

Die Zur-Verfügung-Stellung dieses Muster-Konsortialvertrages entbindet den Verwender nicht von einer rechtlichen Prüfung. Die Verwendung dieses Musters erfolgt auf eigenes Risiko. Die Team-Mitglieder übernehmen hierfür keine Haftung

The Working-group provides this model *Consortium Agreement* as a draft without assuming any warranty or responsibility. The use of the text in total or in part takes place on the users own risk and does not release users from legal examination to cover their interests and protect their rights.

CONSORTIUM AGREEMENT FOR NETWORKS OF EXCELLENCE IN THE FP 6

Version 4.0.5



Hermann von Helmholtz-Gemeinschaft
Deutscher Forschungszentren e.V.
Büro Brüssel



Bundesministerium
für Bildung
und Forschung



DLR

Deutsches Zentrum
für Luft- und Raumfahrt e.V.



Koordinierungsstelle EG der
Wissenschaftsorganisationen



Fraunhofer
Gesellschaft



Deutscher
Industrie- und Handelskammertag



EU-Hochschulbüro
Hannover/ Hildesheim

Change Records

Version	Date	Change	Author
1.0	23 May 2003	Original Version	
1.1	11 June 2003	Editorial Changes and Format	
2.1	24 June 2003	Organisation and IPR	
3.0	10 July 2003	Change in Sections 10 and 12	
3.1	06 Aug. 2003	Implementation of Comments and results from first negotiations	
3.2	11 Aug. 2003	Implementation of Comments and Recommendations	
4.0	13 Oct. 2003	Editorial adaptation between the three instruments.	
4.0.1	22 Nov. 2003	Editorial changes and corrections	
4.0.2	02 Dec. 2003	Editorial changes and rearrangement of Section 10	
4.0.3	15 Jan. 2004	Editorial changes and rearrangement of Section 10	
4.0.4	26. Jan. 2004	Editorial changes and references	
4.0.5	26 Mai 2004	Editorial Changes in Sections 8.2.1 and 12	

References:

1. *Contract* (core-contract_en-031023.pdf), approved by the *Commission* on 23 October 2003. Decision C (2003)3834 dated 23.10.03
2. *Contract*, Annex I, Implementation Plan (Description of Work); (to be proposed and accepted by the *Commission*),
3. *Contract*, Annex II, General Conditions, (annex-ii-general-conditions_en.pdf) approved by the *Commission* on 23 October 2003, Decision C (2003)3834 dated 23.10.03
4. *Contract*, Annex III, Integrated Projects approved by the *Commission* on 23 October 2003, Decision C (2003)3834 dated 23.10.03
5. *Contract*, Annex IV - Form A - consent of contractors to accede to the *contract*, approved by the *Commission* on 23 October 2003, Decision C (2003)3834 dated 23.10.03
6. *Contract*, Annex V – Form B - accession of new legal entities to the *contract*, approved by the *Commission* on 23 October 2003, Decision C (2003)3834 dated 23.10.03
7. *Contract*, Annex VI – Form C - financial statement per instrument, approved by the *Commission* on 23 October 2003, Decision C(2003)3834 dated 23.10.03

List of Contents

References:	3
List of Contents	4
Section 1: Definitions	7
1.1 <i>Contract</i> Definitions	7
1.2 Additional Definitions	7
1.3 Further Understandings	8
Section 2: Purpose, Nature and Duration of the Agreement	9
2.1 Purpose.....	9
2.2 Nature of the Agreement	9
2.3 Duration	9
Section 3: Network Organisation and Management Structure	10
3.1 General Structure	10
3.2 The <i>Parties</i> ' Representatives	10
3.3 <i>European Commission</i> Representative	10
Section 4: Responsibilities of each Party	11
4.1 General Responsibilities	11
4.2 Responsibilities towards the Co-ordinator and the <i>Network</i> Co-ordination Committee	11
4.3 Obligations of the <i>Parties</i> towards each other.....	11
Section 5: Responsibilities and Authority	11
5.1 Establishment of the Detailed Plan of Activities	11
5.2 The Network Governing Board	12
5.2.1 Responsibility.....	12
5.2.2 Decisions	12
5.2.3. Advisory Board of the Network Governing Board.....	12
5.2.4 Network Governing Board Meetings.....	13
5.3 <i>Network</i> Co-ordination Committee	14
5.3.1 Responsibilities.....	14
5.3.2 Decisions	14
5.3.3 Relation to the <i>Network Governing Board</i>	14
5.3.4 <i>Network</i> Panels.....	15
5.3.5 Meetings	15
5.3.7 Minutes of Meetings.....	15
5.4 Co-ordinator.....	15
5.4.1 Rights and Obligations.....	15
5.4.2 Responsibilities of the Co-ordinator.....	15
5.4.3 No power of Representation	16
5.4.4 Submitting Deliverables	16
5.4.5 Specific Authorisation of the Co-ordinator	16
5.5 Network Area Boards.....	16
5.5.1 Structure	16
5.5.2 Responsibilities.....	17
Section 6: Costs - Payments	17
6.1 General Principles	17
6.2 Payments	17
6.3 Resources.....	17
6.4 Financial planning and reporting data	17
Section 7: Confidentiality	18
7.1 Principles	18
7.2 Obligations.....	18
7.3 Communication of Information.....	19
7.4 Confidentiality towards third parties.....	19
Section 8: Liabilities	19
8.1 Liability of the <i>Parties</i> towards each other.....	19
8.2 Indemnification.....	19

8.2.1 Indemnification in the event of claims between the Parties, without <i>Commission</i> claims.....	19
8.2.2 Indemnification by the Defaulting <i>Party</i> in the event of claims from the <i>Commission</i>	20
8.3 Liability towards Third Parties.....	20
8.4 Third Parties.....	20
8.5 Defaults and Remedies.....	20
8.5.1 Principles.....	20
8.5.2 Procedures and Consequences.....	20
Section 9: Force Majeure.....	21
Section 10: Intellectual Property Rights.....	21
10.1 General Provisions.....	21
10.2 Protection of <i>Knowledge</i>	21
10.2.1 Joint Invention.....	21
10.2.2 Application for a Patent.....	22
10.3 Exclusion of <i>Access-rights</i> to <i>Pre-existing Know-how</i>	22
10.4 <i>Access-rights</i>	22
10.4.1 General Principles.....	23
10.4.2 <i>Access-rights</i> for carrying out the <i>Network</i>	23
10.4.3 <i>Access-rights</i> for <i>Use</i>	24
10.4.4 <i>Access-rights</i> for using <i>Knowledge</i> in subsequent Research Activities.....	24
10.4.5 <i>Access-rights</i> for Parties joining or leaving the <i>Network</i>	24
10.4.6 <i>Access-rights</i> for Third Parties.....	25
10.4.7 Specific Provisions for <i>Access-rights</i> to Software.....	25
10.5 Grant of <i>Access-rights</i> outside of Network Research Activities.....	26
Section 11: Standards.....	26
Section 12: Publications, Press Releases and Reports to the <i>Commission</i>.....	27
12.1 Publications of own <i>Knowledge</i>	27
12.2 Other Publications.....	27
12.3 Disclaimer and marking of confidential information provided to the <i>Commission</i>	27
12.4 Publication to qualify for a degree.....	28
Section 13: No Partnership or Agency.....	28
Section 14: Assignment.....	28
Section 15: Accession and Termination.....	28
15.1 Accession to the <i>Contract</i>	28
15.2 Rules for Termination.....	28
15.3 Termination by the <i>Commission</i>	29
15.4 Termination due to Bankruptcy or Liquidation.....	29
15.5 Continuance of Regulations.....	29
15.6 Continuance of Sublicenses.....	29
Section 16: Settlement of Disputes.....	29
16.1 Arbitration.....	29
16.2 IPR Council (optional).....	29
Section 17: Language.....	30
Section 18: Notices.....	30
Section 19: Applicable Law.....	30
Section 20: Entire Agreement – Amendments / Severability.....	30
Section 21: Accession to the <i>Contract</i>.....	30
Section 22: Counterparts.....	30
SIGNATURES.....	31
ANNEX A Recipients for Notices.....	32
ANNEX B Budget and <i>Network</i> Shares.....	33
ANNEX C Bank Accounts.....	34
ANNEX D Exclusion of <i>Pre-existing Know-how</i> from Right to Access.....	35
ANNEX E Accession Forms (Forms A and B).....	36

This **CONSORTIUM AGREEMENT** is made on <DD-MM-YY>

BETWEEN

(1) <LEGAL NAME OF PARTY 1 = CO-ORDINATOR>

(2) <PARTY 2>

(3) <PARTY 3>

(4) <PARTY 4>

(5)

(6)

(7)

(8)

(9)

relating to the *Network* entitled

<NAME OF NETWORK OF EXCELLENCE >

in short

<give acronym -if any>

WHEREAS:

(A) The *Parties*, having considerable experience in the field concerned, have submitted a *Proposal* for an *Network* entitled

(B)

<NAMES OF PROGRAMME and NETWORK OF EXCELLENCE >

to the *Commission* in

<COMPLETE AS PPROPRIATE.....>

as part of the Sixth Research and Technological Development Framework Programme

(B) The *Parties* wish to specify or supplement, between themselves, the provisions of the *Contract*

NOW THEREFORE IT IS HEREBY AGREED AS FOLLOWS:

Section 1: Definitions

1.1 Contract Definitions

Words defined in the *Contract* or in the *Contract*, Annex II.1 have the same meaning in this *Consortium Agreement* and appear in italics.

