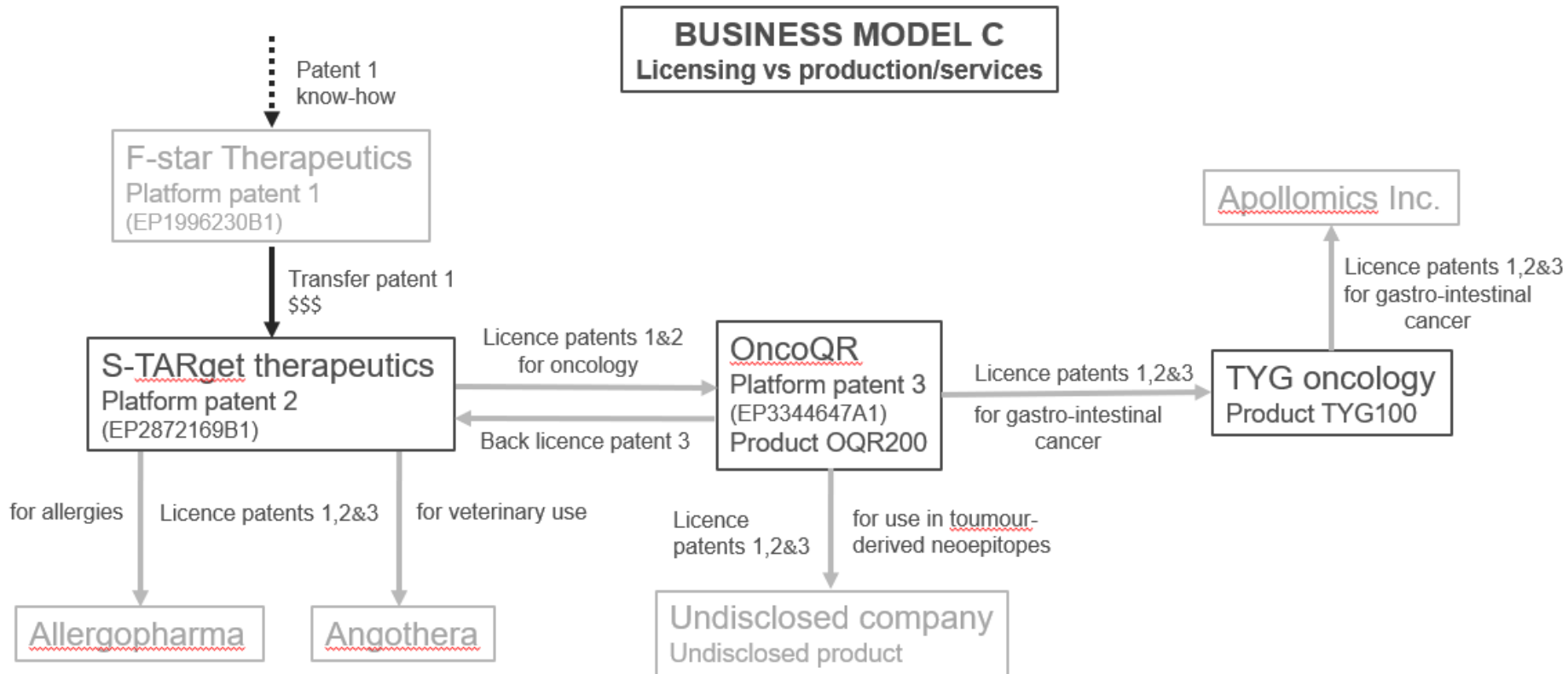
Product patents

No.	Title	Priority	Patent number	Comment
4	Gastrin peptide immunogenic composition	21 May 2013	EP2999485B1 WO2014187743A1	TYG oncology Ltd
5	HER2/neu immunogenic composition	18 May 2015	EP3297658A1 WO2016184862A1	OncoQR ML GmbH



- **Three types of licenses:**
 - ✓ *Target-by-target platform license (commercial)*
 - ✓ *Product license (commercial)*
 - ✓ *Research license (non-commercial)*
- **Licensing agreements**
 - ✓ *Generally exclusive, worldwide, limited to a specific use case*

Business and licensing structure





- ✓ Not limited to patents: include secret know-how and support for manufacturing
- ✓ Back-licence on improvements of the warhead (worldwide, free, non-exclusive, in non-competing fields)
 - All licensees benefit from improvement of the technology as long as they are not competing
 - Helpful tool in negotiations
- ✓ Patent costs relevant for licensees are borne by the licensee
 - Mitigates the risk of financial losses
- ✓ Payment structure: upfront payment, milestone payments, anti-shelving fee

Thank you!

