



Preface	3
<b>1. Achieving shared goals</b>	<b>5</b>
1.1. What is a cooperative approach?	5
1.2. Prerequisites for a successful cooperative approach	5
1.3. Types of cooperative approaches	8
<b>2. Legal organisation for cooperation and alliances</b>	<b>11</b>
2.1. Introduction	11
2.2. Gesellschaft bürgerlichen Rechts (Partnership under the Civil Code, abbrev. GesbR)	11
2.3. Contract for work and services	13
2.4. Cooperation contract	13
<b>3. Protecting and using knowledge</b>	<b>23</b>
3.1. Types of protection for intellectual property (Overview)	24
3.2. Protecting ideas	24
3.3. Innovation and research	24
3.4. 'Work'	25
3.5. Brand	27
3.6. Patent	30
3.7. Gebrauchsmuster [Austrian utility model] (the petite patent)	31
3.8. Geschmacksmuster [Austrian design model]	32
3.9. Side note: Inventions and developments by service providers	33
3.10. Semi-conductor design protection	35
3.11. Licensing	35
<b>4. Research and invention: Taxation considerations</b>	<b>41</b>
4.1. Income tax-related considerations	41
4.2. VAT considerations	47
<b>5. Annex</b>	<b>46</b>
5.1. Letter of Intent	46
5.2. Non-disclosure agreement	46
<b>6. Services for entrepreneurs</b>	<b>48</b>
6.1. Support in the search for a project/research partner	50
6.2. Helpful links	50

## LEGAL NOTICES

**Owner and Publisher of this media:** WIFI Unternehmerservice der Wirtschaftskammer Österreich, Wiedner Hauptstraße 63, 1045 Vienna  
**Project management:** Mag. Claudia Scarimbolo, WIFI Unternehmerservice  
**Editorial team:** Mag. Thomas Rubik, WIFI Unternehmerservice der Wirtschaftskammer Österreich; MMag. Rudolf Lichtmanegger, Stabsabteilung Wirtschaftspolitik  
**Text:** Mag. Thomas Gerhard  
**Contents:** Mag. Michael Dell, ratio strategy & innovation consulting gmbh

**Layout:** design:ag, Alice Guttederer, www.designag.at

**Printing:** Ueberreuter Print GmbH

**Print run:** 2<sup>nd</sup> printing, 5,000 units. **Updated:** April 2011. **City of publisher/manufacturer:** Vienna

**Order service and download:** T 05 90 900-4522, E unternehmerservice@wko.at, W www.unternehmerservice.at/publikationen

This publication appeared in the WIFI Schriftenreihe [Journal Series] No. 335.

**The WIFI Entrepreneurial Service is a team from the WIFI of the Austrian Economic Chamber.** It concentrates on new issues of growing importance for companies. Events and publications are offered on topical issues. The focus is on development and coordination of sponsored consulting programmes with co-financing partners at the Austrian and European levels. [www.unternehmerservice.at](http://www.unternehmerservice.at)

**Gendering:** For the sake of brevity, the masculine pronoun is used exclusively throughout this text. The ideas and concepts are nevertheless equally applicable to both men and women.

**Copyright:** All rights reserved. Reproduction – even in excerpt form – requires citation and prior approval.

**Disclaimer:** It is possible, in spite of the careful attention given to the preparation of these materials, that errors have occurred. The media owner assumes no guarantee or liability for its correctness.

**Legal notice:** This brochure offers an overview of all areas that our experience has shown as important for cooperative approaches to R&D. To keep the text comprehensible, a simplified version of the text has been given priority over an exhaustive legal explanation. As such, all information presented herein should be understood as informative in nature and not authoritative. It should not be understood as a strict and accurate interpretation of actual legislation. The contents provided herein are also inherently incomplete and unable to cover all eventualities. It is always recommended that you contact a qualified legal expert to examine your specific case.

**Note:** These guidelines are available at no cost to all members of the Austrian Economic Chambers.



# Preface



## **Dear Innovators, Inventors, Entrepreneurs and other Valued Readers,**

Is a collaboration the same as a cooperation? When does it really make sense to enter into a strategic alliance? Are there pitfalls that can ensnare small and mid-sized firms?

These are just a few of the questions that we hope to answer through these guidelines.

Universities, research centres and other companies can present small and mid-sized companies with an opportunity to pursue new paths, develop innovations and attain new levels of performance. We want to encourage you to keep your eyes open for cooperative approaches that might strengthen your position, to consider entering into strategic alliances and to give you insight about how the game works.

The mission for the WIFI corporate services of the Austrian Economic Chambers is to support companies, offering the facts necessary to make decisions and to provide information about innovations that open up new horizons. One core task is thus presenting complex topics in a compact manner.

These guidelines were created as part of the Austrian/Slovakian project "INNOVMAT" with support from the Federal Ministry for Economy, Family and Youth and has been published in English and Slovakian to fit the respective national framework conditions.

We wish you much success and prosperity with your own alliances!

**Karl H. Pisec, MBA**  
Trustee of WIFI Österreich



# Achieving shared goals

## 1.1. What is a cooperative approach

Cooperation is a common phenomenon: in nature, in private life, and in the economy. This brochure is focused on cooperative approaches between companies and institutions in the research and development field; without this kind of cooperation, many innovative tasks would otherwise be impossible today.

Cooperative approaches to economic/scientific goals involve temporary collaboration between two legally independent companies or institutions to achieve contractually negotiated goals. Ideally both partners benefit through the mutual collaboration (win/win situation).

This brochure provides an overview of possible forms of cooperation, addresses typical areas of friction and gives tips on how to successfully frame the collaboration. They are intended solely as general guidance. If a concrete opportunity arises, always talk to a legal expert about regulations and contracts to ensure that things move smoothly toward your desired goal.

## 1.2. Prerequisites for successful cooperation

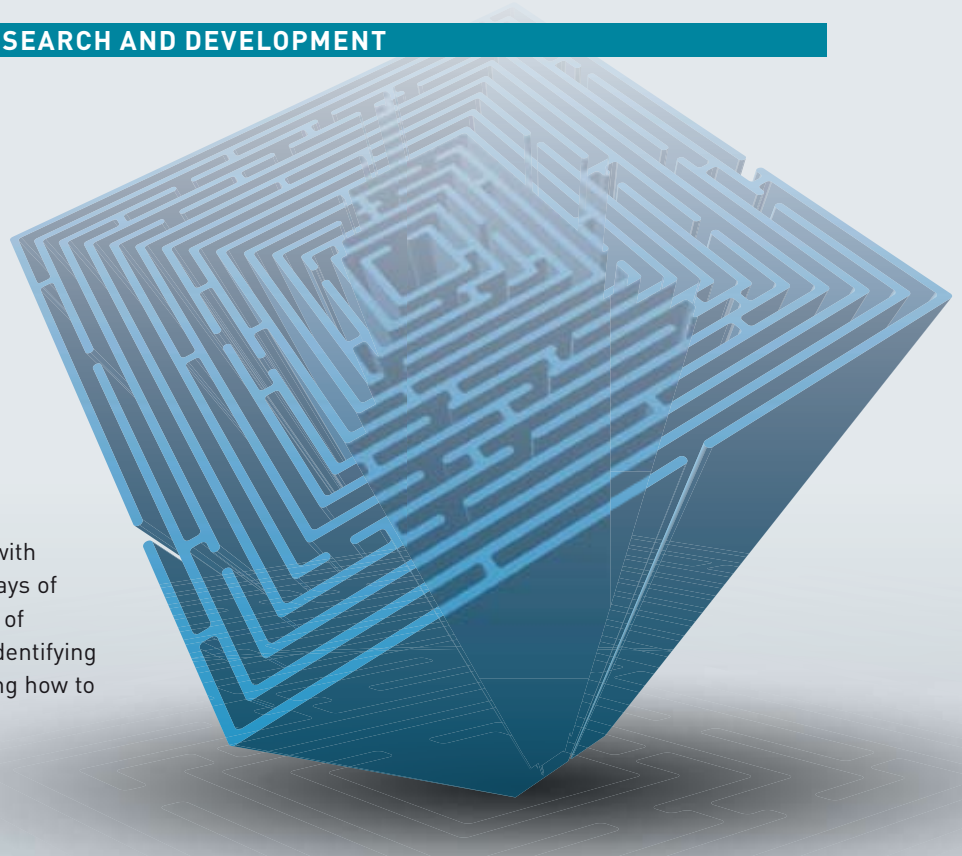
### 1.2.1. VISIONS

Don't get too caught up in the numbers and technical details at the very start. You should instead first attempt to establish an emotionally harmonious vision.

Visions are idealised mental images – they describe the desired final status of a project or a company as the result of cooperation. "Visions are the daydreams of the realist": an ideal, a fiction that has a highly energising and motivating impact. Or as Antoine de Saint-Exupéry so succinctly formulated it:

**"If you want to build a ship, don't drum up the men to gather wood, divide the work, and give orders. Instead, teach them to yearn for the vast and endless sea."**

**Antoine de Saint-Exupéry**



Once you have agreed on a common vision with your partners, in the next step, try to find ways of achieving the conceived vision with the help of strategic planning. This must also include identifying possible obstacles (barriers) and determining how to overcome these obstacles.

### 1.2.2. OBJECTIVES AND RESULTS

Plan in sufficient time to plan your project's goals precisely. These target definitions should provide answers to the following questions:

- **Fundamental objectives** → What is to be achieved, in concrete terms?
- **Establishment of benchmarks** → Which benchmarks (indicators) will be used to measure the results?
- **Scheduling dimensions** → When must the goals be achieved?

Expertise in the area of **project management** is essential for the handling of the project's detailed planning and management.

### 1.2.3. PROJECT MANAGEMENT

#### 1.2.3.1. What is a project?

Projects are tasks with specific characteristics. DIN 69901 defines a project as an undertaking that stands under one-time conditions, such as:

- Objective(s)
- Overarching scheduling, personnel and financial conditions
- Priority in comparison to other projects
- Organisational structure.

Temporary organisational structures are created to handle projects ("tents, not palaces"), including recruitment of project team members and assignment of the corresponding responsibilities.

After the completion of the project the organisational structures are dissolved and project members are "released".

Typical characteristics of a project are thus:

- Time limits (start and finish)
- Novelty
- Complexity
- Clearly delineated goals
- Limited resources
- Project-specific organisation

### 1.2.3.2. What is project management?

Project management is a systematic process for the leadership of complex undertakings. It encompasses the organisation, planning, guidance and monitoring of all tasks and resources necessary to achieve the project objectives.

For larger projects it is usually helpful to break the overall project down into small, manageable units (work packages). Each work package is composed with objectives and results ("deliverables"). The scheduling sequence for the individual packages typically corresponds to the ideal progression of the project.

Important planning steps for project management are:

- Planning of responsibilities (→ who is responsible for what?)
- Resource planning (→ which resources [tangible means, financial means, personnel] are needed to implement the project?)
- Scheduling/milestone planning (→ interim project objectives of special importance, such as the achievement of interim goals at specific points in time, deadlines at which further project resources will be released, point in time for first publications, point at which a review of project results should be made)

**Project controlling** oversees that the substantive, organisational and resource-related specifications are met.

**Network maps** or **GANT** diagrams are excellent tools for a graphic depiction of the most complex project relationships.

A **project organisational chart** shows competencies and communication flows and makes sense if various or changing sets of personnel are involved in individual project steps (such as for projects with university involvement).

A brochure (2–3 pages) should be prepared for the public at the start of the project, providing information about the objectives, participants and contacts for the project. This paper can also be used for marketing and PR purposes and also ensures a uniform language between the participating parties.