1.2 Additional Definitions

“Allocated Work” shall mean the research work and the related activities and services allocated to any of the *Parties* in accordance with *Contract*, Annex I and the subsequent Joint Programme of Activities.

“Application Programming Interface” means an interface or other means provided for by a Software *application*, component or library for the purpose of interfacing or interaction of other Software with such application, component or library including, but not limited to, data types and structures, constant and macro definitions, function and procedure definitions including their name, parameters, parameter count and parameter data type(s) and any data type of function results thereof, as set forth in header files, specifications and related documentation.

“Compensating Party” means a *Party*, other than the “Defaulting Party”, from whom the *Commission* claims reimbursement due to financial collective responsibility in accordance with *Contract*, Annex II.18.

“Contract” means the *Contract* No. <insert Network number> (including its Annexes) for the undertaking by the *Parties* of the *Network*. *Contract* also means, as applicable, any *Contract* amendment.

“Defaulting Party” means a *Party* breaching its obligations of the *Contract* and/or of this *Consortium Agreement*.

“Deliverables” means reports, including progress reports and certified audit reports, as well as Hardware and Software referred to in the *Contract* and in this *Consortium Agreement* that have to be delivered to the *Co-ordinator*, and/or the *Commission*.

“IPR Council” (optional) is the panel of arbitration with power to decide in disputes between the *Parties* concerning Intellectual Property Rights. It may be constituted when needed. (to be deleted if the option of Section 16.2 is not chosen)

“Joint Budget” is the binding internal agreement concerning the *Network* Budget and financial *Network* Shares of each *Party* for the whole duration of the *Network*. The budget and the *Network* Shares are defined in *Contract*, Annex I and detailed in Annex B of this *Consortium Agreement*.

“Joint Programme of Activities” means the description of the work to be carried out in order to implement the *Activities* as set out in *Contract*, Annex I. It consists of two parts:

- **a detailed joint programme of activities:** providing a detailed description of the work to be carried out over the eighteen-month period covered by one reporting period as defined in *Contract*, Annex II.7.2 and the first six months of the following period, extrapolation and adjustment of activities for subsequent phases will be provided in the Detailed Plan of Activities:
- **an outline joint programme of activities:** providing an outline description of the work to be undertaken throughout the duration of the *Network* including a non-confidential action plan for the promotion of gender equality within the *Network*

“Limited Source Code Access” means

- (a) access to the Object Code; and,
- (b) where normal use of such an Object Code requires an API, access to the Object Code and such an API; and,

(c) if neither (a) nor (b) is available, access to the Source Code.

"Networks of Excellence" means all the work referred to in Annex I of the *Contract*.

"Network Advisory Board" means the advisory committee of the Network Governing Board that can be constituted upon the decision of the Network Governing Board.

"Network Area" means any Network Area described in *Contract*, Annex I or created by a decision of the Governing Board.

"Network Area Board" means the Network Area decision-making body established in accordance with Section 5.5.

"Network Area Chairperson" means the Party who will carry out the co-ordination tasks and who represents the Network Area in *the Network Co-ordination Committee*.

"Network Co-ordination Committee" means the Network management decision-making body established in accordance with Section 5.3.

"Network Governing Board" is the principal decision-making body of the Network and shall comprise all *Parties*.

"Network Office" means the administrative unit which supports the Co-ordinator and the Network Co-ordination Committee (NCC) in the network management.

"Network Share" means for each Party that Party's share in the funding allocated according to this *Consortium Agreement*, Annex B

"Network Research Activity" means research activities of *Party/Parties* which have been agreed upon and are co-ordinated through the *Network of Excellence*

- as defined in the Detailed Plans of Activities and
- are subsidised by the *Network of Excellence*.

"Network Panels" will support and advise the Network Co-ordinator and Co-ordination Committee on specific issues (IPR; Technology Transfer; Gender Aspects etc.)

"Object Code" means software in machine-readable, compiled and/or executable form including, but not limited to, byte code form and in form of machine-readable libraries used for linking procedures and functions to other software.

"Party" or **"Parties"** means a party or the parties to this *Consortium Agreement*.

"Proposal" means the proposal for the *Network* submitted by the *Parties* to the *Commission*, including any amendments.

"Software" means software programmes being sequences of instructions to carry out a process in, or convertible into, a form executable by a computer and fixed in any tangible medium of expression.

For the avoidance of doubt, Software may be *Knowledge* or *Pre-existing Know-how*.

"Software Documentation" means software information, being technical information used or, useful in, or relating to the design, development, use or maintenance of any version of a software programme.

"Source Code" means software in human readable form normally used to make modifications to it including, but not limited to, comments and procedural code such as job control language and scripts to control compilation and installation.

"Source Code Access" does not include any right to receive Source Code ported to a certain hardware platform, but only as available from the *Party* granting the Source Code Access.

1.3 Further Understandings

In order to clarify certain ambiguities appearing in the provisions of the *Contract*, the *Parties* have agreed on the following interpretations:

- (a) "**Indirect utilisation of Knowledge**" in the *Contract's* definition of *Use* includes, for and on behalf of the *Party* concerned, *Use* by having products and/or services developed, made and/or provided;
- (b) "**Fair and Non-discriminatory Conditions**" means fair market conditions.
- (c) "**Pre-existing Know-how**" means only such *Pre-existing Know-how* which has been accumulated within and/or developed by the specific research group, research department, or research institute directly involved in carrying out the *Network*.

Section 2: Purpose, Nature and Duration of the Agreement

2.1 Purpose

The purpose of this *Consortium Agreement*, in relation to the sustainability of the *Network*, is to take steps for achieving a sustainable complementarity and integration amongst the *Parties* during and after the term of the *Contract* in the field of the *Network*, as set forth in Annex I of the *Contract*.

2.2 Nature of the Agreement

- (1) Nothing contained in this *Consortium Agreement* shall constitute or be deemed to constitute either a partnership or any formal business organisation or legal entity between the *Parties*.

Each *Party* shall act as an independent *Contractor* and not as the agent of any of the other *Parties*.

Nothing contained in this *Consortium Agreement* shall be construed as constituting or organising the sharing of profits or losses arising out of the efforts of any other *Party* hereunder.

- (2) This *Consortium Agreement* shall be applicable to all activities agreed upon amongst the *Parties* in the Detailed Plan of Activities, including the Joint Programme of Activities governed by the *Contract*, and any implementing arrangement, without prejudice of the *Parties'* right to conclude other agreements not conflicting with or hindering this *Consortium Agreement*.
- (3) In case of conflict between this *Consortium Agreement* or parts of it and the *Contract*, the latter will have precedence.
- (4) In order to achieve the purpose of this *Consortium Agreement*, *Parties* may conclude additional agreements on integration of their activities and/or assets. In such case, explicit agreements in writing shall be required detailing the *Parties'* rights and obligations.

2.3 Duration

- (1) This *Consortium Agreement* shall come into force as of the date of its signature by the *Parties*, but shall have retroactive effect from the date of the *Contract Signature* by the *Co-ordinator* and shall continue in full force and effect until terminated in accordance with Section 15 or until complete discharge of all obligations for carrying out of the *Network Research Activities* undertaken by the *Parties* under the *Contract* and under this *Consortium Agreement*, whichever is earlier.
- (2) For new *Parties* accessing to this *Consortium*, this *Agreement* shall come into force as from the date of signature of the Declaration of Accession, Annex E (Forms A and B).

Section 3: *Network* Organisation and Management Structure

3.1 General Structure

The initial organisation structure of the *Consortium* shall comprise the following:

- (a) **Network Governing Board** as the ultimate decision-making body of the *Consortium*,
- (b) **Network Advisory Board** can be appointed by the Network Governing Board to support strategic issues and advise in planning.
- (c) **Network Co-ordination Committee** is the supervisory body for the *Network* execution which shall report and be accountable to the *Network Governing Board* under the conditions set forth in Section 5.3.
- (d) **Network Area Boards** as management groups for the Network Areas. The elected chairpersons manage the Network Areas and shall become members of the Network Co-ordination Committee.
- (e) **Network Panels** can be established by the *Network Co-ordination Committee* to deal with specific issues or problems, e.g. technological, financial or legal matters. The Network Panels support the *Co-ordinator* and the *Network Co-ordination Committee* in coordinating and managing the *Network*.
- (f) **Network Co-ordinator** as the intermediary to the *Commission* is authorised to execute the *Network* management, shall report and be accountable to the *Network Co-ordination Committee* (which shall in turn report and be accountable to the *Network Governing Board*) under the conditions set forth in Section 5.4.
- (g) **Network Office**, if necessary, established by the *Network Co-ordinator* shall provide the necessary support for day-by-day *Network* management for the *Network Co-ordination Committee* as well as reporting activities to the *Commission*.
- (h) **IPR Council** (optional) is the panel of arbitration with power to decide disputes amongst the Parties concerning Intellectual Property Rights.
(to be deleted if the option of Section 16.2 is not chosen)

3.2 The *Parties*' Representatives

Each *Party* agrees to nominate representatives to the different decision-making bodies with due authorisation to discuss, negotiate and decide on actions proposed by the *Co-ordinator*, or to accept recommendations made by the bodies within the frame of their responsibilities.