European
Innovation
Council



- <https://eic.ec.europa.eu>
- @EUeic
- #Eueic

- epo.org/case-studies





European IP Helpdesk

Stay ahead of the innovation game.

**Practical aspects of licence
agreements –
negotiating term sheets**

09.10.2024

Karin Hofmann

TU Wien, LES Austria





Why license?



Licensor (IP Owner)

- + Generating cashflow
- + Expanding geographically
- + Enable a partner
- Create pot. Competitor
- Monitoring costs
- Non compliance with contract
- Negative effects on own IP / reputation
- Loss of control

Licensee



- + Saving development time and cost
- + Higher chance of market entry
- + Avoiding infringement of licensors IP
- + Excess cashflows
- Risk of sunk costs (lump sum)
- Terms and duration of contract
- Dependence on licensor in case of infringement
- Effect on company value



What kind of cake do we want to create?





Envisage the deal



- What is your goal?
- Business reason (economic benefits, building relationships,...)
- Identifying your IP → subject of contract *Do you have the right to license?*
- Understand your market
- What do you have to offer? What do you want to obtain?
What do you want to avoid?



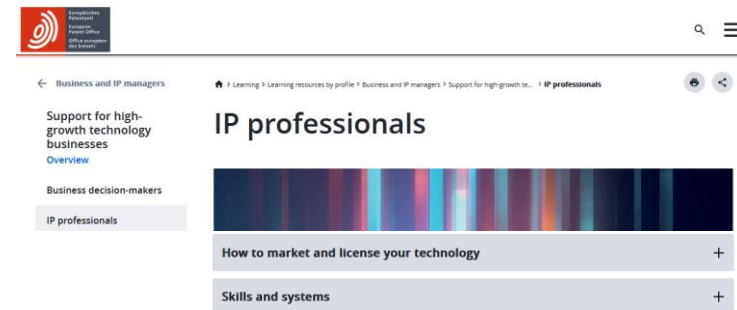
How to find potential licensees

Patent brokers, Marketplaces & Platforms, Communities

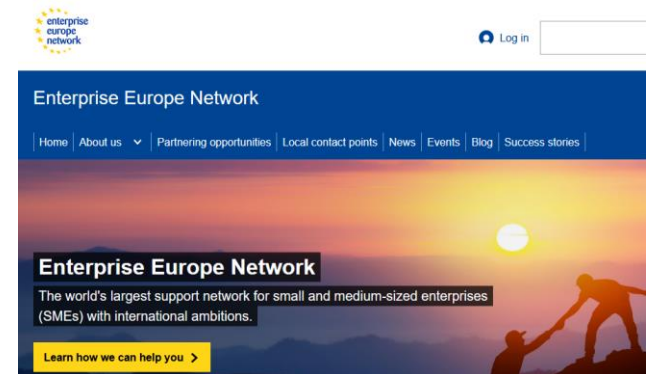
- What are the key players?
- Who is the best fit to your needs?

Evaluate potential partners

- Market power, expertise
- How can you add value?
- Location, geographic scope, size, resources, track record...
- Financial due diligence
- Management & corporate structure



www.epo.org/ip-professionals



<https://een.ec.europa.eu/partnering-opportunities>



Define your share of the cake



- Key points of negotiation
- Negotiation strategy
 - Best possible outcome
 - Acceptable alternative, fallback position, bottom line
 - Outcome to be avoided
 - Expected performance (milestones, actions)
 - BATNA (Best alternative to a negotiated agreement)



What about the other part?

Understand the other party:

- Expected positions of the other party (ideal position, bottom line)
- Needs, strategy, values, internal organization, business model, negotiation partners
- Strengths, weaknesses
- Degree of motivation to get a deal
- Potential challenges / issues
- Authority to take decisions / sign

Informed guess → validate during negotiations!





