



This project is co-financed by the
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finanse edilmektedir



TURKEY in
HORIZON 2020
COOPERATION INNOVATION COMPETITIVENESS

Technical Assistance for Turkey in Horizon 2020 Phase-II
EuropeAid/139098/1H/SER/TR

Horizon Europe: Legal & Financial, IPR Aspects in EIC Accelerator

Odyseas Spyroglou, KE2

Zoom, 20 Oct 2022

Photo by Christian Lue on Unsplash



REPUBLIC OF TURKEY
MINISTRY OF INDUSTRY
AND TECHNOLOGY



COMPETITIVE
SECTORS
PROGRAMME



TÜBİTAK

Meet the instructor

Odysseas Spyroglou
Key Expert 2. Legal, Financial & IPR



- **Innovation consultant** with **engineering, ICT and financial** background.
- Over **20 years of working experience** in EU funded projects: preparing proposals, building consortia and managing projects under FP7, CIP, COSME, INTERREG, MED, H2020 and more.
- Specialise in **Project Management & Quality, Intellectual Property** and reengineering **business processes**.
- Designed and delivered more than **300 training sessions on Innovation** Management, IPR, Entrepreneurship, Proposal Writing, Project Management, financial administration.

20+
Years

60+
Projects

90m+
Funds

 [linkedin.com/in/ospyroglou](https://www.linkedin.com/in/ospyroglou)

What we'll cover

Legal, Financial and IPR Issues in EIC Accelerator



Legal

- Incorporation
- Operating Agreements
- Employee Contracts
- Partnership Agreements