The representatives to the Network Governing Board should be of senior management level with the authority to commit their organisation to the decisions of the *Network Governing Board*. The *Co-ordinator* shall appoint as the chairperson of the Network Governing Board a person at the senior executive management level. In addition to chair the Network Governing Board, the *Co-ordinator's* representative should also chair the *Network Co-ordination Committee*, but can delegate this function for regular meetings.

3.3 European Commission Representative

The *Commission* may participate as an observer at the meetings of the *Network Co-ordination Committee* and the *Network Governing Board*.

Section 4: Responsibilities of each Party

4.1 General Responsibilities

Each *Party* hereby undertakes with respect to other *Parties* all reasonable endeavours to perform and fulfil, promptly, actively and on time, all of its obligations under the *Contract* and this *Consortium Agreement*, including in particular the submission to the *Commission* of the deliverables pursuant to the *Contract*, Article 7 and Annex II. 7.

4.2 Responsibilities towards the Co-ordinator and the Network Co-ordination Committee

Each *Party* undertakes reasonable endeavours to supply promptly to the *Co-ordinator* via the Chairperson of the appropriate *Network Area Board* all such information or documents as the *Co-ordinator* and the *Network Co-ordination Committee* need to fulfil obligations pursuant to this *Consortium Agreement*, the *Contract* and upon request of the *Commission*.

In particular, information and documents required by the *Contract*, Annex II.3 and 7 shall be submitted via the *Co-ordinator*.

4.3 Obligations of the Parties towards each other

(a) Each *Party* undertakes reasonable endeavours:

- to notify the *Co-ordinator* via the appropriate *Network Area* chairperson and each of the *Parties* promptly of any significant problem and delay likely to affect the success of the *Network* and
- to inform other *Parties* of relevant communications it receives from third parties in relation to the *Network Activities*.

(b) Each *Party* shall use reasonable endeavours to ensure the accuracy of any information or materials it supplies hereunder or under the *Contract* and promptly to correct any error therein of which it is notified. The recipient *Party* shall be entirely responsible for the *Use* to which it puts such information and materials.

(c) In addition to the obligations specified in the *Contract*, Annex II.3, each *Party* agrees not to use knowingly, as part of a deliverable or in the design of such deliverable or in any information supplied hereunder or under the *Contract*, any proprietary rights of a third party for which such *Party* has not acquired the right to grant licences and user rights to the other *Parties* in accordance with the *Contract*, unless all of the other *Parties* have accepted such *Use* in writing, such acceptance not to be unreasonably withheld.

Section 5: Responsibilities and Authority

5.1 Establishment of the Detailed Plan of Activities

The *Network Co-ordinator* and the *Network Co-ordination Committee* shall be responsible for the development, extrapolation and harmonisation of the Detailed Plan of Activities in line with the *Joint Programme of Activities* and shall propose specific procedures in decision making relating these issues in accordance with the following principles. The *Network Co-ordinator* and the *Network Co-ordination Committee* have to inform to the *Network Governing Board* about any changed proposals for activities and any changed budget allocation to be confirmed and approved by the relevant decision-making body.

(i) The *Network Area Boards* design a plan for the activities within their scientific area for the following 18 months period. This plan will be submitted to the *Network Co-ordination Committee* for review.

- (ii) The *Network Coordination Committee* will evaluate such plans, check them for possibilities for inter-area interactions, and identify any cross-area topics.
- (iii) With feedback from the *Network Area Boards* and the *Network Advisory Board*, the *Network Coordination Committee* submits a proposal for the next Detailed Plan of Activities, which shall be in line with the Joint Budget and shall be distributed to all *Parties* at least two weeks before the *Network Governing Board* meeting.
- (iv) The *Network Governing Board* shall discuss the proposed Detailed Plan of Activities during its annual meeting, modifies or amends the Detailed Plan of Activities if necessary, and accepts the final version with a double majority.
- (v) On the basis of the accepted Detailed Plan of Activities, the budget will be allocated to the various *Network Areas*.

5.2 The Network Governing Board

5.2.1 Responsibility

The *Network Governing Board* shall consider the report of the *Network Co-ordination Committee*, receive and approve the accounts for the past (financial) year, approve the budget and Detailed Plan of Activities.

In order to simplify collaboration amongst the *Network Parties* and accelerate the integration process at the level of personnel, infrastructure and programme of activities, the *Network Governing Board* will elaborate guidelines. It is mandatory for the *Network Parties* to adhere to these guidelines when concluding bi- and multilateral agreements between the *Parties*.

5.2.2 Decisions

The decisions of the *Network Governing Board* in the *Network*-related matters are legally binding to all *Parties*.

The *Network Governing Board* only decides on matters relating to:

- the preparation and final approval of the *Detailed Plan of Activities* in accordance with the *Joint Programme of Activities* prior to the submission to the *Commission*,
- all budget-related matters,
- the acceptance of new parties as well as the exclusion of *Parties*,
- the structure and restructuring of the *Network Areas*,
- the alteration of the *Consortium Agreement*, and
- the premature completion/ termination of the *Network*.

In the remaining cases, the *Network Co-ordination Committee* has the authority to make decisions.

5.2.3. Advisory Board of the Network Governing Board

The *Network Governing Board* can appoint a *Network Advisory Board*. This Board consists of a maximum of nine persons from the relevant scientific areas (industry and research). The Board advises the *Network Governing Board* on all important matters of substance. In particular, it issues an opinion and recommendations on the decisions of the *Network Governing Board* regarding the Detailed Plan of Activities and the continuation of the *Joint Programme of Activities*. The members of the *Network Advisory Board* may take part in the meetings of the *Network Governing Board* but do not have the right to vote on issues to be decided by the *Network Governing Board*.

5.2.4 Network Governing Board Meetings

5.2.4.1 Members

Each *Party* shall be entitled to send one voting representative to the *Network Governing Board*.

5.2.4.2 Preparation and Organisation of the Meetings

The Chairperson of the *Network Co-ordination Committee* shall provide an agenda to all the *Parties* not later than 21 days in advance of the relevant *Network Governing Board* meeting. The agenda must give full details and background to any proposed decision.

No decision may be made in relation to any matter not mentioned in the agenda unless agreed by unanimous consent of all the *Parties* present, or duly represented by proxy.

The *Network Governing Board* shall be formally convened and chaired by the *Co-ordinator's* representative.

5.2.4.3 Ordinary Meetings

Ordinary meetings of the *Network Governing Board* shall be convened at least once a year.

5.2.4.4 Extraordinary Meetings

Extraordinary meetings of the *Network Governing Board* may be convened either by the Chairperson or at the request of a quarter (25 percent) of the *Network Areas* or on request of one third ($\frac{1}{3}$) of the *Parties*.

5.2.4.5 Rules of Voting

Ordinary and extraordinary meetings of the *Network Governing Board* shall constitute a quorum if more than two third ($\frac{2}{3}$) of the *Parties* are present or duly represented by proxy.

Decisions relating to issues listed in Section 5.2.2 need a double majority.

A double majority means the majority of the *Network* shares and the majority of the *Parties*.

Network share votes will be allocated on the basis of the number of participating scientists allocated to the different *Network Parties* who form the basis for calculating the *Commission's* contribution.

A *Party* may issue its veto only in the case of decisions:

- (a) to accept a new party in the *Network* if a substantial threat to its commercial or strategic interests is likely to exist which cannot be resolved by any other measure,
- (b) which affects significantly its budget and workload set down in *Contract*, Annex I.

A veto in accordance to (a) may be overruled by the *Network Governing Board* by unanimous vote of all the non-objecting *Parties* as far as these *Parties* represent more than two third ($\frac{2}{3}$) of all *Parties*.

A veto in accordance to (b) may be overruled by the *Network Governing Board* with votes of three quarters ($\frac{3}{4}$) of the *Network* shares and three quarters ($\frac{3}{4}$) of the *Parties* present or duly represented.

5.2.4.6 Minutes of Meetings

Minutes of the meetings of the *Network Governing Board* shall be submitted to all *Parties* without delay. The minutes shall be considered as accepted by the *Parties* if, within fifteen (15) calendar days from receipt, no *Party* has objected in a traceable form to the *Co-ordinator*.

5.2.4.7 Kick-off Meeting

The first meeting of the *Network Governing Board* (Kick-off Meeting of the *Network*) shall take place at the latest one month after the signature of the *Contract* and accession of all *Parties*. The structure of the *Network*, including the partition of the *Network Areas* must be confirmed by the *Network Governing Board*. Subsequently at this meeting, each *Network Area* shall elect its' chairperson who represents the *Network Area* in the *Network Co-ordination Committee*.

5.3 Network Co-ordination Committee

5.3.1 Responsibilities

The *Network Co-ordination Committee* shall co-ordinate the *Network* activities. The *Network Co-ordination Committee* assumes overall responsibility for liaison between the *Parties* in relation to the *Network*, for analysing and approving the results, for proper administration of the *Network* and for implementation of the provisions contained in the *Consortium Agreement*.