Further preparatory steps

- Protecting confidential information (NDA, MTA)
- Data/ documents to be offered or requested (MoU, LoI)
- Choosing the Team → internal alignment, negotiation skills
- Time frame



Negotiation

- Term sheet → key terms
- Active listening / clear communication
- Note taking, share meeting minutes, drafting
- Consider walk out if necessary
- Drafting → both parties understand





Content of Licence agreements I

- **Contractual partners** (licensor and licensee)
- Purpose

- **Subject of the licence and definitions**
 - Licensed products → scope of the contract
- **Rights and restrictions**
 - exclusive (one licensee only) / non-exclusive (simple)
 - Type of activities: Production / use / distribution
 - Field of use (e.g. limited to particular market or industrial sector)
 - Territory (e.g. only in the USA)
- **Length of the Licence and termination**



Licensee



Content of Licence agreements II

- **Financial compensation**, reports and right to inspect books
 - Grant backs and cross licences
- 
- Licensor**
- **Rights and obligations regarding IP**
 - **Decisions on patent strategy** (Maintenance, countries)
 - **Patent costs**: who bears which costs?
 - **IP infringement and enforcement** (Rules on responsibility, procedure and cost bearing)



Content of Licence agreements III

- **Services** from the **licensor** (Training, know-how transfer, consulting) → conditions
- Assignability, granting of **sub-licences**
- Resulting IP / **improvements** (licensor, licensee; ownership, access, conditions)
- **Performance criteria** = anti-shelving provisions („commercially reasonable efforts“)
- **Governance** (steering committee, licence monitoring)



Content of Licence agreements IV

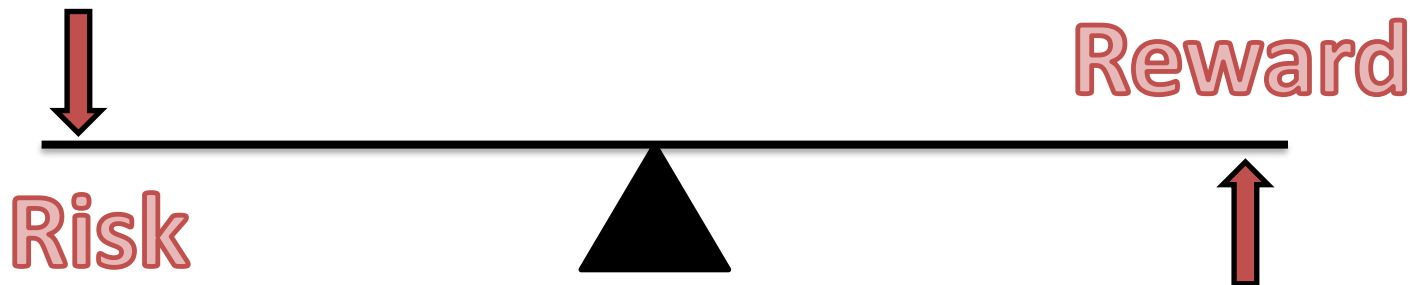
- Warranties, Indemnifications
- Anti-trust and tax considerations
- Signatures, certifications and registrations
- **Applicable law** and **jurisdiction** /dispute resolution (arbitration, mediation)