### 1.2.3.3. What are the responsibilities of a project manager?

The key responsibilities of a project manager are:

#### **Coordination of internal and external communication**

- Organisation of ongoing internal and external communication
- Solicitation and distribution of project-relevant documents
- Solicitation and forwarding of invoicing documents
- Preparation and management of records
- Information from project sponsors regarding the current status of the product and (partial) results

**Scheduling coordination**

- Between the project partners
- With external partners, project sponsors, etc.
- Notification of the commissioning party (consortium, project management team) about significant deviations
- Composition of strategies that can be achieved even in the face of deviations from original project goals.

**Project controlling**

- Pre-control ("first level control") of invoicing documents to ensure audit-readiness and assignability of the individual work packages
- Target/actual comparison

For larger projects it's recommended that separation be made between **organisations/financial** and **thematic/technical** project management.

## 1.3. Types of cooperative approaches

### 1.3.1. BASED ON UNDERLYING FORMS

**Cooperative approaches to development (additive alliances)**

The goal of the alliance is to develop something "new", such as

- special prototypes for R&D projects;
- special projects that require expertise in different technical areas;
- innovative fundamental research projects that require collaboration in multiple technical disciplines (multi- or cross-disciplinary projects)

**Synergetic alliances**

The alliance is aimed at optimising processes in the interest of greater efficiency, such as

- Costs and time optimisation
- Summary of processes
- Coordination of procedures
- Cooperation in subareas (e.g. procurement, machine pooling)





### 1.3.2. BASED ON OBJECTIVES/MOTIVATIONS

Alliances can pursue a broad range of goals. The following graphic offers an overview:



Objectives and motivations for alliances can be highly varied:

#### ■ Time-based motivation

Acceleration of processes and workflows to achieve specific goals more quickly.

#### ■ Knowledge-based motivation

If one company does not on its own possess the specialist knowledge it needs, then this knowledge must be acquired through the collaboration external experts.

In many industries and specialist areas the environment is so complex that the expertise within one single branch/discipline is not sufficient to handle future problems and tasks.

Where there are already established specialists in certain individual interdisciplinary areas, in many cases different areas must be jointly covered by multiple specialists ("**synergetic multidisciplinary approach**").

#### ■ Image-related motivation

One important image motivation is **credibility**. Without a scientific/theoretic background, one individual company will not be viewed as credible in its proposed solutions to specific problems.

### 1.3.3. BASED ON THE INITIATIVE

#### ■ Occasion-specific alliance

Occasion-specific alliances are often formed on a short-term basis to handle concrete tasks quickly and efficiently (such as for a call for funding, an invitation to the submission of a tender for a major commission or a call for tenders).

■ **Strategic alliances**

Strategic alliances are longer-term and formed without a specific, concrete event in the interest of a long-term collaboration, such as for sustainable establishment of competitiveness.

**1.3.4. BASED ON FIELD**

An alliance can also extend to one, several or all specialty fields within a company (for a project). Common areas for cooperative agreements are:

- Development alliances
- Brainstorming and problem-resolution alliances
- Purchasing alliances
- Production alliances
- Marketing alliances
- Distribution alliances

**1.3.5. BASED ON SCHEDULING ASPECTS**

Alliances can be made to fit a variety of different time plans.

- Alliances for a specific period;
- Alliances formed until the attainment of specific goals;
- Alliances for indeterminate periods with changing objectives as well as
- Alliances for unspecified periods and without the definition of specific objectives.



# 2.

## Legal organisation for cooperation and alliances

### 2.1. Introduction

The legal framework for a business alliance requires careful consideration to eliminate or minimise potential points of contention during and after the alliance. Small and mid-sized firms typically find themselves on unequal footing when forming alliances with larger companies, research institutions or universities. A lack of experience or unquestioning acceptance of pre-formulated contracts squander the potential for more appropriately tailored solutions, which in turn can eventually lead to legal or economic consequences.

The following types of legal relationships are conceivable, depending on the type and purpose of the alliance:

#### **Gesellschaft bürgerlichen Rechts (Partnership under the Civil Code, abbrev. GesbR)**

- For loose networks, typically without written signature of a formal contract
- For occasion-specific alliances (such as a tendering consortium by future partner companies)

#### **Contract for work and services**

- Where a buyer/seller relationship is present (such as acquisition of computing services or expert know-how).

#### **Cooperation contract**

- For longer-term innovation partnerships (such as concluding of development contracts)
- For the pooling together of an expertise network or cluster

#### **Non-incorporated firm or limited liability company**

- For a longer-term collaboration between companies

### 2.2. Partnership under the Civil Code (GesbR)

#### 2.2.1. DEFINITION

The GesbR is not its own legal entity, meaning that the individual members – and not the company – bear all rights and responsibilities. The GesbR establishes a permanent contractual obligation between the partners in the firm. The GesbR is not intended for the exchange of services between members, but rather to allow for different contributions (cash, expertise, usage rights, job performance...) to be applied to a common goal, such as is the case for a working group (Arbeitsgemeinschaft, abbrev. ARGE).

### 2.2.2. FOUNDING

Although there are no formal requirements for the founding of a GesbR (meaning that a GesbR can be founded solely through an oral agreement), it's recommended that the negotiated points be recorded in writing in a partnership agreement.

### 2.2.3. LIABILITY

Liability fundamentally falls to the GesbR's **entire corporate assets**. If those assets are not sufficient to completely satisfy creditor claims, then partners in the firm face **unlimited** liability from their **private assets**. The share of liability is measured based on each party's capital contribution.

If the partners in the firm are contributing solely **work performed** to the GesbR (with no obligation for capital contribution), then those partners in the firm are exempt from liability (exception where the work performed is calculated as a capital contribution!),

Legal findings have generally applied the concept of **joint and several liability**, since multiple persons are committing themselves to an obligation based on a uniform contract.

The founders of a GesbR can naturally also be legal persons, meaning that a sole trader or private person can form a GesbR together with a Gesellschaft mit beschränkter Haftung. The Gesellschaft mit beschränkter Haftung (private limited company, abbrev. GmbH).has the status of a legal person, whereby the partners in the firm are not personally liable, unlike sole traders or individual persons.

You should clarify in your specific situation the exact identity and nature of the other parties forming the GesbR to avoid later unwelcome surprises in terms of liability.

### 2.2.4. DECISION MAKING, BUSINESS MANAGEMENT

For matters related to regular administration, the majority shareholder(s) make(s) decisions. For measures outside the scope of regular administration, the unanimity principle fundamentally applies (note the protection for the minority shareholders!).

Changes to the partnership agreement must always be made by unanimous agreement.

Partners in a GesbR are responsible for any and all degrees of blame (and thus even for slight negligence). In a GesbR, any partner authorised within the inner relationships (between partners) by a majority decision to make external decisions for the GesbR can commit all other partners – potentially making each individual partner liable.

### 2.2.5. DISTRIBUTION OF RESULTS

The distribution of profits and losses can be freely negotiated. It is however illegal for one of the shareholders to be defined solely to take losses.

## 2.3. Contract for work and services

### 2.3.1. DEFINITION

A contract for work and services involves a so-called Zielschuldverhältnis, or non-recurring obligation. This means that one contractual partner commits to the production of a specific result and not just to the efforts toward a result. The entrepreneur can also involve vicarious agents for this cause (sub-contractors or own employees).

If the work to be delivered is an invention or other intellectual/creative product (such as a logo, design, slogan or software program), then it should also be clarified who may commercialise the intellectual rights (patents, etc) and who will be responsible for follow-on costs.

### 2.3.2. LIABILITY

§ 1167 of the Austrian Civil Code (ABGB) specifies that the statutory warranty regulations apply. §§ 922 ff of the ABGB must also be taken into account: the party transferring a object bears liability that the object of purchase has the specified and reasonably expected properties and that it can be used in accordance with the nature of the transaction or concluded agreement. A service is considered deficient in the sense of § 922 ABGB if it does not achieve the quality or quantity of the obligation namely the substance of the contract.

### 2.3.3. FORMAL REQUIREMENTS

The conclusion of a contract for work and services is not tied to a specific form, although the written form is always preferable!



## 2.4. Cooperation contract

### 2.4.1. OBJECTIVE AND PURPOSE

Clear and concise rule of play are an important component for the success of an alliance. Negotiated terms should always be recorded in **writing** in the form of a **contract**.

A cooperation agreement stipulates key points of the future collaboration, such as:

- Duration and process for the alliance (or project)
- Organisation of work between the contractual partners (responsibilities, rights and obligations)
- Amount and schedule for payments to be made
- Liability questions
- Clarification of usage and commercialisation rights
- Procedure for failure, in whole or in part, of responsibilities

### 2.4.2. COMPONENTS OF THE CONTRACT

#### 2.4.2.1. Name of the contractual partners, legal address

A listing of the **names of the contractual partners** together with indication of their **legal addresses** and commercial registry number, where applicable, are all essential. Make sure that the signatures at the end of the contract have been made by an authorised agent for the company or institution. Check the status of authorised signatory in the commercial register or ask for a written confirmation of this from your partner.

To ease the readability of the contract, shorthand names can be negotiated for the contractual partners and defined in this section. (for example, XY GmbH, hereinafter referred to as "XY").

If an **internal manager** is being named for a project, then this person

- should be named by name in the contract
- The authorisation to represent the institution within the project should be officially confirmed with a legally binding signature (such as in the annex to the contract).

Ensure that the internal manager is familiar with the substance of the contract, unless other factors work against this. Arrange for the corresponding signing of the contract (together with the other authorised signatories) and for the submission of a specimen signature.

#### 2.4.2.2. Preamble

The preamble precedes the main portion of the contract itself and represents a type of basic consensus between the contractual partners. A preamble can define the visions, objectives, motivations and/or expectations of the contractual partners, such as:

- The fundamental objectives of an alliance;
- The purpose and substance of a cooperation contract;
- Substantive and economic objectives.

#### 2.4.2.3. Objectives, content, duration

The cooperation is typically negotiated for a specific project or objective. Define an (unambiguous) **project title** and create a **short description** for the project; this establishes a clear shared notation for all project partners in regards to the future cooperation.

Define the **objectives** of the project (of the alliance) in writing. If at the time of execution of the contract no detailed information on the objectives can be given, then provide a rough description of the objectives and an addendum stating a date by which the detailed objectives must have been composed.

The **objective** and organisational form for the **cooperation** should also be visible in the contract, such as with a statement that "The contractual partners intend to form an (organisational form) and submit an application for support for the joint project (project name) with (sponsoring body)."

Define the **period of the contract** and the options for ending the contract.

Cooperation agreements can be negotiated

- For an indefinite period;
- Until the attainment or expiration of a specific date or specific period of time;
- Until the attainment of a specific objective.

The conditions under which the **contract can be prematurely terminated** should also be defined as well as the consequences for the individual partners that arise in that condition.

#### Example – Joint venture agreement for submitting a R&D project to the funding body:

The contractual partners agree as a working group to submit a clearly named project with at least a partial description. The funding agency should also be named by name.

The contract can also be concluded with the precondition that the funding project must be approved by the funding agency, meaning that in the event of a funding refusal the alliance is automatically ended (although any non-disclosure agreements signed during the preliminary phase will contain to retain their validity).

When concluding a contract to found a working group for the submission of an R&D project to a funding agency, stipulations should also be in place about what happens if the funding contract ends prematurely, meaning that funding monies (in whole or part) must be returned to the funding agency (clarification of who will repay these funding monies and to which extent).

