

Checklist for establishing consortia

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This checklist sets out the major issues you need to think before establishing consortium. It can be used, for example, to organise your thoughts before talking to your legal advisor, to develop a negotiating strategy for your personal use or as the basis for a preliminary non-binding memorandum of understanding or “heads of terms” before executing a binding agreement. You are also advised to review your intellectual property portfolio and obligations in relation to intellectual property.

SUBJECT	POSSIBLE APPROACH (for discussion)	NOTES/ COMMENTS
Parties	Name, company number (if applicable) and registered office/principal place of business of the partner	
NDA	Has formal confidentiality agreement has been signed before any IP or other sensitive information is disclosed in any communications with other parties? What is the duration of the confidentiality obligations? What are the penalties for breach of confidentiality?	
Conflict of interests	Conflicts of interest should be addressed at this stage, in conformity with stakeholder policies and procedures.	
Terminology	Have all the partners clear and uniform understanding about the terminology?	
Identification of the interests	Analyse and clarify the respective interests of the parties; Clarify the subject, scope and outcomes of the proposed collaboration; Undertake a careful evaluation of scope, objectives and potential outcomes of the IP clauses of a proposed agreement and ensure that they are aligned with the strategic objectives and priorities of the participants and with the participants’ IP and knowledge transfer policies and take account of any legal constraints;	

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	Evaluate the project proposal/project outline in the context of the parameters given above.	
Analysis of the purpose and the expected outcome	<p>Consider the expected outcome and the context of the market;</p> <p>Consider that the state of the art has been checked (for example by patent searches) in order to avoid duplication of research efforts;</p> <p>If the state of the art shows existing inventions, is it possible to go around? Has the freedom-to-operate search been conducted?</p>	
Participants knowledge transfer strategy and policy	<p>Ensure that a consortium agreement conforms with participant's own knowledge transfer policy and other strategic policies;</p> <p>Determine the benefits and risks of exploiting or not exploiting both their background IP (their own existing IP) and foreground IP (research results);</p> <p>Consider its liabilities and obligations (both after the agreement is established and if finished and if it is prematurely terminated);</p> <p>Ensure that the implications of disclosing secrets, taking into account confidentiality agreements and requirements under national law, are carefully considered.</p>	
Identification of background IP	Identify in writing your own relevant background IP, including trade secrets and expertise ('know-how').	
Identification of personnel	<p>Identify and include in the consortium agreement all personnel who will perform work under the agreement;</p> <p>Ensure that personnel sign the necessary agreements regarding ownership and confidentiality issues before starting any work on the project.</p>	

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<p>Issues related to foreground IP (new IP)</p>	<p>Consider issues such as the ownership of results (foreground IP), the rights of the parties regarding their existing IP (background IP), rights of access of all parties to the results and other parties' background IP, dissemination issues including publication, provisions for incentives and obligations to protect foreground IP;</p> <p>How will be the new IP owned – will it be joint ownership or not?</p> <p>Who will cover the new IP costs?</p> <p>Where will the new IP registered (in which country)?</p> <p>How is the regime of protection set up?</p> <p>Will the right to use the new IP be restricted to:</p> <ul style="list-style-type: none"> • one or more particular fields of use; • one or more distribution channels; • one or more specific territories? <p>May the partners transfer (assign) the new IP freely or only with the other partners permission?</p> <p>May the partners use the new IP to provide services to others?</p> <p>May the partners manufacture and sell products based on new IP?</p> <p>May the partners use the new IP to carry out a process?</p> <p>What rights and restrictions will apply in respect of:</p> <ul style="list-style-type: none"> • copying works; • modifying/adapting/translating works; • making improvements; • incorporating into another work/with other IP; 	
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	<ul style="list-style-type: none"> • publication and distribution; • sharing with others; • using only on/with a specific platform or device? 	
Issues related to licensing the foreground IP	<p>Can the new IP be licensed?</p> <p>Will the licence be:</p> <ul style="list-style-type: none"> • exclusive (licensor may not use the IP); • non-exclusive (licensor may use the IP and grant other licences); or • sole (licensor may use the IP but will not grant other licences)? <p>May the partners grant sub-licences to others?</p> <p>Will the licensee be restricted to using the IP for:</p> <ul style="list-style-type: none"> • personal/private use; • academic teaching/research; • non-profit making purposes; or • other limited purposes? 	
Analysis of the legal system, particularly the IP framework, of a partner's country	<p>Does the country has an adequate, effective and affordable system of IP protection (e.g. patent protection is available for both products and processes, in almost all fields of technology, utility models, copyright, industrial design etc.) with a sufficient duration of protection as well as clear regulations for the ownership of IP, access rights to IP and transfer of ownership?</p> <p>Does the country has an efficient law enforcement system under national law including dispute settlement, provisional measures, legal action, prosecution and possibilities of sanctions as well as penalties for infringement that are rigid enough to deter further violations?</p> <p>Does the country has an efficient technology transfer system?</p>	
Cultural issues relating to contract	Participants are advised to pay careful attention to the cultural conditions of their potential partners (e.g. different legal	

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<p>negotiation and execution of contracts</p>	<p>mentality, perception of value, policy differences) and how this might impact throughout the consortium agreement, e.g. by establishing general principles for the management of research results and routes for exploitation as well as taking account of formal legal obligations.</p>	
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