Financial considerations

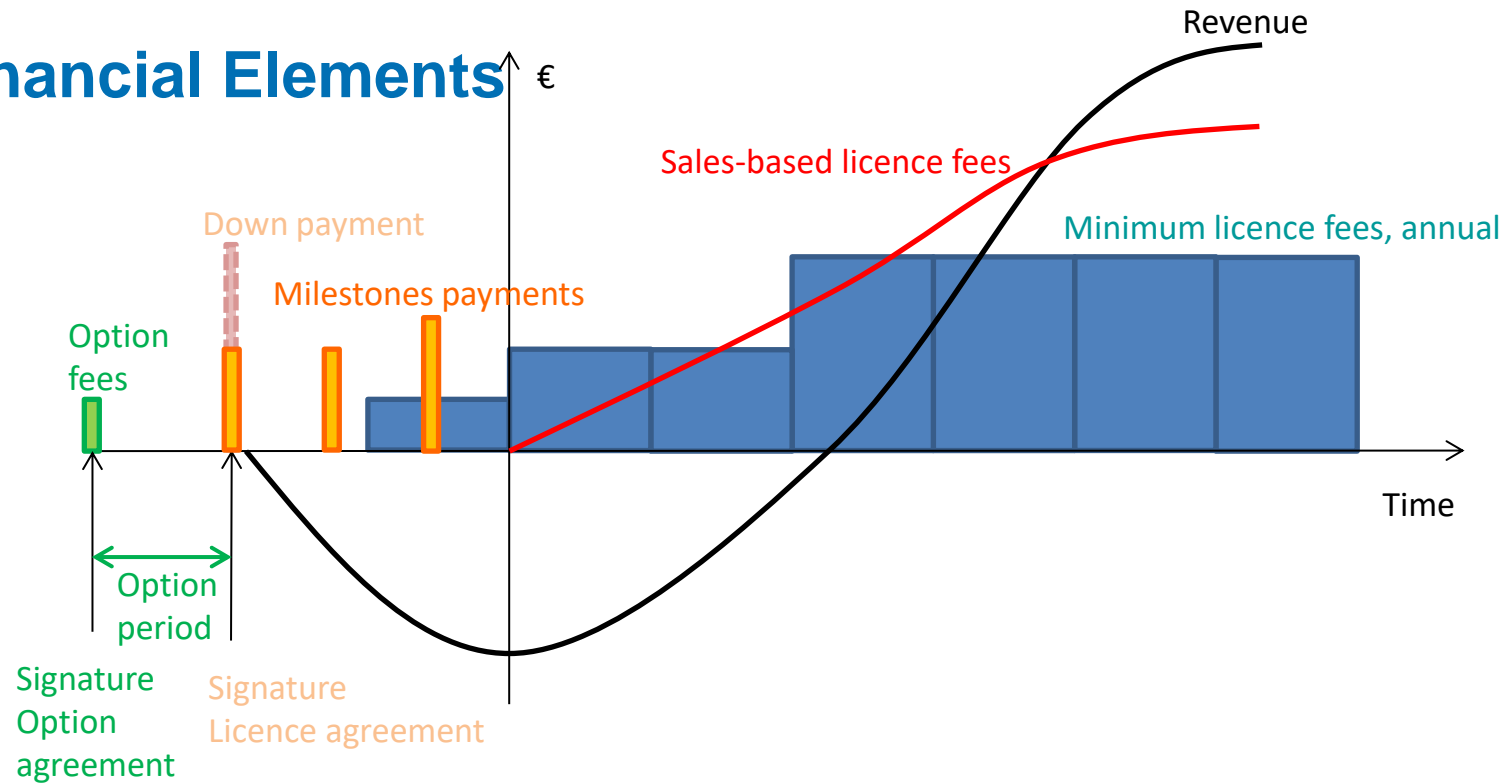
Balance of interests...depend on business reasons and goals

- Licensor: Return on Investment ROI?
- Licensee: affordable?





Financial Elements





Overview on financial terms

Pay attention to currency and valorisation!

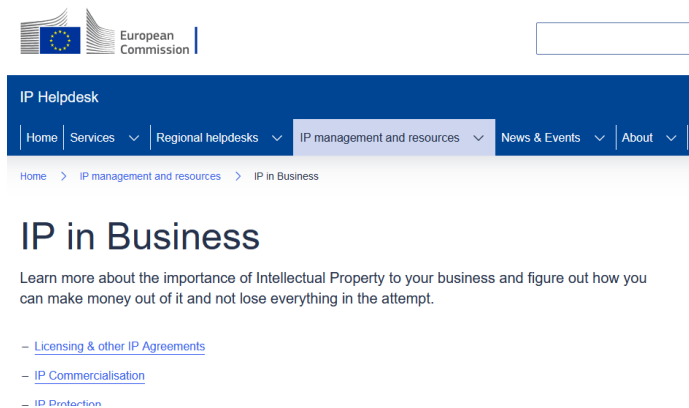
- Option fees
- Milestones payments
- **Down payment on signature of the agreement**
- **Royalties** (ongoing payments; dependent on sales revenue or number of units sold)
- **Annual minimum licence fees**
- Licence fees for specific IP (e.g. know-how)
- Sublicence fees