**Note:** Legal findings have generally adhered to the concept of joint and several liability for this kind of working group, meaning that each partner is responsible for the shared liability and not just a portion of it. The contributing partner can consider itself not at fault for liability incurred by its fellow partners, but the risk of illiquidity on the part of the other partners can nevertheless expose it to liability.

#### 2.4.2.4. Rights and obligations of the contractual partners

Define all rights and obligations (**technical and functional specifications**) in writing for the contractual partners.

For larger projects, the contributions of the individual contractual partners are allocated into work packages. These define who

- bears primary responsibility for the work package;
- will be assuming responsibility for the results of the individual sub-areas.

If detailed terms are not possible at the start of an alliance (such as because the results of a precursory study or research work is still outstanding), then you should nevertheless assign responsibility and a point in time by which a detailed technical and functional specifications sheet should be created.

Changes and modifications to the project plan should only be made in writing; the project manager should then sign off on them and forward them to all project partners.

Detailed regulations can also be recorded as an Annex to the cooperation agreement, such as:

- Project plan (overall plan, detailed plan)
- Detailed contents of individual work packages
- Expected results ("deliverables")
- Costs and resources for the individual project steps
- Partners, responsibility, powers of representation
- Milestone planning

#### 2.4.2.5. Voting rights and decision making

Define the **distribution of voting rights** and the **process for decision making** in the contract.

Avoid deadline situations (50/50 parity). Instead set up a voting rights ratio of 49/49/2, with the final 2% reserved for administration by an arbitrator, trustee, barrister or other neutral party.

An agreement that where requested **dissenting votes** will be recorded with name of the dissenter ensures the traceability of the decision making process.

An agreement on the procedure for handling **disputes** should also be included. A clause stipulating that an arbitrator must be consulted prior to filing of a suit with the courts can save time and particularly costs for everyone!

#### 2.4.2.6. Internal and external project communication

**Written internal project communication** has the benefit of keeping the information flow transparent and traceable.

Please note the following detailed aspects:

##### ■ Emails

Emails should only be sent in a signed (or otherwise authenticated) form. You should also establish how the receipt of emails will be reviewed.

##### ■ Keeping of minutes

Minutes from meetings should be signed by all participants and forwarded to all partners.

This signature requirement can be restricted to important minutes (such as changes to the substance of the contract or interim acceptance review of milestone results). Other minutes are considered officially delivered through simple transmission.

These terms can lead to unwanted consequences if uncontested minutes are considered automatically accepted ("approved"). Among the ways to avoid this is dedicating the first point of order for new meetings to the question of whether supplements or modifications are desired for the last set of minutes.

##### ■ Time sheets

If time sheets must be maintained (frequently a precondition for project funding), then the respective employees must maintain them personally (in some cases by hand), including signature and date. The use of blue, non-erasable ink may be required to ensure differentiation between originals and copies. Arrange for the use of a review notation (such as by the manager and/or project director).

For larger projects, a general time sheet (annual time sheet) is frequently negotiated or demanded by the funding agency. Maintaining time sheets – even where not specifically required – is an excellent way to promote the accountability in the project's progress!



### ■ **Project communication in the Web 2.0 era**

The Web 2.0 era has brought with it numerous applications to facilitate collaboration between participants in projects where participants are unable to meet together regularly in one location, be it for scheduling, organisational or cost reasons. To support communication within (virtual) teams, the following, typically free solutions can be used.

- Online calendar
- Internet telephony and online conferences
- Joint processing of files
- Access to online folders
- Online platforms for projects and alliances
- Joint creation of content using the Wiki framework.

Check in each specific situation whether sufficient **data security** has been established in terms of confidentiality and non-disclosure stipulations!

Of especially importance are contractual stipulations in terms of **external project communication** (publications):

- Definition of results for **communication with the funding agency, project participants** as well as the **interested public**
- Composition of a workflow schedule for **release of content** (timing of communication, approvals, notification and veto rights)
- Allocation of responsibilities for the creation of reports intended for public consumption (copywriting, adherence to scheduling deadlines, etc.)
- Stipulation that the other **project partners** and, where relevant, all **funding agencies** are **referenced** in all publications.
- Organisational mechanisms to ensure that all publications are forwarded to the project partners in suitable form (print, digital).
- Definition of decision-making authority for the release of publications; this is typically delegated to the project director or the partner bearing the greatest economic risk (lead partner). Please note: If publications require approval from all contractual partners, then the process will be slowed significantly!
- If an **approval or veto right** is granted to the lead partner by the other partners in terms of desired publications, then it is recommended that all publications first be sent to the lead partner for approval.
- Regulations on the use of (partial) results for **research and instruction**, if scientific institutions are involved in the project.

#### 2.4.2.7. **Financing, costs**

The following details should be given extra consideration when framing the stipulations on financing and assumption of costs:

##### ■ **Interim financing**

Most funded projects only reimburse those costs where proof of payment flow can be provided. For this reason 100% of costs must first be pre-financed, to be reimbursed at a later point with a corresponding portion of the funding. The payment of funding monies can be significantly slowed by the process for routing and review of files (national projects: several weeks or months; international projects: up to 2 years!). SMEs should thus seek to distribute the risk of delayed payments equally across all project partners; such as through stipulations that all reimbursement payments will be made only once the funding monies have arrived.

- **Project account**

Set up a separate project account for each project, to be used for all project-relevant payment flows.

- **Payment scheduling**

Negotiate payment scheduling with specific deadlines for receipt of payments from the funding agency. Define the dates at which the majority of the reimbursement of pre-payments is to be made, such as

- Partial payments for each stage of progress based on the individual sub-work packages;
- Upon the attainment of specific milestones;
- With special stipulations directly upon receipt of the funding monies from the funding agency.

- **Partners not providing material or financial contributions**

For projects with university involvement, in many cases the university is contributing know-how, not material or financial contributions. This situation should be clarified in writing in advance with the funding agency and research partner.

- **Non-acceptance of costs**

Define the procedure in the event of non-acceptance of costs by the funding agency or project management.

- **Non-attainment of the project objectives**

The non-attainment of the stipulated project objectives can be tied to financial consequences, such as payment for execution by substitution or payment of contractual penalty.

- **Establishment of reserves**

The maintenance of a reserve can be stipulated until the final completion of the overall project.

#### 2.4.2.8. Confidentiality

In many cases alliances are formed for the development of new or improved products or processes to provide a long-term competitive advantage over competitors. The issue of "**Confidentiality**" is thus of key importance.

**A Non-Disclosure Agreement** (NDA, German: Geheimhaltungsvereinbarung) is frequently signed between the contractual partners. It regulates:

- who may send
- (and when)
- which information
- to whom
- under which conditions.

Confidential information is all information that:

- is clearly marked as "confidential";
- is declared "confidential" at the point in time of oral transmission to the recipients;
- which can be clearly identified as "confidential" based on the informational content.

For security reasons critical documents should thus be marked as "confidential" (using a label or stamp). The stipulations negotiated regarding "Confidentiality" must then always be applied for such documents.

Confidential information is to be handled as **trade secrets**.

- It may not be communicated to either internal or external parties.
- Special security precautions apply toward how they are to be stored (storage in a safe, encryption of files).

Contract partners may pass information to third parties only on the condition that those third receiving parties also sign a NDA.

NDAs ensure that

- **project results** (interim results) are not published too early (damage to claim to patent, since it may no longer be an "innovation");
- **Competitors** are not informed about the project too early, giving them time to react;
- **Potential customers** are not informed too early about potential products and developments.

The principle of confidentiality applies to **all phases of a project!**

Specific persons or institutions have a **right to information or viewing**; this right must not be threatened by NDAs!

- **Funding agencies** must be able to review the progress of the project or the appropriate usage of the funding.
- In the event that a consultancy receives the funding, then there is an obligation to submit the consulting report to the **agency financing the consultancy**.
- **Owners and project financiers** must be informed about the progress of the project and interim results.

Define the **consequences for breach of the non-disclosure agreement**. In the event of premeditated or gross negligence, the contractual partner responsible for the breach can be made liable in full for all arising consequences.

The desire for a limitation to liability (such as in proportion to the amount of work performed by a given project partner) is generally to be rejected, since claims (i.e. in relation to inventions) can total many times higher than this nominal fixed sum if a confidentiality breach occurs.

#### **CONFIDENTIALITY PRIOR TO THE START OF THE ALLIANCE**

Even before the start of the project, the future project partners should sign a non-disclosure agreement. This defines the following points, among others:

- Which documents, drawings, functional models or prototypes should be shown and/or handed over. This is especially important if an industrial property right is being sought, since overly early publication can be damaging to the chances of acquiring this proprietary right.
- Which knowledge or state of development exist among the individual project partners even before the start of the project.
- Whether publications on one's own home page (on the project homepage), publications related to the programme or project presentations (such as by the funding agency) comply with the NDAs and thus do not threaten the "innovation protection". Where in doubt consult with a patent law expert.

**CONFIDENTIALITY DURING THE ALLIANCE**

Define which confidential information will be circulated for the handling of the project. Classify information based on the following **categories**:

- **Public information**  
(generally accessible)
- **Partially public information**  
(only accessible to a defined circle of persons)
- **Closed (secret, non-public) information**  
(only accessible to a narrow, precisely defined circle of persons)

Guidelines are also advisable for **working on PCs**.

- Develop a graduated authorisation system for working with files.
- Define write, read, and edit rights.
- Establish clear rules for versioning.
- Define the conditions under which new versions of documents or other content are to be released.

If new persons enter into the cooperative project, then the scope of information to be communicated must be defined.

One proven solution for information management in alliances is the regular composition and transmission of mutually agreeable and released **progress reports** by the development team.

**CONFIDENTIALITY FOLLOWING THE END OF THE ALLIANCE**

The principle of confidentiality frequently persists beyond the end of the cooperation. Language can be included to stipulate that information remains covered by the confidentiality clause for a specific period.

This also applies for information that cannot be directly commercialised but which could be of interest at a later period.

**2.4.2.9. Exploitation rights**

The goal of many cooperative projects is joint composition of inventions, designs, works or other immaterial goods – typically for the purpose of later economic commercialisation. The cooperation agreement must thus also regulate who receives rights of exploitation.

- Basic agreements on who receives **rights for results of the alliance** (inventions, works, etc) and who can derive which usage rights from those. Typically the commissioning partner and the key partners (who typically also bear the greatest technical and economic starting risk for a project) can take advantage of the majority or complete benefits from improvements and their commercialisation.
- A precise substantive definition of **all rights and individual alliance partners** (options for the acquisition, purchase rights, usage for own purposes, usage for research, teaching, scientific publications, etc).
- If, over the course of the project, industrial property rights arise that were not foreseeable at the start of the alliance, then a separate usage agreement must be concluded (after the fact) for their usage.
- Stipulations on the assumption of costs for **securing** and **upholding** property rights.

- Assumption of costs for **improvements** (such as the development of marketable products) and stipulations about which rights are founded for whom.
- Agreement on whether and who may re-use **ideas** and **results** derived from discussions and associative chains arising during the project work and where their partial creatorship can no longer be determine ex post.
- Indication of the procedure for ideas and approaches that are classified as **secondary** (or sometimes as falsely as "**Innovationsmüll**" [**innovation rubbish**]) and thus were not further treated within the framework of the alliance
- Stipulations on **division of the proceeds from reuse** among the individual project partners (basis for measurement, formula).

#### 2.4.2.10. Liability

Basic consensus should be reached from the start on liability.

- For which **elements of an offense** ("for what") can the project partners be made liable?
- To which **degree** (to which amount) should the liability be made? An agreement is often made that the partners are only liable to the extent of their share of the project. Whether this is desirable or even legal must be reviewed for the specific case, taking into consideration the type of alliance (working group, non-incorporated or limited liability firm), type and amount of potential damages, including consequential losses, indispensable legal provisos, etc.
- Is there an **exemption from liability** (such as for slight negligence)?

