

CEA'S INTELLECTUAL PROPERTY CHARTER FOR INDUSTRIAL PARTNERSHIPS



The valorisation of the results of our research for industry, in the form of knowledge and technology transfer, is one of our missions¹. To fulfil this mandate, we have long established a pro-active intellectual property (“IP”) strategy to protect, in an appropriate manner, R&D results and enable their exploitation by industrials. This strategy aims at meeting the increasing challenges of national sovereignty to manage the use of R&D results, support French and European companies through innovation and provide them with a competitive advantage, especially for start-ups arising from technology developed by our organisation.

This tried and tested IP strategy enables CEA to be the leading research organisation in terms of patents filed in France and Europe, with over 7000 active patent families at the start of 2021, and around 700 new inventions protected per year.

On the strength of this experience, we wish today, through this Charter, to explain to all industrial players the basis of our IP strategy, which makes it possible to balance their strategic interests and expectations in innovation terms with our mission of research and technology transfer.

This Charter applies to all our research activities. It cannot however take into account practices arising in very certain specific sectors carried out in the national interest. It is the result of a collaborative approach with ministerial departments at the French Directorate General of Research and Innovation (DGRI) and the Directorate General of Enterprises (DGE).

¹ Article 2, Decree of March 17, 2016 relating to CEA's organisation and operations

OUR RESULTS PROTECTION POLICY

PROTECT TO SECURE A COMPETITIVE ADVANTAGE FOR OUR PARTNERS

The results of our research may be protected in different ways, depending on their nature (patents, copyright, etc.). As regards the protection of expertise through secrecy, CEA has implemented a structured process to capitalise on this knowledge and facilitate its transfer to, and use by, our industrial partners. Where possible however, we favour patent protection and encourage our researchers to do so through an internal incentive programme entailing awareness-raising, training and financial recognition.

For this purpose, we have developed an internal network of patent engineers, who work closely with our research teams, to enable the issuance of patents and ensure the **most efficient management possible of the IP portfolio**, particularly in terms of geographical coverage. This management is carried out, where applicable, in consultation with our industrial partners, according to their sector and exploitation prospects. Sector-based strategies, centred around the digital, energy and health transitions at the heart of our research activity, are also implemented.

This dynamic protection policy aims at ensuring a competitive advantage for our partners and securing future exploitation of research results. It also contributes to our organisation's recognition and attractiveness, the demonstration of our innovation capacity and helps ensure the renewal of our industrial partnerships.

OUR INDUSTRIAL PARTNERS BENEFIT FROM A COMPETITIVE ADVANTAGE THANKS TO OUR PRO-ACTIVE APPROACH TO PROTECTING AND SECURING RESEARCH RESULTS.

We have indeed developed a **strong research partnership with the industrial sector**, attested by over 700 industrial partners. The nature of these partnerships is adapted to the industrials' needs: specific R&D services, collaborations, and up to joint laboratories. In all cases, each partner contributes to the work carried out: the industrial partner can participate in the R&D work and contributes financially. We bring and implement our expertise, knowledge and experimental capabilities and commit to the proper execution of the work by making our best efforts to reach targets defined with our partner. Nevertheless, R&D being by definition subject to many uncertainties, meeting targets cannot be guaranteed, as is the case for any research organisation.

BRINGING THE KNOWLEDGE REQUIRED FOR INNOVATION

CEA has chosen to retain ownership of the results obtained by its sole researchers, consistent with the French Intellectual Property Code and other research organisations' practices. This choice is fundamental to fulfil our technological development and transfer mission and participates in a virtuous cycle of knowledge-base enrichment: through our research, we capitalise on knowledge as technological building blocks that can be mobilised for very diverse applications.

By collaborating with us, each partner benefits from these technological building blocks as a knowledge foundation to initiate its R&D activities. In turn, the partner contributes to enriching this foundation by reinforcing existing technological building blocks, and even creating new blocks. It can then use them for its industrial activities, but rarely does it alone exhaust the full range of applications. By retaining ownership of generated results, and excepting for the rights already granted to the partner, CEA can then enable other partners to benefit from such results, in various fields, who will then go on to further enhance them. This progressive and virtuous enhancement model, proven in numerous cases, enables a wide technological dissemination, not only benefiting strategic industrial sectors, but also smaller enterprises (SMEs, start-ups), which gain easy access to these technological building blocks without having to finance their development. This model contributes to **CEA's autonomy in its research and valorisation policy, while preserving its industrial partners' competitive advantage through the implementation of adapted and secure exploitation rights.**

Mastering its IP is also a major consideration for CEA as a public organisation: not only must we ensure the **traceability of developed technologies** to follow their evolution, we must also **preserve technological sovereignty**, to ensure priority valorisation by French and European industry, namely in connection with increasing reindustrialisation challenges.