Advice and Model agreements

Use and Limitations

- Resources of European IP Helpdesk
https://intellectual-property-helpdesk.ec.europa.eu/ip-management-and-resources/ip-business_en
- WIPO Survey on Models of Intellectual Property (IP) Related Contracts for Universities and Publicly-Funded Research Institutions:
www.wipo.int/meetings/en/doc_details.jsp?doc_id=331856
- Example of a Model contract
<https://www.ncp-ip.at/en/vertragsmuster-ipag/sample-contracts/ip-transfer>





Continuing the business relationship

Post closing duties:

- Development of concrete development, marketing etc. plans
- Keep track of dates for actions, milestones, deadlines,...
- Contract management system → reports, payments, taxes
- Contract awareness:
All staff involved should be aware of the conditions to avoid inadvertent violation





Thank you!

- www.ec.europa.eu/ip-helpdesk
- www.epo.org/sme
- www.linkedin.com/company/htbcommunity

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Infinite

Roots[®]

**EPO-EIC training Licensing-
based business models**

Beneficiary of the EIC Accelerator project MUSHLABS
(190118690)

09.10.2024



There is a lot of value generated from technology licensing

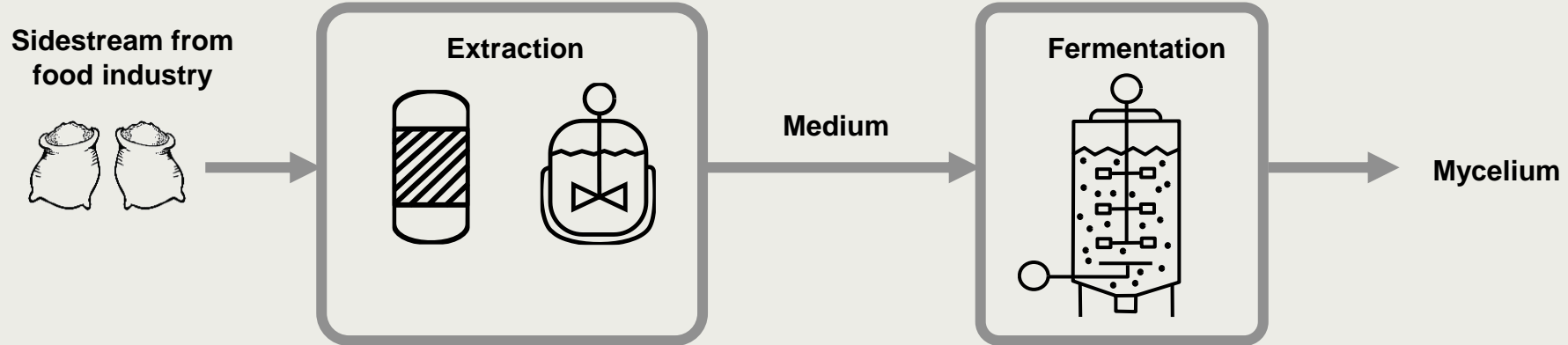
Short-term value	Long-term value
<ul style="list-style-type: none">● Market potential & technology viability validation to investors showing that Infinite Roots' technology can be licensed out● Immediate revenue generation, potentially through an upfront payment scheme● Knowledge gain about our own technology through extensive testing in addition to licensing negotiations and deal closing● Access to resources to speed-up upscaling	<ul style="list-style-type: none">● Expand IR's Technology, a further step in reaching our vision● Sustain revenue stream through predictable & long-term royalty fees at a global level● Expand market reach & collaborations by integrating multiple parts of IR's value chain into licensing agreements i.e. extraction, fermentation, product development, and data science● Ensure continuous learning by data-sharing



Infinite Roots targets two of their technologies for licensing

1. Extraction: Proprietary technology to reuse nutrients from agri- and food-industrial byproducts as fermentation medium