Ensure the presence of detailed stipulations for the following points:

- **Non-performance, default of performance, faulty performance**  
(Setting of an extension of time, right to demand assignment to other project partners, contractual penalty, execution by substitution)
- **Injury to third party rights**  
Each project partner always assumes liability for the portion or content (text, images, videos, illustrations, program sections, melody, concepts, ideas, designs, etc) that they introduced or delivered. If these objects or content did not originate with the transferring party themselves, then that party is obligated to obtain unrestricted usage rights or to demonstrate that no such rights exist. Ideally a corresponding indemnification and classification of harmlessness would be agreed. Passing of information in a contractually compliant manner should be tied to the acknowledged scientific rules of citation.
- **Injury to non-disclosure obligations**  
(see chapter on project communication)

#### 2.4.2.11. End of the contract

Define the conditions under which the contract can be terminated. A cooperation agreement can be terminated for regular or extraordinary reasons; these can be listed demonstratively or exhaustively.

##### Reasons for regular termination are:

- Attainment of the negotiated objectives
- Expiration of the negotiated period of time
- Other defined reason for termination

##### Extraordinary termination reasons or reasons for an early termination

(with or without observation of a termination notice period) could include:

- Breach of contractual obligations (especially in terms of negotiated results and non-disclosure agreements)
- Illiquidity, settlement, bankruptcy (including stipulation of legal consequences and in the event of a capital contribution by the insolvent partner the opportunity for rights to demand assignment or an obligation of assumption by another partners with limited contribution)
- Death of a contract partner
- Other defined extraordinary reasons for termination

Define any **notice periods** that must be observed as well as the **consequences** for a premature dissolution of the contract. If, in the event of a premature termination of the contract, work packages or portions thereof remain unhandled, then the subsequent procedures and in particular handling of any costs to be assumed must be regulated.

Please note: In practice it frequently occurs that one contractual partner wishes to withdraw after having signed the cooperation agreement, such as because he or she took part in numerous projects during the submission phase and an unexpectedly high number of them were approved, leading to a situation where the necessary resources are no longer available. This type of withdraw can, in a worst case scenario, lead to an ex post denial of already approved funding. A contractual clause can thus stipulate that withdrawal from the contract is fundamentally forbidden or tied to the condition that

- the other partners and the funding agency agree to the **withdrawal**;
- and that no similarly harmful consequences arise for the other project participants.

#### 2.4.2.12. Other components of the contract

As with all contracts, any other supplemental or clarifying stipulations should be recorded.

- An open presentation of all **relationships between the project partners** with the explicit note that no other side agreements are in place between the project partners.
- Agreement that all arrangements and modifications must be in **written form**, with a copy for signature by all contractual partners.

##### Severability clause

A severability clause defines the legal consequences in the event that individual stipulations within the contract become ineffectual or unenforceable or individual regulations are completely missing. This ensures that partially ineffectual or unenforceable contracts remain intact based on the interest of the financial success that was the original goal of the contract. For example it typically obligates the parties, in the event of an ineffectual clause, to renegotiate a clause coming as close as possible to the spirit of the now-invalid clause.

# 3.

## Protecting and using knowledge

Anyone who creates new knowledge has a need to protect that knowledge from unauthorised access or use. National legislation provides a number of different protections for intellectual property. The following section will explore them in somewhat greater detail.

The assignment of industrial property rights is treated in special depth, particularly for:

- Protection of inventions;
- Protection of distinguishing marks (such as brands) and
- Protection for designs.

The purpose of these protective rights is to allow for exclusive usage by inventors, designers and other creative actors to allow for financial compensation for development work, creativity and disclosure.



### 3.1. Types of protection for intellectual property

**Overview of classes of intellectual property protection**

OBJECT OF PROTECTION	WORK	TRADEMARK	DESIGN	INVENTION	
<b>PROTECTION CLASS</b>	Copyright protection	Trademark protection	Protection of registered designs	Protection of utility models	Patent
<b>CLAIM</b>	Automatic	Austrian patent office <sup>1</sup> European Office for the Harmonisation of the Internal Market <sup>2</sup> European patent office (EPO) <sup>3</sup> World Intellectual Property Organization (WIPO) <sup>4</sup>			
<b>NOMINAL FEE</b>	No	www.patentamt.at Trademark protection, Protection of inventions, Design protection/ protection of registered designs			
<b>TERM OF PROTECTION</b>	70 years post mortem	10 years and further extension by 10 years is possible without limitation	5 years and further extension by 5 years up to max. 25 years	10 years max.	20 years max.

1 Austrian Patent Office [www.patentamt.at](http://www.patentamt.at)

Source: Austrian patent office

2 European Office for Harmonisation in the Internal Market: [www.oami.europa.eu](http://www.oami.europa.eu)

3 European patent office: [www.epo.org/index\\_de.html](http://www.epo.org/index_de.html)

4 World Intellectual Property Organization: [www.wipo.int](http://www.wipo.int)

### 3.2. Protecting ideas

Strictly speaking, ideas, business methods, theories and new services are inherently not eligible for protection. The passing on of knowledge about practical and/or business-related content (expertise) can be regulated in a **"know-how licence agreement"**.

### 3.3. Innovation and research

Innovation is the motor of any economy. All innovation today must be measured against the **global conditions of international competition**. All companies and developers must therefore have tremendous comprehensive and in-depth knowledge about their own specific research area, brand strategy and design as well as the activities of the competition.

This research can be made significantly easier by using the **internet**. Many governments and patent offices have made their inventory of records available in database form for free access. Important access opportunities include the **German Patent Office** and the **European Patent Office**, with comprehensive databases of original documents.



Start your initial research when you are first brainstorming. **Professionally conducted research** can locate the desired documents in just a few search steps and present them to the commissioning client. The key question to clear up is whether an idea is truly new at the global level, or whether the novel character is solely for the developing company or within a national framework.

Persons involved with developing innovations should use the authoritative databases on their own, as many ideas can be found that are suggestive of further-reaching solutions.

Differentiation between one's own ideas and those located through this research should be recorded in writing to demonstrate the **limits of innovation** as part of the **overview** (over multiple patents in various countries).

It's recommended that the services of **specialised innovation consultant** be retained. The first goal of consultation is a selected ordering of the various questions and uncertainties that arise together with innovation.

Further consideration should be given to the timing of the patent application. A quick registration is only recommended if:

- there is truly a race of innovation with another competitor;
- a solution has already been largely composed;
- the path for commercial use must under all circumstances be maintained.

If a patent application is made too early, certain vulnerabilities come into play:

- **Supplementary registration of patents** (against a "fast first patent") because developments were not yet completed.
- **Lacking capacity for implementation** can play into the economic advantages of other companies (leaving the inventor solely with the 'honour of being the visionary').

A well-considered strategy derives benefit even from a later application. The entire development process remains straightforward, with time to prepare for production and market launch.

After all, the patent is not a goal in and of itself, but rather an economic instrument! 95% of all patents remain unexecuted because no strategies were put in place beyond mere application.

## 3.4. 'Work'

### 3.4.1. DEFINITION

At the heart of author's rights (Urheberrecht) is the 'work'. This is understood as **personal intellectual creation in the area of literature** (such as spoken works, computer programs, etc), **musical art, the visual arts or film art**.

Purely interior processes such as "ideas" do not qualify as 'works'. The creative activity must find its expression in an exterior form. **Only works depicting something new and original and expressing the individuality of the creator are protected**. The author's rights arise automatically with the creation of the work and require no registration or entry in a registry.

The **prerequisite** for protection of the work is a **clear denotation**, such as through one's own name or initials, notation of the year, copyright symbol or Creative Commons icon or a notice of "protected creative material (urheberrechtlich geschützt)". In the case of doubt the creator must prove that he or she was truly the first one to create the work (proof of priority).

### Practical example of author's rights

Elisabeth Faber adds the following note to all of her works

This document is protected creative material

©EF2010

### 3.4.2. RIGHTS TO WORK

The author's rights secure the creator the following usage rights:

- Editing (incl. translation)
- Reproduction
- Dissemination
- Renting and loaning
- Broadcast via radio or similar technology
- Public performance and
- public presentation (making available to the public such that it is accessible at times and places of the creator's choosing).

In specific cases the Urheberrecht calls for **limits to these rights** and allows for third parties to use a work without special permission – so-called "**fair use rights**". These allow for example works to be used for purposes of legal proceedings and administration, and for **reproduction for personal and private use**. The use of works is also permitted in the interest of **freedom of information, education and citation** without triggering claims for compensation by the author.

Otherwise other persons are limited to certain specific conditions for the usage of a work. These **usage rights** are defined through **licence agreements**.

**Work usage law** allows for a third party to acquire exclusive usage of a work. **Work usage approvals** are non-exclusive and allow for only one non-exclusive usage of the work, under time and/or location restrictions.

The **term of protection** for a work is 70 years, measured from the year of death of the creator. For works without a creator's designation, 70 years after their creation or first publication. **Ancillary copyrights**, such as for simple photographs, expire 50 years after their first publication or presentation; databases are protected for 15 years after their last modification.

### 3.4.3. CREATIVDEPOT.AT

**CreativDepot.at** is a service offered by creativ wirtschaft austria from the Austrian Economic Chambers as part of the evolve programme at the BMWFJ. It offers users the opportunity to upload a work (such as text, graphic, design, image, video, concept) and append it with a digital time stamp. In the event of legal disagreement, this can help establish the key proof of priority for the creator. Insofar as stored files are made publicly available, potential users of the work can tell at a glance based on the Creative Commons icons whether and to what degree third parties are offered rights.

The CreativDepot offers the following functions:

- Public description of the work
- Clear code for the work
- Standard licences
- Permanent link to work and licence
- Digital time stamp
- Commentary functions
- Usage options.



**TIP:** "Das Kapital der Kreativen – Geistiges Eigentum und Finanzen in der Kreativwirtschaft" – (German only) available at [www.creativwirtschaft.at](http://www.creativwirtschaft.at)

#### 3.4.4. CREATIVE COMMONS

Creative Commons is a global movement by creative producers. Because all creative works are automatically protected, the goal is to motivate as many creators as possible to provide their works for others as well. All content can be used for existing content, with the goal of new material being created based on it. The Creative Commons licensing system is thus intended to help authors and bloggers, musicians and composers, film makers and camera operators, photographers, designers and graphic artists, teachers and students regulate the usage rights for their own works in an intelligent and non-bureaucratic manner.

#### 3.4.5. COPYRIGHT © IS NOT THE SAME AS AUTHOR'S RIGHTS (URheberRECHT)

Urheberrecht (author's rights) protect the creator of a work. This is not the same as the concept of "**copyright**", prevalent in the Anglo-Saxon world, which **protects the person who has the right to commercial usage of the work**. This is not necessarily the same as the creator (such as limited liability companies).

Until 1989 a work, such as those intended to be protected in the USA, needed to be registered there to attain copyright status. Since the conclusion of the "Berne Convention" (an international intellectual property accord) the USA no longer has a registration requirement, although voluntary registration is still possible and in many cases is recommended.

There are nevertheless very significant differences between the Urheberrecht of Continental Europe and the Anglo-American copyright concept. Because the requirements for protection, scope of protection and protected object are not identical for copyright and Urheberrecht, it is always recommended that both a copyright and an Urheber notice be appended to the work.