BY RETAINING OWNERSHIP OF R&D RESULTS GENERATED BY OUR RESEARCHERS, WE CAN PROVIDE OUR PARTNERS WITH THE KNOWLEDGE REQUIRED FOR THEIR INNOVATION PROJECTS, RELYING ON A WELL-MANAGED AND CONTINUALLY ENHANCED INTELLECTUAL PROPERTY PORTFOLIO.

Other modes of allocating IP rights in results may be considered with our partners, under certain specific circumstances, in particular when exploitation of certain applied research results is only technically possible by them.

Furthermore, in the event a partner makes an inventive contribution, the jointly developed results are co-owned. Around 15 % of the patents we file each year are jointly held with our industrial partners, in particular in certain joint laboratories.

For jointly developed software programs, for which co-ownership is more complex to implement, a distinction is made between “technological building blocks” (generic use software developments applicable to all technological fields), and “business-specific applications”, meeting the partner’s specific needs in its technical field and for its targeted markets. Ownership of the “business-specific applications” is granted to the partner and CEA retains ownership of the “technological building blocks”.

OUR RESULTS EXPLOITATION POLICY

“POST-R&D” LICENCE, THE MOST FREQUENT MEANS OF TRANSFERRING OUR TECHNOLOGIES TO INDUSTRY

Most often, we grant “Post-R&D” licences, covering results of the collaboration carried out with a partner, as well as the pre-existing knowledge required to use these results. In this case, the collaboration agreement includes a licence option, which the partner may decide to exercise within an agreed time period. Licences may also be granted where no collaboration has taken place (“straight” licences). Lastly, in the event of jointly-owned results, a co-ownership agreement governs IP management and the co-owners’ exploitation rights, under terms similar to those of post R&D licences.

ADAPTED LICENSING TERMS

Licensing terms (field of use, product or service covered, exclusive or non-exclusive rights, duration, fees, etc.) are adapted to each situation. With each partner, we define the IP’s field of use, in line with their needs, and enabling our valorisation of the IP with other partners for other applications, according to the aforementioned knowledge-enhancement principle. We can grant our partners **exclusive exploitation rights in a particular field** to meet their exploitation prospects. Exclusivity is then granted for a specific duration and generally subject to an effective minimal use over time, to prevent the blocking of exploitation possibilities over the long term of knowledge that is not actually used by our partners. Exclusivity is however not always necessary, or adapted to the needs of an industrial partner, depending on their exploitation strategy or financial considerations.

OUR LICENSING TERMS (FIELD OF USE, EXCLUSIVITY, DURATION, ETC.) ARE ADAPTED ON A CASE-BY-CASE BASIS, TO MEET THE NEEDS AND EXPLOITATION PROSPECTS OF OUR PARTNERS.

Commercial and industrial exploitation licences always give rise to payment. Indeed, the budgets of our collaboration activities only take into account the costs of the R&D work. Licence remuneration must therefore not only cover our IP costs but also contribute to a fair return, for CEA and its inventors, on the value created by the exploitation. This also enables CEA to comply with European legislation on State aid. In this context, we can envisage different payment modalities (lump sum, proportional royalties, minimum, caps, conditional upon an event, etc.) and combine these in order to meet our partners’ business prospects.

For Post-R&D licences, we undertake to apply preferential remuneration conditions compared to “straight” licences, to ensure a differentiation with a licensee who has not participated in the R&D program.

OUR PARTNERS WHO CONTRIBUTE TO R&D BENEFIT FROM PREFERENTIAL EXPLOITATION CONDITIONS.

PREFERENTIAL CONDITIONS TO SUPPORT START-UPS

For almost 50 years, the valorisation of CEA's technologies has also occurred through the creation of new companies, with over 220 spin-offs created. CEA invests significant sums, directly via its internal development/incubation programme or, at the later development stages of the company via its CEA Investissement subsidiary. CEA is therefore a significant stakeholder in the creation and development of these start-ups and shares in the risks.

For an R&D partnership with a start-up, we apply **the same principles as we do for our other partners with regard to attributing ownership of research results**. Indeed, relinquishing our IP rights to the start-up would run the risk of losing all control and all rights to improvement and transfer of the technology at stake, in the event of discontinuation or acquisition of the company, as is quite common with start-ups. CEA therefore retains IP rights on results generated by its researchers. This position which may have been seen as curbing start-ups' growth - as IP is considered an asset adding value to the start-up and ensuring its independence - is today generally shared, in particular by investors.