The *Network Co-ordination Committee* shall be responsible for:

- (a) supporting the *Co-ordinator* in fulfilling obligations towards the *Commission*,
- (b) ensuring that all work meets functional requirements,
- (c) providing *Network* management in relation to the activities for technical, financial and/or exploitation/ *dissemination* issues, as applicable,
- (d) reviewing and proposing to the *Network Governing Board* budget transfers in accordance with the *Contract* and the Detailed Plan for Activities,
- (e) proposing changes in work sharing, budget and participants to the *Network Governing Board*,
- (f) deciding on the *Detailed Plan of Activities* for approval by the *Network Governing Board* prior to its submission to the *Commission*,
- (g) making proposals to the *Parties* (other than a *Defaulting Party*) to serve notices on a *Defaulting Party* in accordance with Sections 8.2 and 8.5.2 and to assign the *Defaulting Party's* tasks to specific entities,
- (h) agreeing on press releases and joint publications (without prejudice to Section 12) by the *Parties* with regard to the *Network*, and
- (i) agreeing (without prejudice to Section 12) on procedures and policies in accordance with the *Contract*, Annex II.34 for Dissemination of *Knowledge* from the *Network* which is not to be used by the *Parties*.

5.3.2 Decisions

All decisions of the *Network Co-ordination Committee* shall be taken by simple majority.

Any decision requiring a vote at a *Network Co-ordination Committee* meeting must be identified as such in the pre-meeting agenda, unless there is an unanimous agreement to vote on a decision at that meeting and three-quarters ($\frac{3}{4}$) of the members of the *Network Area Boards* are present or duly represented by proxy..

In the case of Section 5.3.1(g), the decision shall be taken unanimously by all of the non-*Defaulting Parties*.

5.3.3 Relation to the Network Governing Board

Under the control of, and in compliance with the decisions of the *Network Governing Board*, the *Network Co-ordination Committee* shall co-ordinate the *Network*. The *Network Co-ordination Committee* assumes overall responsibility towards the *Network Governing Board* for liaison between the *Parties* and for analysing and approving the results of activities performed under *Network Area Boards*.

5.3.4 Network Panels

The *Network Co-ordination Committee* shall have the right to set up Network Panels to advise and support the *Network Co-ordination Committee* in the proper management and co-ordination of the *Network Activities*.

These Network Panels have an advisory role only..

5.3.5 Meetings

The *Network Co-ordination Committee* shall meet at least quarterly in principle at the request of its chairperson.

Extraordinary meetings may be called at any other time at the request of its chairperson or at the request of a quarter ($\frac{1}{4}$) of the *Network Parties*.

Meetings shall be convened by the chairperson with at least fifteen (15) calendar days prior notice including an agenda.

Ordinary and extraordinary meetings of the *Network Co-ordination Committee* shall constitute a quorum if more than two third ($\frac{2}{3}$) of the *Parties* are present or duly represented by proxy.

In extraordinary cases the *Network Co-ordination Committee* may take decisions through its chairperson consulting with all members via teleconference and/or via email, phone, etc. These decisions must be ratified by an ordinary meeting and shall be made available to all *Parties*.

5.3.6 Kick-off

Within seven (7) days after *the Kick-off Meeting*, if not earlier, the *Network Co-ordination Committee* shall convene. The *Network Co-ordination Committee* shall be chaired by the *Co-ordinator's* representative. The chairpersons of the *Network Area Boards* are members of the *Network Co-ordination Committee*.

Each representative shall have a named deputy.

5.3.7 Minutes of Meetings

Minutes of the meetings shall be transmitted to the members of the *Network Co-ordination Committee* without delay. The minutes shall be considered as accepted, if within fifteen (15) calendar days from receipt no *Party* has objected in a traceable form to the *Co-ordinator*.

5.4 Co-ordinator

5.4.1 Rights and Obligations

The *Co-ordinator* is the single point of contact between the *Commission* and the *Consortium*. In this function the *Co-ordinator* shall sign the *Contract* with the *Commission* after authorisation by the *Parties* representing at least eighty percent (80%) of the *Network Shares* and who have signed the *Contract forms* (Forms A and B) and *Consortium Agreement*.

5.4.2 Responsibilities of the Co-ordinator

Pursuant to the *Contract*, the *Co-ordinator* is responsible for the following tasks and functions

- (a) overall management of the *Network* with the support of a *Network Office Team*, if necessary,
- (b) chairing the *Network Co-ordination Committee* and the *Network Governing Board*,
- (c) preparation of the meetings and decisions of the *Network Governing Board* and the *Network Co-ordination Committee*.

- (d) timely collection and, with the support of the *Network Co-ordination Committee*, preparation of statements, including financial audit certificates, from the *Parties* for transmission to the *Commission*,
- (e) ensure prompt delivery of all hardware, software and data identified as deliverable items in the *Contract* or requested by the *Commission* for reviews and audits, including the results of the financial audits prepared by independent auditors,
- (f) alerting the *Network Co-ordination Committee*, *Network Governing Board* and *Commission* in case of non-delivery and/or default,
- (g) distribution of any documents and information connected with the *Contract* performance among the *Parties* concerned,
- (h) performing in due diligence its tasks in the proper administration of the funds granted by the *Commission*,
- (i) maintaining and keeping the financial accounts with respect to the payments of funds granted by the *Commission*, inter alias, identifying what portion of the payments made by the *Commission* has been allocated and/or paid to each *contractor*, and
- (j) administering and forwarding any unilateral requests for the termination of the *Contract* by one *Party/Contractor* to the Governing Board and the *Commission*.

5.4.3 No power of Representation

The *Co-ordinator* shall not be entitled to act or to make legally binding declarations on behalf of any other *Party*.

5.4.4 Submitting Deliverables

If one or more of the *Parties* is late in submitting of *Network* deliverables, the *Co-ordinator* may submit the other *Parties'* deliverables to the *Commission*.

5.4.5 Specific Authorisation of the Co-ordinator

- (a) To the extent that serious concerns regarding the financial soundness of one or several *Parties* exist, the *Co-ordinator* has the authority to require the appropriate letter of comfort to prove that the corresponding *Party* is able to fulfil the financial obligations with regard to the *Contract* and this *Consortium Agreement*.

Until this is provided, the *Co-ordinator* is entitled to refuse the disbursement of the financial contributions of the *Commission* to this *Party*.

- (b) Furthermore, the *Co-ordinator* has the right to retain any payment if a *Party* is late in submitting or refuses to provide deliverables as defined in Section 4.3 of the *Consortium Agreement* and *Contract*, Annex II.7.

5.5 Network Area Boards

5.5.1 Structure

To facilitate the organisation and management, the *Network* is structured in *Network Areas* which together comprise the *Network*. This structure is approved by the *Network Governing Board* based on the work breakdown structure provided with the *Joint Plan of Activities* in Annex I of the *Contract*.

The *Parties* of each *Network Area* shall establish a Board, with one representative of each *Party* performing work under the appropriate *Network Area*.

Each *Network Area Board* shall nominate a Chairperson to represent the *Network Area* in the *Network Co-ordination Committee* and to co-ordinate the *Network Area* activities.

5.5.2 Responsibilities

Each *Network Area Board* shall be responsible for its own organisational arrangements, work procedures and time schedule, providing that such arrangements, work procedures and time schedule do not conflict with this *Consortium Agreement*, the Detailed Plan of Activities, or requests made by the *Co-ordinator*, the *Network Co-ordination Committee* or the *Commission*.

Section 6: Costs - Payments

6.1 General Principles

Each *Party* shall bear its own costs incurred in connection with the performance of the *Contract* and this *Consortium Agreement*, carrying out of the *Network activities* and implementation of the *Network*.

The costs for each audit shall be reimbursed up to an amount of < € optional > of the *Co-ordinator's* management budget.

The financial contribution of the *Commission* will be distributed according to the *Contract*, this *Consortium Agreement* (Annex B) and the decisions of the *Network Governing Board*.

6.2 Payments

The *Co-ordinator* shall receive all payments made by the *Commission*.

The *Co-ordinator* will transfer, in accordance with the *Contract* and the budget allocation decided by the *Network Governing Board*, the appropriate sums to the respective *Parties* with minimum delay, but not later than thirty (30) calendar days from the receipt thereof from the *Commission*. The *Co-ordinator* shall notify each *Party* promptly of the date and amount transferred to its respective bank account, as listed in Annex C, and shall give the relevant references..

Option:

The advance payments from the *Commission* shall be deposited into a separate account. The transfer to the individual *Party* will be made in half-yearly instalments. The first instalment will be transferred with minimum delay, but not later than thirty (30) calendar days from the receipt thereof from the *Commission*. The second and subsequent instalments will be released by the *Co-ordinator* depending on the decision of the *Network Co-ordination Committee* about completion of Activities and/or timely submission of *Network deliverables*.

Such separation shall be made in accordance with the *Contract*.

6.3 Resources

- (1) The *Parties* will make available the resources as agreed for the implementation of the *Detailed Plan of Activities*. These resources may take the form of money, capacities of any nature, contributions in kind, etc.
- (2) Resources made available shall be valued and budgeted in financial terms only if:
 - (i) the costs arising from the respective activities will be submitted for cost reimbursement through the grant of the *Commission*, or
 - (ii) the *Parties* have explicitly agreed upon the cost sharing of those resources.
 - (iii) In all other cases, the costs arising from resources and participation in any activities under this Agreement shall be fully borne by the respective *Party*.