### 3.5. Brands

#### 3.5.1. DEFINITION

**All symbols that can be graphically depicted** can always be protected **as a brand** (§ 1 Markenschutzgesetz [brand protection act]), especially if these are words (including the names of persons), **illustrations, letters, numbers and the form or appearance of goods**. The symbols must be "suitable" to differentiate a company's goods or services denoted in this way from those of another company.

### 3.5.2. TYPES OF BRANDS

Brands can be classified as:

- Wordmarks (letters, numbers or combinations of the two)
- Figurative marks (pure graphical information)
- Word/image brands (combinations of the previous two types)
- Brands that use protected colours/colour combinations
- 3D brands
- Sound trademarks (since sound can be graphically depicted through musical notation)

### 3.5.3. BRAND PROTECTION

To achieve brand protection, the **brand must be registered with the Austrian patent office**. They will undertake a **review process** as to whether

- The formal criteria have been satisfied;
- No hurdles to recording are present.

A test for similarity determines whether any (older) Austrian brands are registered for the same class of goods or service. The registrant is informed solely about the results of the review. The patent office is even obligated to record the entry even if identical brands are present so long as all other prerequisites for registration are present.

The **right to the brand** (brand right) arises with **entry into the brand registry!**

The Austrian brand protection is not time limited and can be extended upon provision of the extension fee in ten year intervals. The brand must be actually used no later than 5 years after registration, otherwise third parties can apply for evacuation of the brand!

The brand owner has the right to deny third parties use of the brand (or similar symbols) in commercial transaction for goods or services for which the brand is protected or which are similar to them.

Usage is possible with the agreement of the brand owner (**brand licensing**).

### 3.5.4. HURDLES TO REGISTRATION

A brand cannot be recorded if:

- Has no differentiating power,
- is comprised exclusively of national coats of arms or national flags or other governmental emblems or coats of arms from domestic administrative bodies,
- Is exclusively descriptive, meaning comprises solely symbols or information that describes the type, composition, volume, classification, value, geographic location or time of manufacture of the good or provision of service or which can serve as the description of other characteristics of the goods or services,
- Could lead to confusion, such as "wild and woolly" for products made from synthetic fibres
- Is a standard part of the general lexicon or other oral or established practices
- Violate public order or are obscene.

In specific (exhaustively listed) cases a brand can also be attained **after the fact** based on its usage of **differentiating power**. This can overcome certain hurdles to registration and make the brand eligible for protection.

### 3.5.5. COMMUNITY TRADE MARK

The application for a community trademark with the European Office for Harmonisation in the Internal Market in Alicante offers the benefit of delivering **brand protection for the entire European Union** through one uniform application process. There is no restriction of the protection to a single member state.

If a brand protection is only attained in individual European states, the brand can be registered within the corresponding states as a national brand.

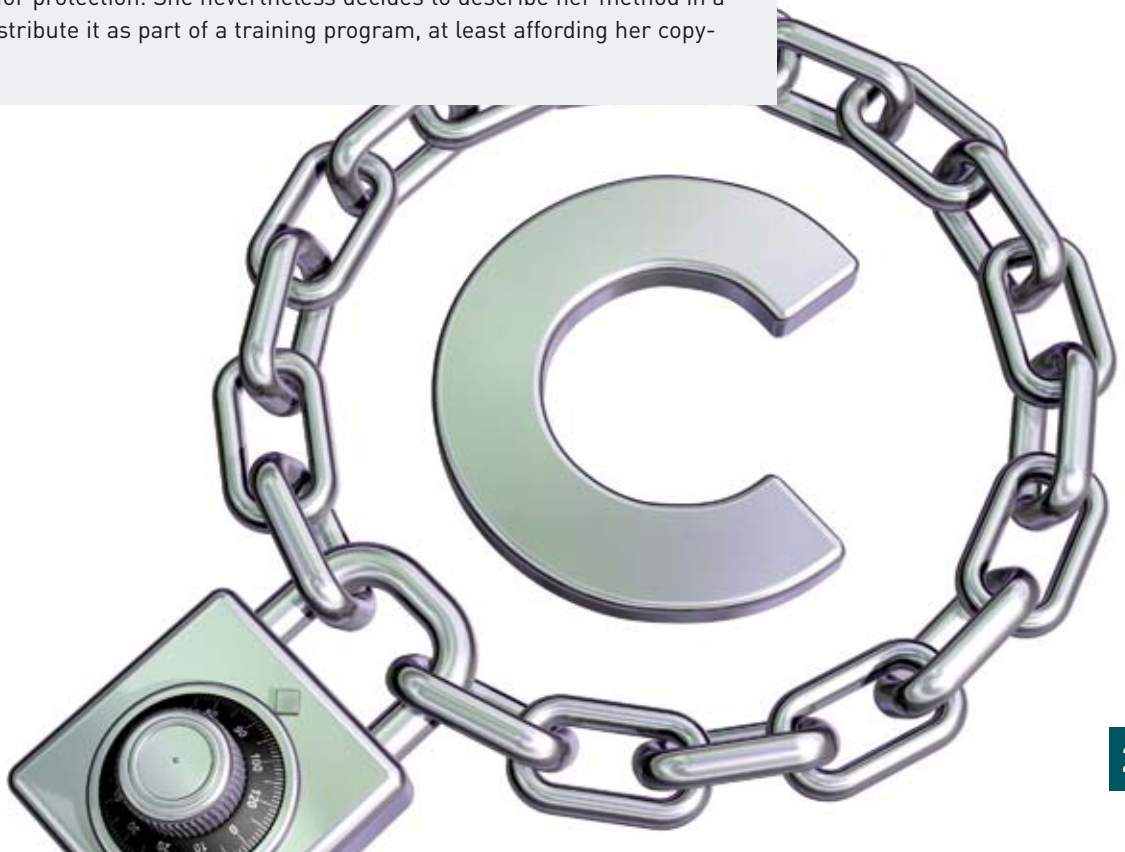
The presence of hurdles to registration can also only prevent the registration of a community trade mark within a single EU member state. For this reason in this case registration of a national brand is also recommended.

A denotation of the brand using the "®" symbol plus the suffix "TM" is permitted but not mandatory.

#### Practical example for brands

Elisabeth Faber has come up with a catchy name for her personal coaching company and cannot find any prior reference to this word creation. She therefore registers for a wordmark; because the creation involves German language wordplay, it can only be protected in Austria and Germany. She also arranged for a graphic designer to create a logo. She registers this with the Harmonisation Office as a figurative mark for all of Europe.

It would be difficult for her to protect her proprietary coaching methods. A specialist consultant indicated that this is a business methodology or new service, and as such is not eligible for protection. She nevertheless decides to describe her method in a book and to distribute it as part of a training program, at least affording her copyright.



## 3.6. Patent

### 3.6.1. DEFINITION

The patent is a **industrial property right** that gives its owner **exclusive, time-limited rights to apply an invention for commercial use** and other usages. It is obtained through a precursory application process.

The invention must

- **be new**, meaning it must not be part of the "state of technology" (defined as the overall state of knowledge accessible to the public at the time of the patent application);
- demonstrate a certain **degree of inventiveness**, meaning that it must be a significant-degree apart from the state of technology from an expert viewpoint;
- **be commercially applicable**;
- may not **violate public order or be obscene**
- must be technically feasible.

The individual criteria are reviewed by the patent office following application. A check is also made of the patent claims that declare the scope of protection for the patent; they must be sufficiently clear and recorded in detail.

**TIP:** The Economic Chambers offer brand and patent advisory days throughout Austria. For more information, visit [www.innovatives-unternehmen.at](http://www.innovatives-unternehmen.at) The Austrian Patent Office and [serv.ip](http://serv.ip) offer professional patent and brand research services. For more on this visit [www.patentamt.at/Beratung/Recherche\\_und\\_Projekte](http://www.patentamt.at/Beratung/Recherche_und_Projekte)

### 3.6.2. EFFECTS

The patent owner can exploit an invention commercially:

- From the day of the official publication of the patent notice;
- In the scope indicated in the patent specification as the scope of protection.

No further commercial authorisations must be obtained. The rights encompass the **production, marketing and sales of the object of the invention**. If the invention involves a procedure, then the patent holder is entitled to perform the procedure.

Patents are only valid in the countries in which they are issued; they are **territorial, national property rights**. There is no globally valid patent to be obtained through a uniform process.

The submission of an international (PCT) application can be used to apply for patent protection in multiple countries, meaning that the start of the national procedures in the determining states is pushed off for 30 to 31 months. This reclaimed time is often important to estimate the financial future of the invention and to prepare for further concrete applications.

The maximum length of patent protection is 20 years; after the expiration of that period anyone can freely use the object of the expired patent.

**TIP:** Support for the marketing of innovations can be found from the corporate service institutions of the WKO [www.unternehmerservice.at](http://www.unternehmerservice.at) > under "Meine Zukunft – Trends, Innovationen, Wissen".

The Enterprise Europe Network (EEN) provides no-cost support for companies and research institutions in their internationalisation activities within the European market. [www.EnterpriseEuropeNetwork.at](http://www.EnterpriseEuropeNetwork.at)

#### Funding programme:

##### ■ Innovation protection and marketing:

The Innovation Protection and Technology Transfer family of programmes from the aws offers support for the practical implementation of research and development insights through registrations for patents and their commercialisation. The special focus is on licensing based on strong patent protection and implementation of intellectual property rights in difficult markets. [www.awsg.at](http://www.awsg.at)

- **Discover IP:** This free service from the Austrian patent offices and the aws, with support from the European Patent Offices, provides an overview of the options for protecting intellectual property for technologically oriented SMEs. [www.patentamt.at/Beratung/Discover.IP/](http://www.patentamt.at/Beratung/Discover.IP/)

### 3.7. Gebrauchsmuster [Austrian utility model] (the petite patent)

The Gebrauchsmuster Act protects inventions that are:

- new,
- based on an inventive step and
- commercially applicable.

Unlike a patent, public roll-outs made within 6 months of registration for Gebrauchsmuster protection do not damage the innovative quality of the utility model (**Neuheitsschonfrist [grace period before priority date]**).

The Gebrauchsmuster is a commercial property protection for technical inventions. The threshold for the innovative work is less than that of a patent; no test is made of novelty, scope of inventiveness and commercial applicability.

To increase the level of legal certainty, the **relevant state of technology is researched** for each Gebrauchsmuster application. The research report is published together with the Gebrauchsmuster certificate.

It is easier to prepare the Gebrauchsmuster application, yet it secures valuable time for preparation of the detailed documentation needed for a later patent application.

The **processing time** for a Gebrauchsmuster application is **significantly shorter** than for a patent application. A Gebrauchsmuster is only valid in the countries in which application has been made and in which it has been registered. The maximum protection period for a Gebrauchsmuster is 10 years.

The Gebrauchsmuster protection is not anchored in the legal system and as such only offers limited protection.

Application for a Gebrauchsmuster is recommended if

- the **priority as inventor** should be **secured for a specific day**;
- a later "**upgrade**" to a **patent** is planned. The submission date of note for a later patent application is the date of application for the Gebrauchsmuster.

### 3.8. Geschmacksmuster

The Geschmacksmuster [aesthetic design model] offers protection for the **external appearance of a project or a section thereof**, composed of lines, contours, colours, form, surface structure, materials and/or adornments.

Products whose design is produced solely as a by-product of their technical function are not eligible for protection as a model.

The prerequisites for the protection are

- **a new form** that
- **cannot be confused** with existing, publicly released products.

The owner of the model possesses the exclusive right to

- manufacture
- offer
- and market it.

Model can only be protected for Austria alone or EU-wide (**Community design**). For an Austrian model, application is made with the Austrian Patent Office.