2. Fermentation: Production of mycelium in liquid fermentation using the above medium





Our licensing agreement consists of below key elements

Building block & elements	Definition
Upfront Payment	Payment at the beginning of the licensing contract, i.e. before volumes are produced
Royalty rate payment scheme	Scheme to define on what values the royalty fees are calculated
Royalty rate	Percentage fee set for continuous revenue income for the duration of the agreement
Licensing model	Type of model defining freedom to operate, e.g. sole, exclusive, non-exclusive, etc.
Field of use	Industry area for the creation of products using the licensed technology
# Patents to be licensed*	Amount of patents to be included in the agreement (+ know-how and trade secrets)
IP improvements	Ownership for foreground IP and technology improvements made throughout agreement
Licensing duration	Duration of the agreement, counting from expiration year of the last expired patent
Sublicensing	Permission for partner to grant licensing to affiliates, subsidiaries or external partners
Exclusivity (+ duration)	Whether partner can use technology as sole party in a defined region and for how long
Territory	Region where the technology can be used
Limitation to a factory	Number of factories where partner is allowed to use the technology in the given territory
Fee per factory	Payment required if partner wants to roll out the license to additional factories
Termination	Rights of IR to terminate agreement (or exclusivity) if certain criteria/payments are not met
Payment terms	Days until partner must send payments for upfront and royalties in the agreed upon cycles



Beneficiary of ongoing EIC Transition project «NanoWings»

EPO-EIC training Licensing-based business models

Stefano Linari (Founder & CEO)

stefano.linari@linarisrl.com

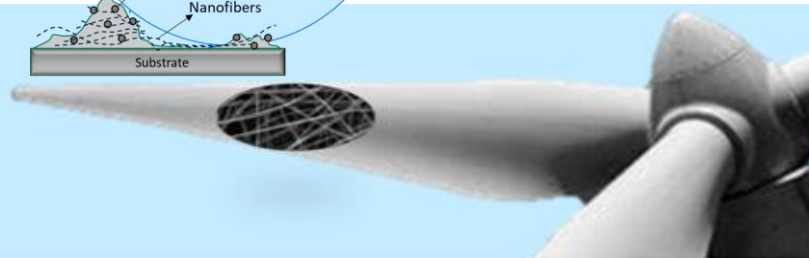
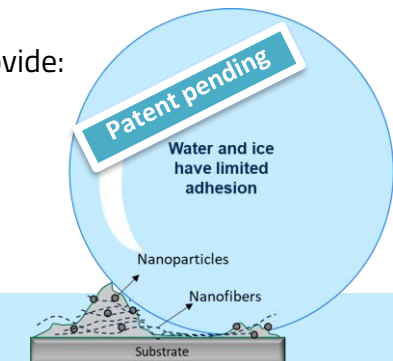
9th October 2024

New Anti-ice nano coating for wind turbines

In this case we are directly exploiting our Patent and knowhow

Nano composite to provide:

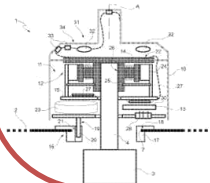
- Adhesion
- Hydrophobicity
- Low air friction



Our previous experience in Licensing agreement

Robotic gas knob with remote temperature control and enhanced safety during cooking process.

Fit on every existing gas hob



EP2807425
TIMED CONTROL DEVICE
OF A BURNER OF A HOB

THE INITIAL GOOD PART OF THE STORY:

- Top global player is HIGHLY interested in our technology
- Signing of R&D contract for prototyping + License agreement (€/pcs)
- Knob unveiled during EU largest fair → WOW effect from buyers 😊
- Forecast of million pieces/year confirmed

BUT the Global Marketing Leader of the customer changed:

- Our robotic knob is considered "too expensive" to be affordable (~50€/pc)
- Hard to setup supply chain for mechatronic devices

Take away lessons

- Involve an IP expert when negotiating the term sheet/deal structure
- Consider a fallback strategy for STOP licence usage
- Be ready to abandon the deal, don't be fascinated from big brands

BUT the Big Company that rejected our innovation (and probably many others)

- is going through a crisis because its products are undifferentiated compared to Asian ones