6.4 Financial planning and reporting data

- (1) The *Parties* shall deliver all relevant financial data including but not limited to the application of the budget use and received payments needed for financial planning,

its execution and accountability towards the *Network* and towards the *Commission*, based upon their financial system as provided in the *Contract* and this *Consortium Agreement*.

- (2) The format of these data has to comply with the requirements of the *Commission* and any formats agreed upon by the *Network Governing Board*, within the boundaries given by the accorded financial system of the *Parties*.
- (3) Each *Party* shall be solely liable for its financial data. No other *Party*, including the *Co-ordinator* or their representatives acting within the scope of this *Consortium Agreement* may change these data without express written permission of the *Party* concerned.

Section 7: Confidentiality

7.1 Principles

With respect to all information of whatever nature or form as is

- (a) disclosed to a *Party* in connection with the submission to the *Commission* of a proposal for a *Network* under the Sixth Framework Programme pending the signing of the *Contract*,
- (b) disclosed to a *Party* in connection with the *Network* after the signing of the *Contract*, but which
 - (i) is clearly marked "confidential";
 - (ii) if disclosed orally, was at the time of disclosure indicated to be "confidential" and within thirty (30) calendar days reduced to physical form and marked "confidential" by the discloser; or
 - (iii) is obviously of a confidential nature,the terms of this Section shall apply.

7.2 Obligations

Each *Party* agrees that such information is communicated on a confidential basis and its disclosure may be prejudicial to the owner of the information, and undertakes that:

- (a) it will not during a period of five (5) years from the date of disclosure to the *Party* use any such information for any purpose other than in accordance with the terms of the *Contract* and of this *Consortium Agreement*; and
- (b) it will during the period of five (5) years treat the same as (and use reasonable endeavours to procure that the same be kept) confidential and not disclose the same to any other third party without the prior written consent of such owner in each case; provided always that such agreement and undertaking shall not extend to any information which the receiving *Party* can show:
 - (1) was at the time of disclosure to the *Party* published or otherwise generally available to the public, or
 - (2) has after disclosure to the *Party* been published or become generally available to the public otherwise than through any act or omission on the part of the receiving *Party*, or
 - (3) was already in the possession of the receiving *Party*, without any restrictions on disclosure, at the time of disclosure to the *Party*, or
 - (4) was rightfully acquired from others without any undertaking of confidentiality, or
 - (5) was developed independently of the work under the *Contract* by the receiving *Party*.

7.3 Communication of Information

Each *Party* agrees that nothing shall prevent the communication of information

- (a) as is needed to be communicated to comply with applicable laws or regulations or with a court of administrative order provided that insofar as reasonably possible the complying *Party* shall have informed the owner of the information of such need and shall have complied with such owner's reasonable instructions designed to protect the confidentiality of such information;
- (b) subject to Section 7.2, to any other third party (including the *Commission*) insofar as needed for the proper carrying out of the *Contract* and/or this *Consortium Agreement*;
- (c) subject to Section 7.2, to any third party (including to the public) as strictly needed for technical reasons and insofar as needed for proper *Use of Knowledge* from the *Network*.

7.4 Confidentiality towards third parties

With respect to any permitted communication of any of the information referred to in Section 7.1 by the recipient *Party* to a third party such *Party* will use reasonable endeavours to procure due observance and performance by such third party of the undertakings referred to in Section 7.2, (a) and (b) and all relevant undertakings in the *Contract*.

Section 8: Liabilities

8.1 Liability of the *Parties* towards each other

Any claims or damages arising in connection with the preparation and performance of the Detailed Plan of Activities as defined in Annex I to the *Contract*, the following liability provisions shall apply:

- (1) With respect to information or materials provided by one *Party* to another hereunder or under the *Contract*, the supplying *Party* shall be under no obligation or liability other than as stated in the *Contract*, Annex II.13, and no warranty condition or representation of any kind is made, given or to be implied as to the sufficiency, accuracy or appropriateness for purpose of such information or materials.
- (2) No *Party* shall be responsible to another *Party* for indirect or consequential loss or damages such as, but not limited to, loss of profit, loss of revenue or loss of *Contracts*.
- (3) In the case of additional agreements or implementation arrangements the liability provisions are at the sole discretion of the *Parties*.

8.2 Indemnification

8.2.1 Indemnification in the event of claims between the *Parties*, without *Commission* claims

Each *Party* shall indemnify each of the other *Parties* in respect of acts or omissions of itself and of its employees, agents and *subcontractors*, provided always that such indemnity shall not extend to claims for indirect or consequential loss or damages such as, but not limited to, loss of profit, revenue, *Contract* or the like and provided that the total limit of liability of that *Party* to all of the other *Parties* collectively in respect of any and all such claims shall not exceed that *Party's Network Share* of the *Joint Programme of Activities*.

8.2.2 Indemnification by the Defaulting Party in the event of claims from the Commission

In any case where the *Commission* claims reimbursement in accordance with the *Contract*, Annex II.18, from *Parties* other than the Defaulting *Parties*, the Compensating *Parties* shall be entitled to seek full indemnification by the Defaulting *Party*.

8.3 Liability towards Third Parties

Subject always to such other undertakings and warranties as are provided for in this *Consortium Agreement* and the *Contract*, each *Party* shall be solely liable for any loss, damage or injury to third parties resulting from the execution of its assigned tasks in the *Network* and from its *Use of Knowledge* and/or *Pre-existing Know-how*.

8.4 Third Parties

- (a) each *Party* shall be fully responsible for the performance of any part of its share of the *Network*, or other *Contract* obligations resulting from the *Contract*, in respect of which it enters into any agreement with a third party (e.g. a *subcontractor*) and shall ensure
 - (i) such contracts enable fulfilment of the *Contract*,
 - (ii) the other *Parties' Access-rights* are the same as would have been the case had the contracting *Party* performed its share of the *Network* and/or those obligations itself; and
 - (iii) the third party shall not have access to any other *Party's Knowledge* or *Pre-Existing Know-how* without that *Party's* prior written consent.
- (b) each *Party* shall inform the *Co-ordinator* and the *Network Area* Chairperson in writing, as applicable, asking for a decision of the *Network Governing Board* or *Network Area Board*, as applicable, if it intends to enter into an agreement with a third party (giving the rationale therefore) if such an event is related to a given specific *Network* and is other than for less than ten (10) percent of the total cost of these *Network* activities.
- (c) each *Party* shall ensure that it can grant *Access rights* and fulfil the obligations under the *Contract* and this *Consortium Agreement* notwithstanding any rights of its employees, or persons it engages to perform part of its share of the *Network*, in the *Knowledge* or *Pre-existing Know-how* they create after the *Network* Commencement Date.

8.5 Defaults and Remedies

8.5.1 Principles

A *Party* in default of its obligations under the *Contract* and which default causes lawful withholding of payments by the *Commission* to other *Parties*, shall pay to the other *Parties* interest on the amount withheld at an annual rate equal to one (1) percentage point above the prime rate of interest on overdrafts charged according to the Euro Interbank Rate (EURIBOR) from the last working day before the *Commission* informed the other *Parties* of such withholding or from the last working day before which the *Parties* or the *Co-ordinator* became aware of such withholding (whichever was earlier). Such interest shall accrue on a daily basis until the *Commission* has effectively transferred the withheld amount to the *Co-ordinator*.

8.5.2 Procedures and Consequences

In the event of a breach by a *Party* (*Defaulting Party*) of its obligations under this *Consortium Agreement* or the *Contract* which is irremediable or which is not remedied within thirty (30) calendar days of a written notice from the *Co-ordinator* according to

the decision of either the Board of a *Network Area* or the *Co-ordination Committee*, requiring that such breach be remedied, then the other *Parties* in the *Network Governing Board* may jointly decide to terminate this *Consortium Agreement* with respect to the *Defaulting Party* following a minimum of 30 calendar days after the written notice by the *Network Co-ordinator*.

Such termination shall take place with respect to the *Defaulting Party* and the latter shall be deemed to have agreed to the termination of the *Contract* in respect of its participation therein under the general provisions of *Contract*, Annex II.15, as the other *Parties* and/or the *Commission* shall decide provided always that

- (a) any and all *Access-rights* granted to the *Defaulting Party* by the other *Parties* as well as under the *Contract*, shall cease immediately; but any and all *Access-rights* granted by the *Defaulting Party* to the other *Parties* shall remain in full force and effect;
- (b) the Work Package(s) of the *Defaulting Party* shall be assigned to one or several companies and/or entities which are chosen by the other *Parties*, are acceptable to *Commission* and who agreed to be bound by the terms of this *Consortium Agreement*.
The preference shall be granted to one or more of the remaining *Parties*.
- (c) the *Defaulting Party* shall:
 - (i) assume all reasonable direct costs increase (if any), resulting from the assignment referred to in (b) above in comparison with the costs of the Work Package of the *Defaulting Party* as specified in the *Contract*, Annex I and Annex B of this *Consortium Agreement*, and
 - (ii) be liable for any so resulting additional direct cost caused to the other *Parties*, up to a total amount which, together with any liability to the *Commission* under the *Contract*, Annex II.18, will not exceed the total *Network Share*.