Application for a European design model can be made with the **Austrian Patent Office** or directly from the **European Office for Harmonisation** in the Internal Market in Alicante, Spain. It is also possible to apply for the design model in non-EU states.

Both the Austrian Geschmacksmuster and the Community design can be protected in 5 years intervals for a **maximum protection period of 25 years**.

Model applications are reviewed by the responsible offices solely in terms of the **fulfilment of formal criteria**, not in terms of their novelty.

A prior public release does not deny a model the necessary novel quality if application for that Geschmacksmuster was not made within a year of its public debut (**Neuheits-schonfrist [grace period before priority date]**). This allows for the marketability of a product to be reviewed prior to investment in brand protection.



Unlike the model itself, the following are not covered by the protection: the invention, idea and manufacturing procedure.

**TIPP:** Undertake your research prior to applying for a Geschmacksmuster as to whether products with which it could be confused have already been publicly released!

Even if no pattern has been registered, in certain cases ex post protective rights can be obtained, such as if the work

- **is protected through the Urheberrecht or**
- can be protected as an **"unregistered Community design"**.

A non-registered Community design protects solely against imitation. Thus if a product is the result of an independent design by another person, the protection has no effect.

The protection lasts for 3 years starting from the day on which the model was first released to the public (within the EU).

### Practical example

Winemaker Hubert Wolfram and his company Huber have developed a special bottle shape that fits especially nicely in the hand and allows for dripless pouring of red wine. To ensure that competing companies cannot copy this bottle, he submits an application for a Geschmacksmuster.

## 3.9. Side note: Inventions and developments by employees

Any inventor fundamentally bears the right to apply for a patent and reap the corresponding benefits for his or her own invention. Patent law nevertheless stipulates that under certain circumstances it is the employer of the inventor that is awarded rights to an invention — in exchange for corresponding compensation to the employee.

### 3.9.1. INVENTIONS BY EMPLOYEES IN PATENTS AND GEBRAUCHSMUSTER

An employee invention occurs when an invention is made in an employer's field of activity and either

- the activity that led to the invention is part of the responsibilities for the employee, or
- the employee received the impetus for the invention through his professional activity or
- the experiences or resources of the company significantly facilitate the development of the invention.

It is irrelevant whether the invention was created during **working** or **non-working hours**.

The following regulations apply for employee inventions:

- **Employees** have a **claim to issuance of a patent** if no contradictory terms are contained in the contract (must be in writing) or in a collective bargaining agreement. This does not apply for public service employment, as such employee inventions are assigned to the employer 'ex lege' (by law).
- Employee inventions must be presented to the employer immediately (**obligation to notification!**). The employer must decide within 4 months whether it intends to exert its rights to the invention as an employee invention.
- If the employer fails to do so, then the employer can enforce a **claim to compensation** for all lost profits.
- If the employer does not address the issue in a timely manner, then the invention remains the property of the employee. Employer and employee are obligated to **non-disclosure** about the invention.
- If the employer is not expressly employed for the purpose of invention, then he or she has a right to **suitable compensation** for his or her employee invention.
- The rights and obligations arising from an employee invention also continue **after the termination of the employment relationship**.

Employees are understood as salary and wage workers of every type. There are also some legal precedents for freelance employees and employees on work and services contracts to fall under this term. It is therefore recommended that a relinquishment of patent rights be expressly negotiated in writing with that circle of persons.

**Students** are not considered employees of a university. It's thus important to take into account when collaborating with universities that patent rights do not automatically fall to the university. It's important to achieve clarity on the relevant regulations about who is entitled to immaterial goods rights and to what extent they exist.

### Practical example for a patent

The Johannes Pauli GmbH locksmith shop has often received queries for which there is not currently a technical solution available. A team of several employees took up the challenge posed by this unresolved customer issue and identified a potential solution. A patent research process conducted by a specialist determined that no such solution has ever been proposed to date. The company opts to apply for a patent and search for licence partners abroad. For the domestic market production and sales will be handled by the company itself. Because the invention can be classified as an employee invention, they are entitled a share of future profits from the patent.

### 3.9.2. EMPLOYEE INVENTIONS FOR GESCHMACKSMUSTER

The Geschmacksmuster Law always assigns protection of the model to its creator, although a **special regulation** is in place for **employees**.

The employer (commissioning party) is entitled to the design protection if:

- the model falls within the field of activity for the company;
- the activities leading to the creation of the model are part of the employee's responsibilities;
- the model was created outside the employment relationship on a commission basis.

### 3.9.3. EMPLOYEE INVENTIONS FOR SEMICONDUCTORS

If a topography is created as part of an employee relationship or by commission, then the entitlement to the semiconductor design protection falls to the employer (commissioning party).

## 3.10. Semiconductor design protection

Semiconductors are solid state bodies that, based on their electrical conductivity, are viewed as both a **conductor** and a **non-conductor**, since their conductivity varies by temperature.

The Semiconductor Design Protection Act protects three dimensional structures (topographies) for microelectronic semiconductor products to the extent that they are unique. The protection encompasses both the topography and the semiconductor product.

In the event that the formal requirements are met, the registration in the **semiconductor protection registry** occurs without further review and research by the Patent Office.

Even if semiconductors **are already being used commercially**, application to the Patent Office for registration can be made within 2 years (after the first commercial application).

The **protection period** totals maximally 10 years, starting from:

- the day of application, if the semiconductor product has not yet been publicly released;
- from the day of the first commercial applications for semiconductor products already in circulation.

## 3.11. Licence

### 3.11.1. TYPES OF LICENCES

Licensing agreements are negotiated for the application of inventions. The following classifications have been established to depict the degree of self-limitation on the part of the licensing party:

#### ■ Exclusive licence

For an exclusive licence, the licensor agrees not to grant any further licences within the licensed area nor to undertake commercial exploitation on its own there.

A limitation of the licence based on geographical or time-based criteria or in terms of the licensed object is possible.

#### ■ Sole licence

Here the licensor agrees to give no further licences but may compete directly on its own.

#### ■ Non-exclusive licence

A non-exclusive licence means that the licensor does not agree to any restrictions. Additional licences may be assigned or the licensor may compete on its own.

### 3.11.2. AREA OF VALIDITY

Licensing agreements can be limited in terms of duration, geography or content. There are also opportunities to assign sub-licences, natural licences (licence exchange) and free licences.

### 3.11.3. FINANCIAL COMPENSATION

The following are conceivable options for financial compensation:

- **One-time payment**

Compensation for the licence claim is made through settlement of a **one-time payment**.

- **Quota licence**

The amount of the licence claim is tied to its **economic success**. The basis for the calculation is the nominally defined total per unit sold or a percentage of the total sales proceeds; in rare cases also a percentage of the marginal return. If the licensee cannot influence reference metrics such as the marginal return, then a **minimum licence** can be negotiated that sets a bottom threshold for income from the quota licence. To ensure controlling of the claim, **viewing rights** for the bookkeeping are negotiated with the licensee or a neutral agency (such as an auditing firm).

- **Annual licence**

The licence claims are compensated through payment of annual "fees". Account for a dynamic effect in these fees to cover rising patent costs!

- **Mixed forms**

Naturally the aforementioned forms can be mixed into different combinations.

### 3.11.4. SPECIAL ISSUE: EXCLUSIVITY

If licence agreements contain territorial or other limitations, then

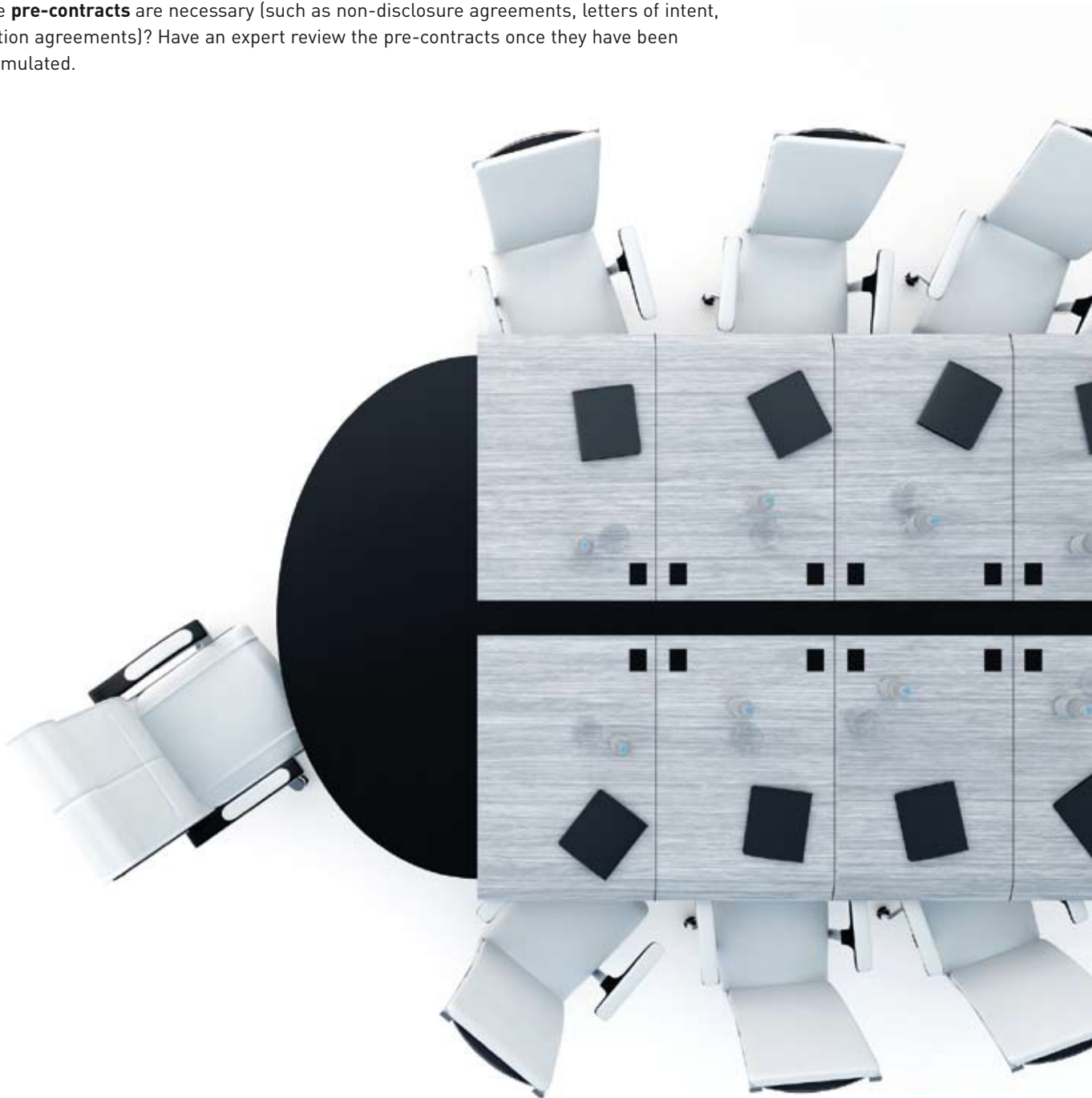
- anti-monopoly and
- EU competition regulations must be taken into account.

The **Technology Transfer Agreement from the European Commission** declares that the ban on cartel behaviour is not applicable for specific groups of patent and know-how licensing agreements. An exception provided to the licensee (within certain limits also a territorial protection) is thus permissible. Consult with a patent expert or attorney for your specific case.

