



## FONCICYT GUIDE ON INTELLECTUAL PROPERTY RIGHTS REGULATION<sup>1</sup>

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### C. INTELLECTUAL PROPERTY RIGHTS

#### C.1. Foreground Ownership

C.1.1. *Foreground* shall be the property of the *partner* carrying out the work generating that *Foreground* or in the terms agreed in the Consortium Agreement;

C.1.2. Where several *partners* have jointly carried out work generating *foreground* and where their respective share of the work cannot be ascertained, they shall have joint ownership of such *foreground*. In such case, the partners must establish an agreement regarding the allocation and terms of exercising that ownership. Joint owners can decide not to establish a joint ownership agreement e.g., ownership of a single partner with access rights to the remaining partners that have previously waived their part of the joint ownership.

However, where no joint ownership agreement has yet been concluded, each of the joint owners shall be entitled to grant non-exclusive licences to third parties, without any right to sub-licence, subject to the following conditions:

- at least 45 days prior notice must be given to the other joint owner(s); and
- fair and reasonable compensation must be provided to the other joint owner(s).

C.1.3. If employees or other personnel working for a *partner* are entitled to claim rights to *foreground*; the *partner* shall ensure that it is possible to exercise those rights in a manner compatible with its obligations under this *contract*.

#### C.2. Foreground Transfer

C.2.1. Where a *partner* transfers ownership of *foreground*, it shall pass on its obligations regarding that *foreground* to the assignee including the obligation to pass those obligations on to any subsequent assignee.

C.2.2. Subject to its obligations concerning confidentiality such as in the framework of a merger or an acquisition of an important part of its assets, where a *partner* is required to pass on its obligations to provide *access rights*, it shall give at least 45 days prior notice to the other *partners* of the envisaged transfer, together with sufficient information concerning the envisaged new owner of the *foreground* to permit the other partners to exercise their *access rights*.

However, the *partners* may, by written agreement, agree on a different time-limit or waive their right to prior notice in the case of transfers of ownership from one *partner* to a specifically identified third party.

C.2.3. Following notification referred in section C.2.2, any other *partner* may object within 30 days of the notification or within a different time-limit agreed in writing, to any envisaged transfer of ownership on the grounds that it would adversely affect its *access rights*.

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<sup>1</sup> This guide is intended for informative purposes only. Its content is part of Annex VIII – Additional Conditions and it could be modified at the time of the official publication of the aforementioned Annex.



Where any of the other *partners* demonstrate that their *access rights* would be adversely affected, the intended transfer shall not take place until agreement has been reached between the *partners* concerned.

C2.4. Where a *partner* intends to transfer ownership of *foreground* to a third party established in a *third country*, CONACYT as FONCICYT trustee, may object to such transfer of ownership of *foreground*, if it considers that this is not in accordance with the interests of developing the competitiveness of the Mexican and or European economy or is inconsistent with ethical principles or security considerations.

In such cases, the transfer of ownership shall not take place unless the FONCICYT Technical and Administration Committee has authorised the transfer in writing.

### C.3. Foreground Protection

C.3.1. Where *foreground* is capable of industrial or commercial application, its owner shall provide for its adequate and effective protection, having due regard to its legitimate interests and the legitimate interests, particularly the commercial interests, of the other *partners*.

Where a *partner* which is not the owner of the *foreground* invokes its legitimate interest, it must, in any given instance, show that it would suffer disproportionately great harm.

C.3.2. In addition to that establish in article VI “Visibility” of Annex II – General Conditions, patent applications relating to *foreground*, filed by or on behalf of a *partner* must include the following statement to indicate that said *foreground* was generated with the assistance of financial support from the *CONACYT as FONCICYT trustee* and the European Community.

“The work leading to this invention has received funding from CONACYT and the European Community's through FONCICYT [FONCICYT C002 -2008 -1 ALA 127 249] contract n° [xxxxxx]”

This statement should be translated to the language in which the patent request has been filled. Translation should be delivered in all European Community Languages each partner should be responsible of the translation of this statement to the official language of its Member State.