Section 9: Force Majeure

Each *Party* will notify the other *Parties* in writing of any *Force Majeure* (*Contract*, Annex II.4) as soon as possible. The *Parties* shall discuss in good faith the possibilities of a transfer of tasks affected by the event. Such discussions shall commence as soon as reasonably possible. If such *Force Majeure* event is not overcome within 6 weeks after such notification, the transfer of tasks shall be carried out.

Section 10: Intellectual Property Rights

10.1 General Provisions

The *Parties* agree to respect their individual *Intellectual Property Rights*.

10.2 Protection of Knowledge

10.2.1 Joint Invention

If, in the course of carrying out work within the *Network*, a joint invention, design or work is made - and more than one *Party* is contributor to it - and if the features of such joint invention design or work are such that it is not possible to separate them for the purpose of applying for, obtaining and/or maintaining the relevant patent protection or any other *Intellectual Property Right*, the *Parties* concerned agree that they may jointly apply to obtain and/or maintain the relevant right together with any other *Parties*.

The *Parties* concerned shall seek to agree amongst themselves arrangements for applying for, obtaining and/or maintaining such right on a case-by-case basis. As long as any such right is in force, each *Party* concerned shall be entitled to use and to license such right without the consent of the other *Parties*, but the *Parties* concerned

need to be informed in advance. In case of licensing to third parties, appropriate financial compensation shall be given to the other *Parties* concerned.

10.2.2 Application for a Patent

In respect of a country either specified by the *Commission* or agreed upon by the *Parties*, a *Party* shall notify the other *Parties* (via the *Co-ordinator*, if this is practical) if it does not intend to seek adequate and effective protection (as required by the *Contract*) of certain of its *Knowledge* from the *Network* or if that *Party* intends to waive such protection.

If another *Party* (or *Parties*) informs the notifying *Party* in writing within one calendar month of such notice that it wishes to obtain or maintain such protection, the notifying *Party* shall assign to such other *Party(ies)* all necessary rights which it owns.

Such assignment shall ensure that the *Access-rights* of all *Parties* will be unaffected. For the avoidance of doubt, the *Party* which assigned its rights shall have at least the same *Access-rights* as the non-involved *Parties*.

In case of any disputes, the *Parties* may appeal the IPR Council according to Section 16.2. (to be deleted if the option of Section 16.2 is not chosen)

10.3 Exclusion of *Access-rights* to *Pre-existing Know-how*

In accordance with *Contract*, Annex II.35.1.d, each *Party* has the right to exclude specific *Pre-existing know-how* from the other *Parties*' access, as far as the restrictions are announced as described hereinafter before the signature of the *Contract* or before the effective joining of a new party or if acquired parallel with the *Project*.

The procedure comprises the following steps:

- The *Co-ordinator* shall first be informed by the owning *Party* in writing about the type and scope of *Pre-existing Know-how* for which exclusion from access is requested or announced.
- The *Co-ordinator* will inform the other *Parties* about such requests or announcements.
- The exclusion from access to *Pre-existing Know-how* will become effective in accordance with the *Contract*, Annex II.35.1.d, subject to the written contradiction of the other *Parties* to be substantiated in accordance with the *Contract*, Annex II.35.1.d.
- In case a *Party* objects to exclusion from access to *Pre-existing Know-how*, the *Party* seeking to exclude access must petition the IPR-Council to decide whether the exclusion can take effect. Until a decision of the IPR Council is taken, access to *Pre-existing Know-how* is regarded as denied.
(to be deleted if the option of Section 16.2 is not chosen)
- In the event that a new *Party* is admitted to the *Network*, any other *Party* may exclude access to *Pre Existing Know-how* only to the newly admitted *Party*.
- the *Pre-existing Know-how* originally excluded from access or excluded at any later moment or any modification thereof will be listed in Annex D and become part of this *Consortium Agreement*.

10.4 *Access-rights*

Access-rights will only be granted on the following provisions (Sections 10.4.1 through 10.4.7) which are in force only for Network Research Activities in accordance to the definition in Section 1.2 of this Agreement.

10.4.1 General Principles

All *Access-rights* granted in accordance with this Section are granted on a non-exclusive basis, expressly exclude any rights to sub-license and shall be made free of any transfer costs.

Access-rights shall be granted in accordance with and subject to the *Contract*, Annex II.35. *Knowledge* and *Pre-existing Know-how* shall be used only for the purposes for which *Access-rights* to it have been granted and only for so long as is necessary for those purposes.

In relation to the granting of *Access-rights* "needed" or "need" shall mean that, without the grant of such *Access-rights*:

- In the case of *Access-rights* granted for the execution of the *Network*, carrying out the tasks assigned to the recipient *Party* under the *Joint Programme of Activities* (as amended from time to time) would be impossible, significantly delayed, or require significant additional financial or human resources.
- In the case of *Access-rights* granted for *Use*, the *Use* of a defined and material element of the recipient *Party's* own *Knowledge* would be technically or legally impossible.

The burden of proof in relation to a claimed need for *Access-rights* shall be on the requesting *Party*. This *Party* shall provide such proof to the owning *Party* on a written request.

According to *Contract*, Annex II.35.1.a the *Parties* shall conclude a specific agreement for granting *Access-rights*.

The parties shall endeavour to reconcile any dispute concerning the *need* for *Access-rights* through the *Network Co-ordination Committee*.

If no agreement can be reached, the matter shall be referred to the IPR-Council (see Section 16.2), whose membership shall comprise persons not involved in the *Network*, and whose decision shall be final and binding on all *Parties*.

(to be deleted if the option of Section 16.2 is not chosen)

Should the *Network Co-ordination Committee* and/or the IPR Council (to be deleted if the option of Section 16.2 is not chosen) have been already dissolved, the *Parties* concerned shall have recourse to the Settlement of Disputes procedures as provided for in Section 16 of this *Consortium Agreement*.

Any grant of *Access-rights* not covered by this Section shall be at the absolute discretion of the owning *Party* and subject to such terms and conditions as may be agreed between the owning and receiving *Parties*.

10.4.2 Access-rights for carrying out the Network

10.4.2.1 Conditions for Access

Access-rights to *Knowledge* and *Pre-existing Know-how* needed for the performance of the *Network* shall be granted on a royalty-free basis only upon written request specifying the scope and duration of their application particularly with respect to *Pre-existing Know-how*.

10.4.2.2 Entitlement for execution of the Network

After conclusion of an agreement in accordance with *Contract*, Annex II.35, the receiving *Party* is entitled to *Use* the *Pre-existing Know-how*, *Knowledge* or *Software* for performing the *Network* work.

If a *Party* applies *Pre-existing Know-how* of another *Party* without the grant of access, a penalty will be decided by the IPR-Council on a case by case basis depending on the value of the infringed rights.

(to be deleted if the option of Section 16.2 is not chosen)

10.4.3 Access-rights for Use

Subject to Section 10.4.1, *Access-rights* to *Knowledge* and *Pre-existing Know-how* both needed for *Use* shall be granted upon bilateral agreement between the *Parties* concerned.

Access-rights to *Knowledge* shall be granted on preferential conditions, *Access-rights* to *Pre-existing Know-how* shall be granted on Fair and Non-discriminatory Conditions. The granting of *Access-rights* shall be made conditional on to the following principles:

- (i) the access to *Pre-existing Know-how* is limited to the field of application being identified as pertaining to the objectives, content and goals of the *Network* and necessary for the *Use* of own *Knowledge* of the recipient *Party*.

Outside this identified area the provisions of neither the *Contract* nor this *Consortium Agreement* shall apply in relation to the grant of any right to *Use* either *Knowledge* or *Pre-existing Know-how*, which shall be the subject of further agreements between the *Parties* concerned.

- (ii) the access to *Knowledge* is limited to the field of application being identified as the objectives and goals of the *Network*.
- (iii) subject to (i) and (ii) access has to be granted within 6 months after written request by the potential user to the owning *Party*. In the case access is not being granted within the above-mentioned period, the IPR Council will decide this issue.
(to be deleted if the option of Section 16.2 is not chosen)

10.4.4 Access-rights for using Knowledge in subsequent Research Activities

Recognising the *Parties'* obligations to act in good faith and in accordance with Section 7.2. b, the *Parties* agree that the *Access-rights* for using *Knowledge* in subsequent research activities are to be as follows:

As of the date set out in the *Contract*, Article 4, academic *Parties* and *Public Bodies* are deemed to be granted, a right to *Use* free of charge *Knowledge* from the *Network* for:

- (a) internal research;
- (b) third-party research, provided the third party does not have direct access to confidential *Knowledge* from the *Network* generated by other *Parties* (as examples)
 - producing research results which are available to the third party but which contain hermetically sealed *Knowledge* from the *Network*;
 - using *Knowledge* from the *Network* for in-house testing or diagnosis purposes in doing research,
 - joint publications.

10.4.5 Access-rights for Parties joining or leaving the Network

Parties joining the *Network* after the date of the *Contract* will be granted the *Access-rights* as from the date of their signature of the Declaration of Accession.

For *Parties* leaving the *Network* in accordance with the provisions of Section 8.5.2 hereof, the following will apply:

Defaulting Parties are obliged to continue to grant *Access-rights* pursuant to the *Contract* and this *Consortium Agreement*, but the *Access-rights* granted to the *Defaulting Party* pursuant to this *Consortium Agreement* shall cease immediately upon termination of the participation of the *Defaulting Party* in the *Contract*.