### 3.11.5. LICENSING NEGOTIATIONS

Before entering into concrete contract negotiations, you should review the following points internally:

- Are **documents** available for potential licensees (written presentation material, videos, functional models, models, prototypes, presenters)?
- if you have little or no experience in the area of licence negotiations, then you should not negotiate on your own. Consult with a **patent attorney or corporate consultant** and arrange for the first contact to be made through these persons of confidence.
- Retain the **original documents** in a safe place (ideally with a copy outside the company premises).
- Define your own **margin for negotiation**; define your financial and organisations margins for negotiation. Set internal limits!
- Are **pre-contracts** necessary (such as non-disclosure agreements, letters of intent, option agreements)? Have an expert review the pre-contracts once they have been formulated.



### 3.11.6. ELEMENTS OF A LICENSING AGREEMENT

The following table provides an overview of the most important components of a licensing agreement as well as tips and tricks for handling the details. You should always retain the services of a patent attorney or solicitor for concrete formulation of the contract.

Contractual item	Detailed regulations
<b>Supplements</b>	Clearly formulate notes on further information (e.g. specified supplements)!
<b>Accounting</b>	Specify accounting, control and inspection (possibly by a trustee)
<b>Administrative check</b>	Check all supplementary documents for consistency (Is the latest updated version available? Have substantive changes been made since the patent application?) and completeness.
<b>Viewing and control rights</b>	What control and viewing rights are you prepared to grant and stipulate (e.g. viewing right into accounting, licensee production control etc.). Also consider the feasibility and the related control costs.
<b>Non-disclosure agreement</b>	Are non-disclosure agreements (even for after the agreement) planned?
<b>Place of jurisdiction</b>	Specify the place of jurisdiction and the applicable law. Clarify which language should be used in case of a dispute. Provide for recourse to an arbitration tribunal before made pending before an ordinary court.
<b>Contractual party insolvency</b>	Provide for regulations for licensor and licensee insolvency.
<b>General costs</b>	Clearly specify who will bear which costs.



Contractual item	Detailed regulations
<b>Termination</b>	Which forms of termination can be used to terminate the contract? Have periods of notice been granted? What may constitute a reason for extraordinary termination?
<b>Subject of the licence</b>	Give a clear description of the subject of the licence in a form which is understandable for all contracting parties.
<b>Defects</b>	Specify who is liable for material defects and defects of title.
<b>Marketing</b>	Specify the activities of the contracting parties with regard to marketing, advertising and sales.
<b>Participation rights</b>	What participation rights are you prepared to grant in the area of product design, marketing and pricing?
<b>Breaches of duty</b>	Clearly specify how to proceed in the event of a breach of duty.
<b>Preamble</b>	Give a description of fundamental aims and intentions in a preamble.
<b>Prices</b>	Have minimum and maximum prices been set out, provided that this is permitted according to competition and/or antitrust rules?
<b>Product liability</b>	Which regulations apply in the event of damage claims and claims under product liability?
<b>Qualifications</b>	Are specific qualifications required by the licensee's employees? Are these qualifications described and set out clearly?
<b>Quality standards</b>	Are quality standards set out and compliance with them ensured? How are these quality standards measured (checked) and how often?
<b>Licensees' rights</b>	What rights does the licensee have? (manufacture, use, offer, sell, further licensing etc.)
<b>General rights and duties</b>	Define all current and future rights and duties of contracting parties in detail.
<b>Recertifications</b>	At which intervals and under what conditions are recertifications required?
<b>Severability clause</b>	Is there a severability clause?
<b>Protection rights</b>	Who is responsible for the maintenance and the costs of underlying protection rights (e.g. patent, trademarks)? Are rights of acquisition and subrogation granted?
<b>Violation of protection rights by third parties</b>	What is the procedure in case of a violation of protection rights by third parties? Who will provide information on when and who takes the legally required steps?
<b>Support</b>	Specify whether technical support is provided by the licensor (how, to what extent, at what price)?
<b>Death of a contracting party</b>	Have you set regulations for the death of a contracting party.

Contractual item	Detailed regulations
<b>Sub-licences</b>	Has a right to issue sub-licences been granted?
<b>Violation of third-party protection rights</b>	What are the internal consequences of violating the rights of third parties due to own protection rights? Who will bear the costs?
<b>Contract amendments</b>	Specify the procedure for any contract amendments.
<b>Contract term</b>	Clearly specify the contract term.
<b>Contract extensions</b>	Are contract extensions planned or possible?
<b>Contract territory</b>	Precisely specify the contract territory and potential exclusivities (spatial, temporal), provided this is permitted pursuant to EU law.
<b>Further developments</b>	Which regulations apply for further developments of the subject of the contract by the licensor and licensee? How can you protect your existing know-how?
<b>Payment</b>	Specify the licence form (one-time licence, minimum licence, quota licence, hybrid forms), time of royalty statement and payment terms.
<b>Delayed payment</b>	What are the possible consequences if one of the parties does not meet their payment obligations?
<b>Signing authority</b>	Do you clarify the signing authority of your partners before the signing of the contract?





# 4.

## Research and invention: Taxation issues

This chapter provides an overview on the taxation treatment of researchers and inventors. The depiction of the taxation-related regulations and support refers to **domestic inventions** by

- natural persons residing in Austria;
- companies with their headquarters or corporate seat in Austria.

**International aspects** (such as invention of cross-border research communities) are largely not included in these considerations.

For concrete questions and an assessment of your concrete case, please consult with a tax specialist.

Anyone working as a researcher or inventor must account for taxes, fees and duties.

### ■ **Income taxes**

Profits from research results, patent licences and the like are subject to income tax (income tax for natural persons and non-incorporated companies; corporate taxes apply to limited liability companies).

### ■ **Value Added Tax**

Total revenues from inventions or research results generally are subject to Value Added Tax (VAT).

### ■ **Fees, contributions to social insurance**

Please clarify any obligations for your specific situation; this brochure cannot cover the breadth of this issue in detail.

## 4.1. Income tax-related issues

### 4.1.1. SCOPE OF TAXATION

The basis for taxation is the differentiation between income from research and inventions

- in the operational realm
- and obtained outside the operational range.

The following table offers an overview:

	<b>Non-operational area Individuals</b>	<b>Operational area Individuals and capital companies</b>
<b>Definition</b>	<ul style="list-style-type: none"> <li>■ Chance inventions in private assets</li> <li>■ Employee inventions, provided no sustainable activity is established</li> </ul>	<ul style="list-style-type: none"> <li>■ Income from individuals from sustainable, independent research activity</li> <li>■ Income from capital companies, which are permanently dedicated to research and development, e.g. pharmaceutical, automotive industry</li> </ul>
<b>Taxation consequences</b>	Licensing revenue is subject to income tax. The sale of rights is <b>not subject to tax</b> after expiration of the speculation period.	Both licensing revenue and the sale of rights are subject to taxation.

**4.1.2. GEOGRAPHICAL LIMITATIONS TO TAXATION**

For **natural and legal persons resident in Austria**, Austria generally taxes their **globally earned income**, exception income earned in foreign business premises.

'Business premises' here fundamental refers to fixed local facilities that are intended for long-term operation (this definition thus categories a foreign apartment for a research in which research is actually conducted as a foreign laboratory). Please be sure to take an **bilateral taxation agreements** into account.

**Profit for foreign companies** earned at Austrian business premises are always taxed in Austria. Here too bilateral taxation agreements must be taken into account.

**4.1.3. ADVANTAGEOUS TAX RATE FOR INVENTORS**

Certain types of income are granted relief through a **halved average taxation rate** as per § 38 EStG (Income Tax Act). This includes **commercial** incomes of an **inventor from inventions protected by patent law**.

"Commercialisation" here is understood in tax law as the assignment of use licences as well as sale of the patent itself.

Please note: Only the inventor him- or herself receives this benefit; the commercialisation must be performed by a person/persons other than the inventor.

**4.1.4. TAX BENEFITS FOR EMPLOYEE INVENTIONS**

If premiums are paid during an orderly employment relationship for employment inventions, then these can be taxed at a reduced tax rate of 6% up to the amount of a 2-month period increased by 15%.

If the employment relationship is already ended, then the benefit of § 38 EStG (half of average tax rate) can be applied.

## 4.1.5. TAX BENEFITS FOR DETERMINATION OF TAXABLE INCOME

### 4.1.5.1. When is something considered an invention?

The **status as an invention** requires the following characteristics (according to the clarifying remarks in the Patent Act):

- Resolution of a technical task using technical means
- Progress in terms of the state of technology
- Commercial applicability.

The following are **not considered inventions** (according to the stipulations of § 1/2 PatG 1970 since PatRNov 1984):

- Discoveries and scientific theories and mathematical methods;
- Aesthetic creations
- Plans, rules and procedures for intellectual activities, for games or for business activities or programs for computational systems;
- The reproduction of information

The individual points do not all have to be present; this listing is solely of a demonstrative nature. Naturally each applicant has the opportunity to develop his or her own argumentative strategy (to incorporate additional points).

### 4.1.5.2. Premiums

The following income tax benefits are intended for research activity in the operational area. As of 1/1/2011 only research premiums are possible. The research tax allowances in effect to that point could be applied for one final time on 31/12/2010.

#### ■ Research premiums

Research premiums lead to direct credits in the tax account of the taxpayer; the premium itself is excluded from income tax



Type/amount	Conditions
<p><b>Research premium (§108c Income Tax Act)</b></p>	<p>1. Research premium for independent research und experimental development (criteria are set by way of regulation).</p>
<p><b>10% of expenses and investments</b></p>	<p>2. Contract research for commissioned research und experimental development, planned cap of Euro 100,000.- per financial year.</p>

**4.1.5.3. Calculation basis for premiums**

Individual material costs (directly attributable costs, such as the backrest and seating surface of a sofa)  
 + Individual production costs (directly attributable costs, such as machine hours)  
 + Special costs  


---

**= individual costs of the invention**

+ General material costs (costs that cannot be directly attributed, since they are typically determined by formula, such as the volume of paint for a chair, since this cannot be measured for each individual unit but rather on the whole and is then calculated for the individual unit)  
 + General production costs (costs that cannot be directly attributed, since they are then divided using a formula, such as water consumption)  
 + Expenses for voluntary social institutions, business pension plans and processing  
 + Financing costs  


---

**= Taxable manufacturing costs for the invention**

**4.1.6. OTHER TAX-RELATED RESEARCH SUPPORT**

- Income, grants and subsidies from public funds for direct support of science and research are tax exempt.
- Property used for scientific purposes are exempt from property tax (§ 2(7) lit a and b GrStG).
- Expenses for self-created immaterial economic goods (patent rights etc) may not be activated from a taxation (and commercial) law perspective. The corresponding expenditures must be deducted from the taxes during the relevant fiscal year, which leads to a corresponding reduction in the taxable basis.

<sup>6</sup> Expenditures for research and experimental development using scientific methods and expenditures for development or improvement of inventions of international value.

#### 4.1.7. TAX TREATMENT OF SHARED RESEARCH AND INVENTION

If research projects are conducted as joint work between different rights holders (such as natural and legal persons, non-incorporated firms), then a non-incorporated firm (such as a working group under the Civil Code) is considered to exist.

Between the partners a **distribution ratio** for cost assumption and for future drawing of income from use is negotiated. This ratio is also decisive for taxation purposes.

As part of the **income determination process** for the non-incorporated firm, a uniform tax result is determined and then allocated to the involved partners based on the negotiated distribution ratio.

Other costs borne by the individual partners ("**special operating expenditures**") and any supplemental earned income ("**special operating income**") must be adopted into this uniform income determination process. If these are not incorporated into the uniform income determination process, then costs of this type cannot (later) be deducted from the tax base.

The uniform income determination process is not necessary if a working group or partnership under the Civil Code (GesbR) is solely intended to execute one single contract for work and services or contract for work and materials. In that case the results (profit or loss) are accounted for directly during the individual partner's own tax preparations.