Furthermore, all patent applications relating to *foreground* filed shall be reported in the plan for the *use* and *dissemination* of *foreground*, including sufficient details/references to enable CONACYT as FONCICYT trustee to trace the patent (application). Any such filing arising after the final report must be notified to the *Contracting Authority through as FONCICYT* including the same details/references.

C.3.3. Where the *foreground* is capable of industrial or commercial application and its owner does not protect it and does not transfer it to another *partner*, an *affiliated entity* established in Mexico or in a Member State or any other third party established in Mexico or in a Member State, along with the associated obligations in accordance with section C.2, no *dissemination* activities relating to that *foreground* may take place before the *Contracting Authority through FONCICYT* has been informed. The *Contracting Authority through FONCICYT* must be informed at the latest 45 days prior to the intended *dissemination* activity.

In such cases, the *CONACYT and the European Community as FONCICYT trustee and contributor respectively, may*, with the consent of the *partner* concerned, assume ownership of that *foreground* and adopt measures for its adequate and effective protection. The *partner* concerned may refuse consent only if it can<sub>2</sub>



demonstrate that its legitimate interests would suffer disproportionately great harm. In the event the CONACYT and/or the *European Community* assume ownership, it shall take on the obligations regarding the granting of *access rights*.

#### **C.4. Foreground use and dissemination**

C.4.1. The *partners* shall *use* the *foreground* which they own or ensure that it is used.

C.4.2. Moreover, the *partners* shall report on the expected *use* to be made of *foreground* in the plan for the *use* and *dissemination* of *foreground*. The information must be sufficiently detailed to permit the *Contracting Authority through FONCICYT* to carry out any related audit.

C.4.3. Each *partner* shall ensure that the *foreground* of which it has ownership is disseminated as swiftly as possible. If it fails to do so, the *Contracting Authority through FONCICYT* may disseminate that *foreground*.

C.4.4. *Dissemination* activities shall be compatible with the protection of intellectual property rights, confidentiality obligations and the legitimate interests of the owner(s) of the *foreground*.

C.4.5. At least 45 days prior notice of any *dissemination* activity shall be given to the other *partners* concerned, including sufficient information concerning the planned *dissemination* activity and the data envisaged to be disseminated.

Following notification, any of those *partners* may object within 30 days of the notification to the envisaged *dissemination* activity if it considers that its legitimate interests in relation to its *foreground* or *background* could suffer disproportionately great harm. In such cases, the *dissemination* activity may not take place unless appropriate steps are taken to safeguard these legitimate interests.

The *partners* may agree in writing on different time-limits to those set out in this section, which may include a deadline for determining the appropriate steps to be taken.

C.4.4. In addition to that established in article 6 “Visibility” of Annex II – General Conditions, all publications or any other *dissemination* relating to *foreground* shall include the following statement to indicate that said *foreground* was generated with the assistance of financial support from the *Government of Mexico and the European Community*:

“The research leading to these results has received funding from CONACYT and the European Community through FONCICYT [*FONCICYT C002 -2008 -1 ALA 127 249*] contract n° [xxxxxx]”.

This statement should be translated into the language used for the dissemination activities. Translations to all European Community languages should be delivered.



Any *dissemination* activity shall be reported in the plan for the *use and dissemination of foreground*, including sufficient details/references to enable the *Contracting Authority through FONCICYT* to trace the activity. With regard to scientific publications relating to *foreground* published before or after the final report, such details/references and an abstract of the publication must be provided to the *Contracting Authority through FONCICYT* at the latest two months following publication. Furthermore, an electronic copy of the published version or the final manuscript accepted for publication shall also be provided to *FONCICYT* at the same time if this does not infringe any rights of third parties.