Termination of the *Contract* or this *Consortium Agreement* and/or cessation of licenses granted to the *Defaulting Party* in accordance with Section 8.5.2 shall not terminate any sublicenses granted or agreed upon to be granted or offered by the *Defaulting Party* in accordance with Sections 10.4.3 and 10.4.7.3 prior to the date on which such termination of this *Consortium Agreement* and/or cessation of licenses becomes effective, provided that the *Party* or *Parties* which generated the *Knowledge* or *Pre-*

existing Know-how so sublicensed shall have the right to have an assignment of the *Defaulting Party's* rights under such sublicenses.

Any *Party* leaving voluntarily from the *Network* has access to *Knowledge* as this exists at the date of the membership expiration of the *Consortium*.

Any *Party* eliminated by decision of the *Network Governing Board* does not have any access to *Knowledge*.

10.4.6 Access-rights for Third Parties

Notwithstanding the provisions of this Section and the provisions as set out in *Contract*, Annex II.35, each *Party* may enter into a technical co-operation or licensing arrangement with a third party in respect of its own *Knowledge*, including, but not limited to, the carrying out of research on behalf of a third party, even if there are minor amounts of *Pre-existing Know-how* and *Knowledge* owned by another *Party*, unavoidably incorporated into or amalgamated with such own *Knowledge*. In such circumstances and upon request of the party entering into the co-operation or arrangement, the other *Party* shall grant non-exclusive rights to permit such co-operation or arrangement against terms and conditions to be agreed upon, provided that no *Legitimate Interest* of the other *Party* opposes the grant of such rights.

10.4.7 Specific Provisions for Access-rights to Software

10.4.7.1 General principles

For the avoidance of doubt, the general provisions for *Access-rights* provided for in Section 10.4.1 herein are applicable also to software.

Access-rights to Software do not comprise access to Source Code but only Limited Source Code Access as defined below. Access to Source Code will be granted subject to separate agreements only, to be concluded between the *Parties* concerned.

Access-rights to software do not include any right to receive Source Code or Object Code ported to a certain hardware platform or any right to receive respective Software Documentation in any particular form or detail, but only as available from the *Party* granting the *Access-rights*.

10.4.7.2 Access-rights to Software for carrying out the Network

Access-rights to Software which is *Knowledge* or *Pre-existing Know-how*, needed for the execution of the *Network* shall be granted on the basis of royalty free Limited Source Code Access upon written request, specifying the scope and duration of their application particularly with respect to Software which is *Pre-existing Know-how*,

10.4.7.3 Access-rights to Software for Use

Software, which is *Knowledge* or *Pre-existing Know-how* needed for *Use* shall be granted on the basis of *Limited Source Code Access* upon a bilateral agreement between the *Parties* concerned.

Access to Software which is *Knowledge* shall be granted on a royalty free basis. Access to Software which is *Pre-existing Know-how* shall be granted on *Fair and Non-Discriminatory Conditions*. The granting of *Access-rights* shall be made conditional on the same principles as stated in Sections 10.4.1 and 10.4.5. through 10.4.7 and shall be applied accordingly.

10.4.7.4 Software license and sub-licensing rights

(a) *Access-rights* to *Object Code* and/or Limited Source Code Access all granted in accordance with Sections 10.4.1 and 10.4.7.1 shall comprise the right:

- (i) to use the *Object Code* and Limited Source Code Access in research, or to create and market a product or process, or to create and provide a service; and

- (ii) to make and have made an unlimited number of copies of *Object Code* and Limited Source Code Access; and
- (iii) to distribute, make available, market, sell and offer for sale; even by using services of a third party, such *Object Code* and Limited Source Code Access in connection with products or services of the *Party* having the *Access-rights*.

provided however that,

- (1) any product, process or service has been developed by the *Party* having the *Access-rights* in accordance with its rights to use *Object Code* and Limited Source Code Access for its own *Knowledge*; and
- (2) *Object Code* and Limited Source Code Access represent only a minor part of the overall product, process or service; and
- (3) *Object Code* and Limited Source Code Access cannot be separated from and/or have been amalgamated with such product, process or service.

In addition, *Access-rights* to *Object Code* shall comprise the worldwide right to grant in the normal course of the relevant trade to end-user customers buying/using the product/services a perpetual, irrevocable, worldwide license

- to Use the *Object Code* in connection with or integrated into, products and services of the *Party* having the *Access-rights* and, as technically essential,
- to maintain such product/service, and
- to create for its own end-use interacting interoperable software in accordance with the Council Directive of 14 May 1991 on the legal protection of computer programs (91/250/EEC).

(b) Where a *Party* has been granted access to Source Code to *Knowledge* according to Section 10.4.1 herein, the Parties concerned may further agree that the *Access-rights* to such Source Code can comprise a worldwide license to Use, to make and have made copies, to modify and have modified, develop and have developed, to adapt and have adapted Source Code for research, or to create and market a product or process, or to create and provide a service. In addition, *Access-rights* can comprise the worldwide right to sub-license such Source Code, but solely for purpose of adaptation, error correction, maintenance and/or support of the software.

(c) Each sublicense granted according to the provisions of Section 10.4.2 shall, when reasonably possible, be made by a traceable agreement specifying and protecting the proprietary rights of the *Party* or *Parties* concerned unless otherwise agreed upon in a separate agreement.

10.4.7.5 Modifications of Software

Unless otherwise agreed, any change or modification on the software made by the receiving *Party* must be reported with a detailed description immediately to the owning *Party*. In the event a *Party* will not comply with this obligation, which is valid for *Pre-existing Know-how* as well as for *Knowledge*, Section 10.4.2.2 will be applied.

10.5 Grant of *Access-rights* outside of Network Research Activities

Parties which do not participate in Network Research Activities have no right to *Access-rights* to *Pre-existing Know-how* and *Knowledge*. In this case the *Parties* involved may conclude agreements to grant *Access-rights* on a bilateral basis without any restriction.

Section 11: Standards

If one of the main explicit objectives of the *Network* is to contribute to the establishment of a particular European standard, the *Parties* hereby agree to make available to third parties needed licences relating to *Knowledge* and *Pre-existing*

Know-how in conformance with the rules of the standards body setting such standard, provided such third party similarly makes needed licences available under its intellectual property rights.

The *Parties* agree that the *Contract*, Annex II.10.2 only refers to actions required by a *Party* in respect of its own information or information which is not subject to any obligation of confidence.

Section 12: Publications, Press Releases and Reports to the Commission

12.1 Publications of own Knowledge

For the avoidance of doubt, each *Party* shall have the right to publish or allow the publishing of data which constitutes such *Party's Knowledge*, *Pre-existing Know-how* or confidential information it owns in accordance with the *Contract*, Annex II.33.3.

12.2 Procedure

Each publication or communication, whether written or oral, is required to have obtained the consent of the *Parties* concerned. To this end, a brief description and the subject of the proposed publication or communication shall be submitted to the *Network Coordination Committee*, a copy shall be provided to all *Parties*.

If none of the *Parties* objects to the publication within one (1) calendar month from the date of referral, consent shall be deemed to be given.

Any objection shall include,

- (a) a request for modifications, specifically if information contained in the proposed publication or communication is likely to impair the industrial and commercial *Use of Knowledge*; or
- (b) a request that the publication or communication shall be postponed if, in its opinion, serious reasons require this, especially if the information contained in the proposed publication or communication could affect the protection of *knowledge* of the objecting *Party*.

If a dispute regarding a publication cannot be settled amicably within two (2) calendar months the *Network Coordination Committee* shall decide the issue. However, none of the *Parties* concerned may withhold its consent to publication or communication upon the expiry of a period of six (6) calendar months following the first submission of the proposed publication or communication.

It is understood that any publication or communication made pursuant to this Section is required to indicate the contribution made by each of the *Parties*.

12.3 Disclaimer and marking of confidential information provided to the Commission

In addition to the *Contract*, Annex II.12:

- (a) All information provided to the *Commission*, publications and press releases shall have a disclaimer saying "The information in this document is provided as is and no guarantee or warranty is given that the information is fit for any particular purpose. The user thereof uses the information at its sole risk and liability."
- (b) Confidential information provided to the *Commission* will be marked stating the information is confidential and may be used only for information purposes by Community Institutions to whom the *Commission* has supplied it.

12.4 Publication to qualify for a degree

Where a person carrying out work on the *Network* on behalf of a *Party* (the "Relevant *Party*") needs to include *Pre-existing Know-how* or *Knowledge* of another *Party* in a publication to qualify for a degree, approval for *Use* shall be obtained from the appropriate *Party* owning such rights or affected by the *Use*. To ensure that the planned date of publication can be met the approval of the relevant parties shall be sought at least three months before the latest date on which (pursuant to the qualification procedures) the contents of the planned publication can be altered.

However, except as stated below, no such publication will be made under the above procedure -

- (i) without a majority agreement of the *Parties* and
- (ii) provided no *Party* who would be adversely affected by the publication has vetoed such publication.

Notwithstanding the foregoing, such a publication can be made if the Relevant *Party* has as soon as reasonably possible (preferably before submission of the *Network* proposal to the *Commission*, but in any case prior to entering the *Contract* or the *Consortium Agreement* (whichever is the later)) notified in writing the other *Parties* of the intention to make such a publication.