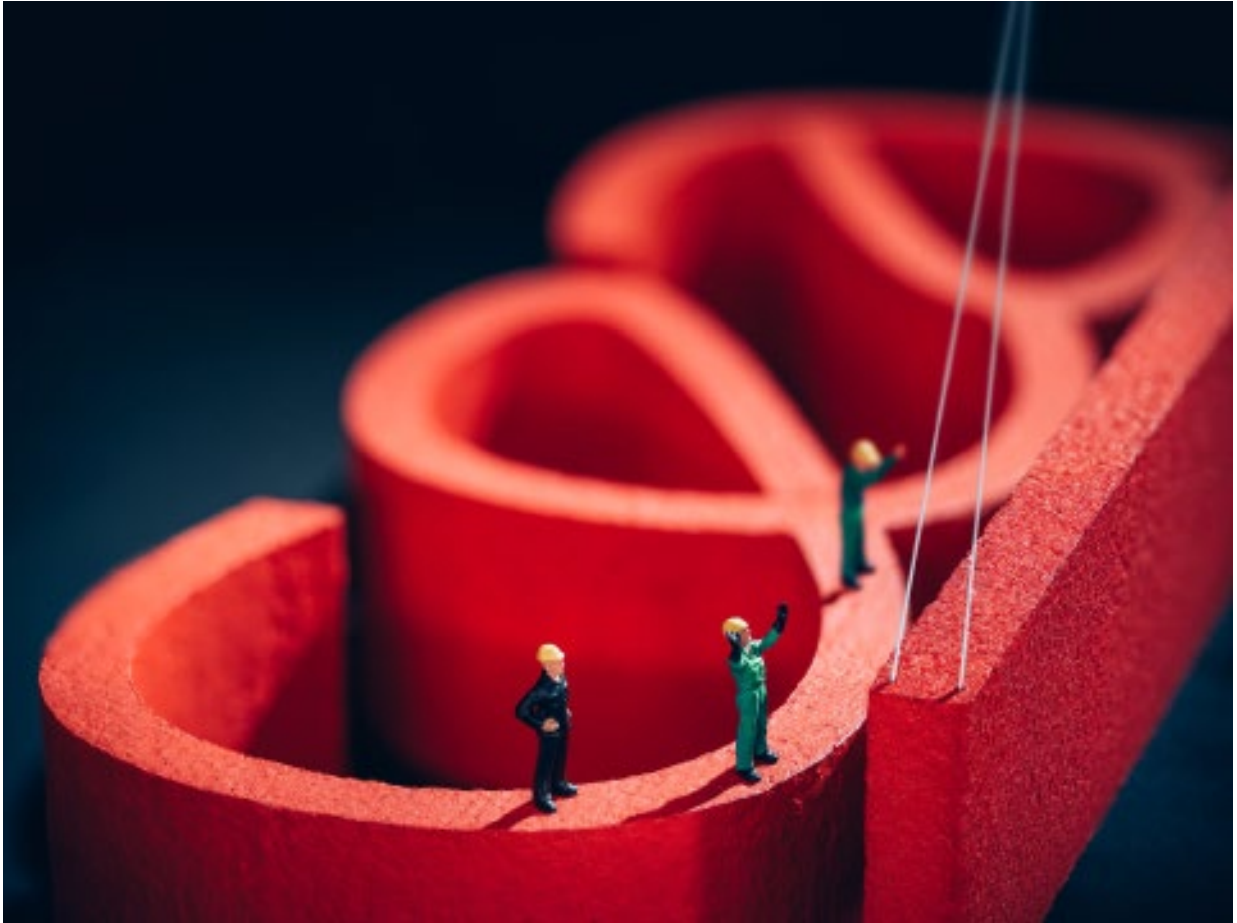
We nevertheless undertake to **favour secure IP exploitation terms for start-ups** using CEA technologies, in order to support their activities.

As such, start-ups are granted an exclusive licence on research results in as large a field as possible, depending on the technologies and our existing partnerships as we realise start-ups may have to redirect their positioning from the originally envisaged market. Renegotiation of the licence conditions is also possible at a later stage, to take such redirection into account. The licence aims to ensure the start-up has full capacity to develop its activity in the target market. The granting of exclusive exploitation rights is generally subject to start-up fund raising within a set timeframe to secure the start-up's economic development and takes its business plan into account.

In the specific case of start-ups, transfer of the licence agreement is authorised but subject to conditions protecting national sovereignty.

Lastly, we adapt the licence payment modalities according to the provisional calendar for launch of the start-up's business activities and, where applicable, to funds raised.

WE UNDERTAKE TO OFFER PREFERENTIAL TERMS FOR START-UPS EXPLOITING OUR TECHNOLOGIES, TO PROMOTE THEIR DEVELOPMENT AND GROWTH.



For additional information: transfert.technologie@cea.fr