### **C.5. Access rights to background**

*Partners* may define the *background* needed for the purposes of the *project* in a written agreement and, where appropriate, and, in that case, may agree to exclude specific *background*. Such an exclusion may be temporary (e.g. to permit the adequate protection of the *background* prior to providing access) or limited (e.g. to exclude only one or more specific *partners*). As *background* is by definition considered to be needed for implementation or use, the impact of such an exclusion on the *action*, particularly regarding an exclusion which does not have a temporary character, should be examined by the *partners*.

### **C.6. Principles regarding access rights to background and foreground**

C.6.1. All requests for *access rights* shall be made in writing.

C.6.2. The granting of *access rights* may be made conditional on the acceptance of specific conditions aimed at ensuring that these rights will be used only for the intended purpose and that appropriate confidentiality obligations are in place.

C.6.3. Without prejudice to their obligations regarding the granting of *access rights*, *partners* shall inform each other as soon as possible of any limitation to the granting of *access rights* to *background*, or of any other restriction which might substantially affect the granting of *access rights*.

C.6.4. The termination of the participation of a *partner* shall in no way affect the obligation of that *partner* to grant *access rights* to the remaining *partners*.

C.6.5. Unless otherwise agreed by the owner of the *foreground* or *background*, *access rights* shall confer no entitlement to grant sub-licences.

C.6.6. Without prejudice to section C.7, any agreement providing *access rights* to *foreground* or *background* to *partners* or third parties must ensure that potential *access rights* for other *partners* are maintained.

C.6.7. Exclusive licences for specific *foreground* or *background* may be granted subject to written confirmation by all the other *partners* that they waive their *access rights* thereto.

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C.6.8. However, when a *partner* intends to grant an exclusive licence to *foreground* to a third party established in a *third country*, CONACYT, acting as FONCICYT trustee, may object to the granting of such an exclusive licence, if it considers that this is not in accordance with the interests of developing the competitiveness of the Mexican and European economies or is inconsistent with ethical principles or security considerations.

In such cases, the exclusive licence shall not take place unless the Technical and Administration Committees of FONCICYT has authorised it in writing.

### **C.7. Access rights for implementation**

C.7.1. *Access rights* to *foreground* shall be granted to the other *partners*, if it is needed to enable those *partners* to carry out their own work under the *action*.

Such *access rights* shall be granted on a royalty-free basis.

C.7 2. *Access rights* to *background* shall be granted to the other *partners*, if it is needed to enable those *partners* to carry out their own work under the *action* provided that the *partner* concerned is entitled to grant them.

Such *access rights* shall be granted on a royalty-free basis, unless otherwise agreed by all *partners* before their accession to this agreement.

### **C. 8 Access rights for use**

C.8.1. *Partners* shall enjoy *access rights* to *foreground*, if it is needed to use their own *foreground*.

Subject to agreement, such *access rights* shall be granted either under *fair and reasonable conditions* or be royalty-free.

C.8.2. *Partners* shall enjoy *access rights* to *background*, if it is needed to use their own *foreground* provided that the *partner* concerned is entitled to grant them.

Subject to agreement, such *access rights* shall be granted either under *fair and reasonable conditions* or be royalty-free.

C.8.3. An *affiliated entity* established in Mexico or in a Member State shall also enjoy *access rights*, referred to in sections C.8.1 and C.8.2, to *foreground* or *background* at same conditions as the *partner* to which it is affiliated, unless otherwise provided for in the *consortium agreement*.

As the *access rights* referred to in sections C.8.1 and C.8.2 require that access is needed to use own *foreground*, this paragraph only applies to the extent that ownership of *foreground* was transferred to an affiliate entity established in Mexico or in a Member State. *Partners* may provide for

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arrangements regarding *access rights* for affiliated entities in their *consortium agreement*, including regarding any notification requirements.

C.8.4. A request for *access rights* under paragraphs 1, 2 or 3 may be made up to one year after either of the following events:

- a) the end of the *action*; or
- b) the termination of participation by the owner of the *background* or *foreground* concerned.

However, the *partners* concerned may agree on a different time-limit.