Section 13: No Partnership or Agency

Nothing in this *Consortium Agreement* shall create a partnership or agency between the *Parties*.

Section 14: Assignment

No *Party* shall, without the prior written consent of the other *Parties*, partially or totally assign or otherwise transfer any of its rights and obligations under this *Consortium Agreement*.

Such consent shall not be unreasonably withheld.

Section 15: Accession and Termination

15.1 Accession to the *Contract*

Accession to the *Contract* entails that the entering *Party* agrees to adhere to this *Consortium Agreement* and the *Network Governing Board* (Annex E: Forms A and B).

15.2 Rules for Termination

No *Party* shall be entitled to withdraw from this *Consortium Agreement* and/or participation in the *Network* unless:

- (a) that *Party* has obtained the prior written approval from the *Commission*, to the withdrawal from, or termination of, the *Contract*, or
- (b) that *Party's* participation in the *Contract* is terminated by the *Commission* pursuant to the provisions of the *Contract*, Annex II.15; or
- (c) the *Contract* is terminated by the *Commission* for any reason whatsoever, provided always that a *Party* shall not by withdrawal or termination be relieved from
 - (i) its responsibilities under this *Consortium Agreement* or the *Contract* in respect of that part of that *Party's* work on the *Network* which has been carried out (or which should have been carried out) up to the date of withdrawal or termination; or
 - (ii) any of its obligations or liabilities arising out of such withdrawal or termination.

15.3 Termination by the Commission

If any *Party's* participation in the *Contract* is terminated by the *European Commission* pursuant to the provisions of the *Contract*, Annex II.15, or a *Party* withdraws from the *Network*, then, without prejudice to any other rights of the other *Parties*, the provisions of Sections 4.3(c), 8.5.1, 8.5.2 (a) and (b) shall apply correspondingly.

15.4 Termination due to Bankruptcy or Liquidation

If any *Party* enters into bankruptcy or liquidation or any other arrangement for the benefit of its creditors, the other *Parties* shall, subject to approval by the *Commission*, be entitled to take over the fulfilment of such *Party's* obligations and to receive subsequent payments under the *Contract* in respect thereof. In such event all rights and obligations under the *Contract* and this *Consortium Agreement* shall in good faith be redistributed among the remaining *Parties* and the affected *Party* on the basis of the work performed by the affected *Party* prior to the occurrence of the above circumstance.

15.5 Continuance of Regulations

The provisions of Sections 1, 4.3.(c), 7, 8, 10, 11, 15 and 16 shall survive the expiration or termination of this *Consortium Agreement* to the extent needed to enable the *Parties* to pursue the remedies and benefits provided for in those Sections.

15.6 Continuance of Sublicenses

Termination of the *Consortium Agreement* and/or cessation of licences granted to the *Defaulting Party* in accordance with Section 8.5.2 shall not terminate any sublicenses granted or agreed to be granted or offered by the *Defaulting Party* in accordance with Section 10 prior to the date on which such termination of the *Consortium Agreement* and/or cessation of licences becomes effective, provided that the *Party* or *Parties* which generated the *Knowledge* or *Pre-existing Know-how* so sublicensed shall have the right to have an assignment of the *Defaulting Party's* rights under such sub-licenses.

Section 16: Settlement of Disputes

16.1 Arbitration

All disputes or differences arising in connection with this *Consortium Agreement* which cannot be settled amicably shall be finally settled by arbitration in Brussels under the rules of arbitration of the International Chamber of Commerce by one or more arbitrators to be appointed under the terms of those rules. In any arbitration in which there are three arbitrators, the chairperson shall be of juridical education.

The award of the arbitration will be final and binding upon the parties concerned.

The Parties may instead elect to resolve by mediation a dispute or difference arising in connection with this *Consortium Agreement* which cannot be settled amicably.

16.2 IPR Council (optional)

All disputes or differences concerning IPR issues are to be settled amicably by the IPR Council.

In accordance to Section 10, the IPR Council can be appealed to by each *Party* for clarification of controversies or disputes. The decisions of the IPR Council are binding for all parties.

The IPR Council shall comprise three representatives who are not involved in the *Network* and who are neither interconnected nor economically related in any manner

with any of the *Parties*. As members are suggested, one representative of each of the European Patent Office, UNICE and/ as well as the IPR-Helpdesk. The decisions of the IPR Council need the simple majority.

The members of the IPR-Council will be appointed by the *Network Co-ordination Committee*.

Section 17: Language

This *Consortium Agreement* is drawn up in English, which language shall govern all documents, notices and meetings for its application and/or extension or in any other way relative thereto.

Section 18: Notices

Any notice to be given under this *Consortium Agreement* shall be in writing to the addresses and recipients as listed in Annex A in the form

< Name and Address of each Party,
together with Fax Numbers, and Name/Position of Person(s)
for whose attention Notices are to be addressed >

or to such other address and recipient as a Party may designate in respect of that Party by written notice to the others.

Section 19: Applicable Law

This *Consortium Agreement* shall be construed according to and governed by the law provided in the *Contract*, Article 12.

Section 20: Entire Agreement – Amendments / Severability

Should any provision of this *Consortium Agreement* prove to be invalid or incapable of fulfilment, or subsequently become invalid or incapable of fulfilment, whether in whole or in part, this shall not affect the validity of the remaining provisions of this *Consortium Agreement*. In such a case, the *Contractors* shall be entitled to demand that a valid and practicable provision be negotiated which mostly fulfils the purpose of the invalid or impracticable provision.

This *Consortium Agreement*, the *Contract* and - when such exist(s) - *Complementary Contract(s)*, constitute the entire agreement between the *Parties* in respect of the *Network*, and supersede all previous negotiations, commitments and writings concerning the *Network* including any memorandum of understanding between the *Parties* (whether or not with others) which relate to the *Network* or its proposal to the *Commission*.

Amendments or changes to this *Consortium Agreement* shall be valid only if made in writing and signed by an authorised signatory of each of the *Parties*.

Section 21: Accession to the *Contract*

All Parties declare that they have taken notice of all provisions of the *Contract* and its Annexes, which they have approved and have taken notice of all Sections of this *Consortium Agreement*.

Therefore, through signature of this *Consortium Agreement*, the parties are obliged to accede to the *Contract* by submission of their Forms A and B to the *Co-ordinator*.

Section 22: Counterparts

This *Consortium Agreement* may be executed in any number of counterparts, each which shall be deemed an original, but all of which shall constitute one and the same instrument.

SIGNATURES

AS WITNESS the *Parties* have caused this *Consortium Agreement* to be duly signed by the undersigned authorised representatives the day and year first above written.

Authorised to sign on behalf of

<INSERT NAME OF CO-ORDINATOR>

Signature

Name Title

Authorised to sign on behalf of

<INSERT NAME OF PARTY ...>

Signature

Name Title

Authorised to sign on behalf of

<INSERT NAME OF PARTY ...>

Signature

Name Title

Consortium Agreement

**ANNEX A
Recipients for Notices**

Recipients for Notices in Accordance with Section 18 of this *Consortium Agreement*.

**<INSERT NAME AND ADDRESS OF EACH PARTY,
TOGETHER WITH FAX NUMBERS, AND NAME/POSITION OF PERSON
FOR WHOSE ATTENTION NOTICES ARE TO BE ADDRESSED>**

<Company >,
00000 City, Country,
Mr.
Position *Network Manager*
Tel. +
Fax +
E-mail:

<Company >,
00000 City, Country,
Mr.
Position
Tel. +
Fax +
E-mail:

<Company >,
00000 City, Country,
Mr.
Position
Tel. +
Fax +
E-mail:

<Company >,
00000 City, Country,
Mr.
Position
Tel. +
Fax +
E-mail:

ANNEX B Budget and *Network Shares*

Budget

<Company >,
Personnel Costs
Materials
Total Costs

<Company >,
Personnel Costs
Materials
Total Costs

<Company >,
Personnel Costs
Materials
Total Costs

<Company >,
Personnel Costs
Materials
Total Costs

<Company >,
Personnel Costs
Materials
Total Costs

<Company >,
Personnel Costs
Materials
Total Costs

Consortium Agreement

**ANNEX C
Bank Accounts**

<Co-ordinator>,
00000 City, Country,
Bank:
Address:
Bank Code Number:
IBAN or Account Number:

<Company>,
00000 City, Country,
Bank:
Address:
International Bank Number (IBAN):
Account Number:

<Company>,
00000 City, Country,
Bank:
Address:
International Bank Number (IBAN):
Account Number:

<Company>,
00000 City, Country,
Bank:
Address:
International Bank Number (IBAN):
Account Number:

<Company>,
00000 City, Country,
Bank:
Address:
International Bank Number (IBAN):
Account Number:

ANNEX D
Exclusion of *Pre-existing Know-how* from Right to Access

(Annex II.35.1.d)

<Company>,
00000 City, Country,
Protected Know-how:
Patent No. or File No.:
Filed:

<Company>,
00000 City, Country,
Protected Know-how:
Patent No. or File No.:
Filed:

<Company>,
00000 City, Country,
Protected Know-how:
Patent No. or File No.:
Filed:

<Company>,
00000 City, Country,
Protected Know-how:
Patent No. or File No.:
Filed:

ANNEX E
Accession Forms (Forms A and B)