## 4.2. VAT considerations

VAT law categorises the granting, transference and realisation of rights as miscellaneous services.

If the recipient of this service/these services is a company, then the service is considered provided in the place where the service recipient operated his firm. If the recipient is an Austrian company, then the corresponding revenues are subject to Austria's VAT.

If the invoice recipient is a company and if the service was commissioned for business purposes, then the VAT listed on the invoice can be deducted from the company's own VAT transfer to the revenue agency.

Companies whose revenues do not exceed **€ 30,000 are exempt from collecting VAT**, although they also cannot reclaim their own VAT expenditures. A switch to "standard tax treatment" should be reviewed for the individual case.

If it is determined to have been a random occurrence, then the alienation of the right does not accrue VAT, since the inventor is not classified as an entrepreneur but rather as a private person.

If the inventor receives ongoing licence income from the commercialisation of the random invention, then he or she is considered to be a long-term entrepreneur and is subject to VAT where the annual revenues exceed the € 30,000 threshold.

In the event of joint research and development activity, the partnership under the Civil Code is generally one separate VAT subject, requiring its own **tax numbers** and **VAT number**.

# 5.

## Annex

### 5.1. Letter of Intent

The Letter of Intent (LOI) is a document outlining an agreement between two or more parties before the agreement is finalized. It is characterised by the fact that the key contract components are not bindingly established; the parties instead announce their intention to conduct good-will contractual negotiations. In many cases specific framework conditions or preconditions are described that will be taken into account when negotiations begin or participation in a material project is commenced.

The mere signing of a LOI does not typically obligate the parties to in fact conclude a subsequent contract. A LOI is often concluded when the project start date is still unclear, or is in the distant future (such as pending project assessment and approval by a funding agency) or numerous potential contractual partners are present.

#### Sample of a Letter of Intent

The Letter of Intent should contain the following points at minimum

This letter confirms your and our mutual intentions with respect to the potential transaction described herein between [NAME & CONTACT DATA OF THE PARTNERS], represented by [NAME & CONTACT DATA OF THE REPRESENTATIVE], to participate in the project [PROJECT TITLE] as part of [CAMPAIGN / CATEGORY] under the following conditions. This document, in and of itself, does not represent an enforceable legal contract.

The principal terms of the proposed transaction would be substantially regarding the following work package: [WORK PACKAGE]

We will contribute the following financing to the project:

- Financial contribution in €; where applicable, define schedule for money flow.
- Payments in kind (listing, define framework conditions, ...).

### 5.2. Non-disclosure agreement

A Non-Disclosure Agreement (NDA) obligates the contractual partners to confidential treatment of the information, data, documents, customers and other insights revealed as part of the contractual relationship. In many cases the terms stipulate expressly

how these commercial secrets are to be stored, recorded and accessed. An NDA can encompass all information and documents that are exchanged or just specific information that has been classified as confidential.

In many cases it is helpful to include this non-disclosure agreement as a component in the letter of intent or as part of the contract itself.

What's important is that the agreement extends to all involved employees and external partners.

### Example of a non-disclosure agreement

[NAME & CONTACT DATA OF PARTNER], represented by [NAME AND CONTACT DATA OF REPRESENTATIVE] as well as any internal or external agents and/or subcontractors deployed or commissioned on his behalf agree to adhere to the following:

- The transmitted information serves solely for use in the project [PROJECT TITLE] as part of [CAMPAIGN/CATEGORY] and are thus not intended for publication or transmission to third parties.
- We herewith acknowledge that where required a report may be provided to the funding agency. This is to be reviewed and released in writing by all partners prior to remittance to the funding agency.
- This non-disclosure agreement shall remain in effect even if the aforementioned project is not implemented.
- At the end of the project or in the event of a premature end to the project or if the project is never implemented, all documents shall be returned without delay, excepting where legally mandated otherwise (archive retention regulations).
- This non-disclosure agreement will remain in place for a period of 3 years after the end of the project.
- The partners also agree that all sub-contractors or external employees will also read and sign this non-disclosure agreement.
- Both parties agree to submit to the exclusive jurisdiction of the competent [PLACE] Court.

Additional sample contracts can be found at [www.unternehmerservice.at](http://www.unternehmerservice.at)



# 6.

## Services for entrepreneurs

### WIFI Entrepreneur Service

The WIFI Entrepreneurial Service is a team from the WIFI of the Austrian Economic Chamber. As the coordination agency for the **Entrepreneurial Service Network for the provincial Chambers**, it develops economic support programmes with co-financing partners. Its work focuses on preparation for topical issues facing entrepreneurs. Publications and online tools supplement the supported programme of consulting services.

Innovative companies provide the Austria-wide entrepreneurial service network with support through events, patent and funding consultation days and provision of sponsored consultancy:

- **Trends and Technologies:** Recognising opportunities, research & development, improving procedures, observing the competition, protecting ideas, expanding knowledge.
- **Financing and support:** Financing projects, reducing development risks, reducing costs, producing more affordably, receiving grants, improving results, executing international projects.
- **Sales and marketing:** Recognising needs, assessing market opportunities, developing products, improving marketing, opening up new markets, exploiting protected rights.

[www.unternehmerservice.at](http://www.unternehmerservice.at)

### Enterprise Europe Network

The Enterprise Europe Network (EEN) provides no-cost support for companies and research institutions in their internationalisation activities within the European market.

[www.EnterpriseEuropeNetwork.at](http://www.EnterpriseEuropeNetwork.at)

### creativ wirtschaft austria

creativ wirtschaft austria is embedded in the Austrian Economic Chambers and serves as a platform for the interests of Austria's creative industries – at the national, European and global levels. It promotes the development of the Austrian creative industries and facilitates links with other industries.

[www.creativwirtschaft.at](http://www.creativwirtschaft.at) bzw. [www.creativdepot.at](http://www.creativdepot.at)



### **Experts Group "Transinno"**

To help innovation-minded companies on their path to the future, the Industry Association of Corporate Consultants and IT (UBIT) from the Austrian Economic Chambers founded the Experts Group Innovation and Technology Transfer (known as 'Transinno') to serve as a hub for business on matters related to innovation. The accredited consultants of the experts group support companies in the location, assessment, selection and implementation of innovations. They are additionally knowledgeable about major funding sources and can help with the creation of documentation.

[www.transinno.at](http://www.transinno.at)

### **International Technology Cooperation (AWO)**

Consulting on the marketing of technology and support for international technology research.

[www.wko.at/awo](http://www.wko.at/awo)

### **Austria Wirtschaftsservice GmbH**

As the business development bank for financial support, Austria Wirtschaftsservice GmbH (aws) provides support for companies through low interest rate ERP credits, subsidies, commitments and guarantees to finance & support their projects. The aws also provides information, know-how, consultancy and services. The programme of offerings ranges from the (pre)founding phase for a company up to its globalisation plans.

[www.awsg.at](http://www.awsg.at)

### **Österreichische Forschungsförderungsgesellschaft FFG**

The FFG is the national funding agency for economy-related research in Austria. It supports Austrian companies, research institutions and researchers with a comprehensive range of grants and services and represents Austrian interests at the European and international level.

[www.ffg.at](http://www.ffg.at)

### **Austrian Patent Office**

The Austrian Patent Office as a national centre of competency for commercial rights protection effectively secures inventions, designs and brands for Austrian entrepreneurs. Patents, certificates of protection and Gebrauchsmuster protect inventions, while registration secures brands and models.

[www.patentamt.at](http://www.patentamt.at)

## 6.1. Support in the search for a project/research partner can be found with:

### European Enterprise Network and its "Marketplace"

- **Access** to thousands of innovative technologies, current developments from research & industry, questions related to technological solutions
- **The newsletter** provides information about current technology trends, the latest scientific developments, know-how and technology queries
- **Partner search** for innovative developments, unresolved technical questions, R&D project partner search

[www.enterpriseeuropenetwork.at/marktplatz/](http://www.enterpriseeuropenetwork.at/marktplatz/)

### Innovationsscheck

Innovationsscheck [Innovation check] is a support programme for SME in Austria aiming to facilitate their entry into ongoing research and innovation activity. The Innovationsscheck team is glad to provide support in the search for research institutions with expertise suitable for your innovation project. Contact the team at the Austrian Research Support Society (FFG) via the Innovationsscheck hotline (Tel: 057755-5000, email: [innovationsscheck@ffg.at](mailto:innovationsscheck@ffg.at)).

### FFG with EUREKA

EUREKA is a European/international initiative for applied research and development (R&D) in Europe. It offers companies and research institutions a framework for cross-border cooperative projects. Some 39 states and the European Commission are all full members of EUREKA.

[www.ffg.at/eureka](http://www.ffg.at/eureka)

## 6.2. Helpful links

- European Patent Office: [www.epo.org](http://www.epo.org)
- European Office for Harmonisation in the Internal Market: [www.oami.europa.eu](http://www.oami.europa.eu)
- Austrian Chamber of Patent Attorneys: [www.oepak.at](http://www.oepak.at)
- Austrian Patent Office: [www.patentamt.at](http://www.patentamt.at)
- Patent research: [www.espacenet.lu](http://www.espacenet.lu); [www.depatistnet.de](http://www.depatistnet.de); [www.google.com/patents](http://www.google.com/patents)
- Rights Information System of the Austrian Federal Chancellery (RIS): [www.ris.bka.gv.at](http://www.ris.bka.gv.at)
- Austrian Economic Chambers: [www.wko.at](http://www.wko.at)
- Federal Ministry for Economy, Family and Youth: [www.bmwfj.gv.at](http://www.bmwfj.gv.at)
- Federal Ministry for Finance: [www.bmf.gv.at](http://www.bmf.gv.at)
- Austrian Chamber of Attorneys: [www.oerak.at](http://www.oerak.at)



## Contacts at the Economic Chambers

### WK BURGENLAND

Mag. Jürgen Rathmanner  
T 05 90 907-3310  
E juergen.rathmanner@wkbgl.at  
W wko.at/bgld/innovativesunternehmen

### WK KÄRNTEN

DI Elisabeth Hauer  
T 05 90 904-752  
E elisabeth.hauer@wkk.or.at  
W wko.at/awo/ktn

### WK NIEDERÖSTERREICH

DI Dr. Raimund Mitterbauer  
T 02742/851-16500  
E raimund.mitterbauer@wknoe.at  
W wko.at/noe/tip

### WK OBERÖSTERREICH

Ing. Anton Fragner  
T 05 90 909-3540  
E anton.fragner@wkoee.at  
W wko.at/ooe/innovation

### WK SALZBURG

Mag. Ferdinand Steger  
T 0662/88 88-441  
E ferdinand.steger@innovationservice.at  
W www.innovationservice.at

### WK STEIERMARK

Dr. Leopold Strobl  
T 0316/601-357  
E leopold.strobl@wkstmk.at  
W wko.at/stmk/ws

### WK TIROL

DI Gernot Bock  
T 05 90 905-1371  
E gernot.bock@wktiro.at  
W wko.at/tirol/innovation

### WK VORARLBERG

Mag. Marco Tittler  
T 05522/305-395  
E tittler.marco@wkv.at  
W wko.at/vlbg/innovation

### WIFI WIEN

Mag. Alois Frank  
T 01/476 77-5355  
E frank@wifwien.at  
W www.wifwien.at/ub



creating the future

Programm zur grenzüberschreitenden Zusammenarbeit SLOWAKEI - ÖSTERREICH 2007-2013  
Program cezhranične spolupráce SLOVENSKÁ REPUBLIKA - RAKÚSKO 2007-2013