Financials

- Reliable Financial Assumptions
- Financial Plan



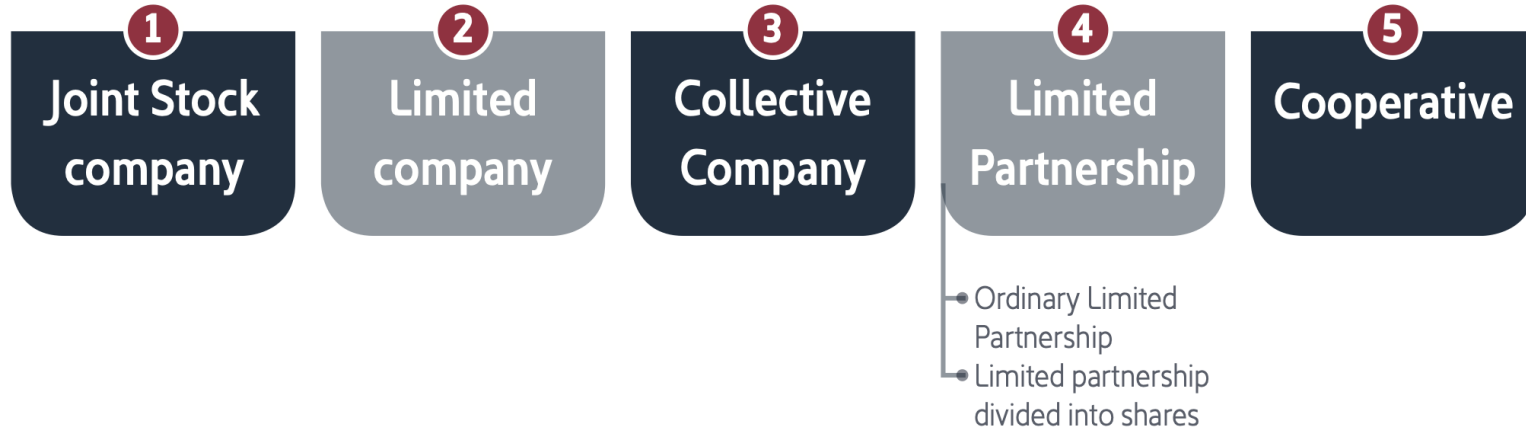
Intellectual Property

- Freedom to Operate
- IP Strategy

First Things First

Incorporate

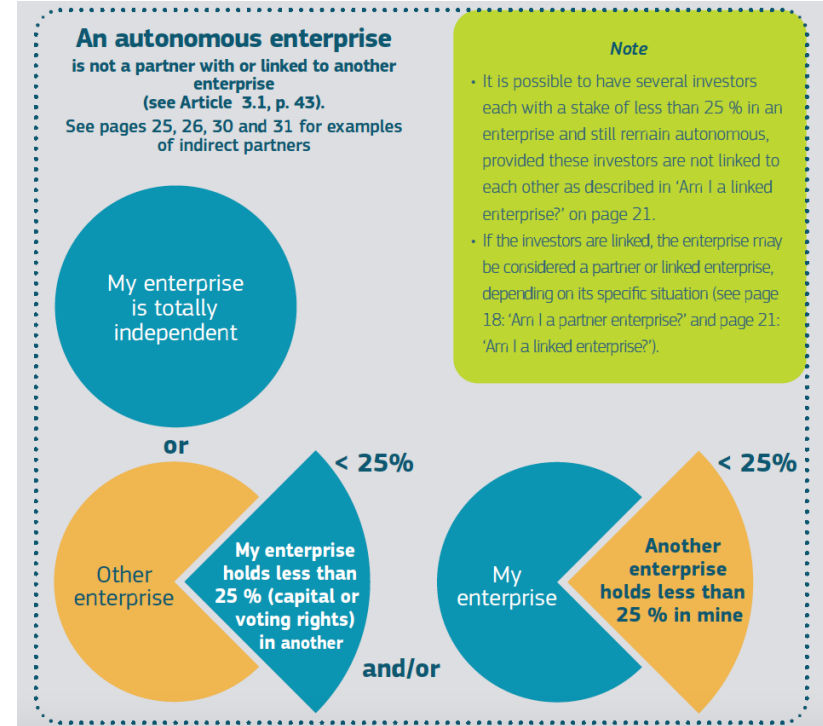
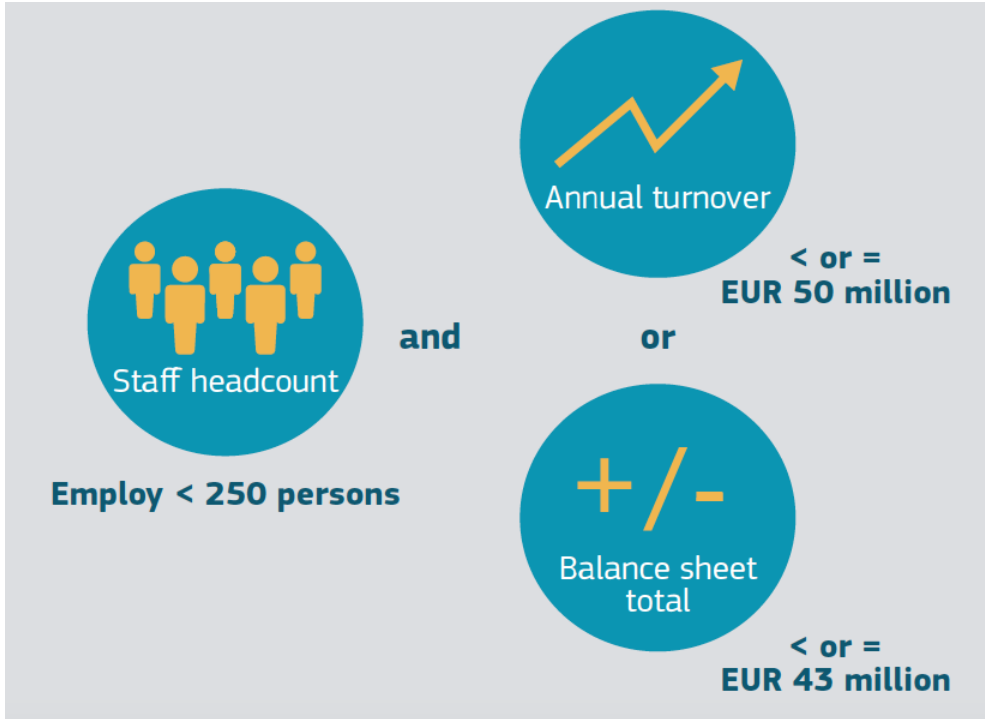
- Incorporation: Choose the right business structure. What type of company you need.
- Each country has some variations.



https://ticaret.gov.tr/data/5d3e935313b87607d8feeffc/rehber_Eng.pdf

SME Definition

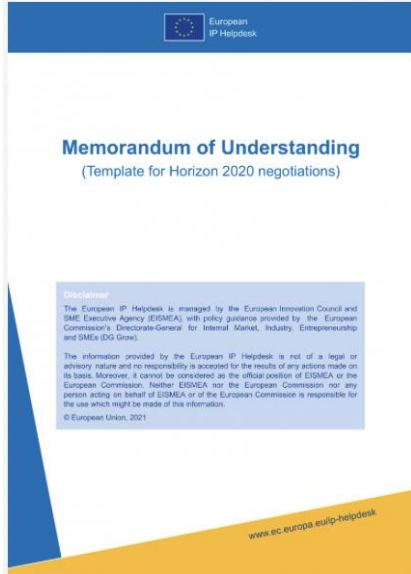
Are you an SME?



<https://ec.europa.eu/docsroom/documents/42921>

Memorandum of Understanding

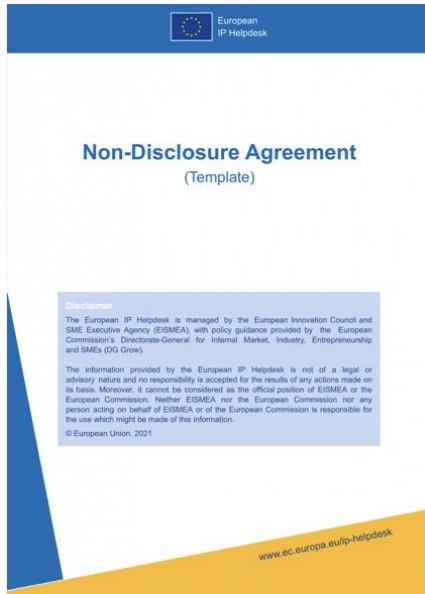
Other documents you will need



- **Framework of negotiations** among partners of consortium
- **Concluded in the beginning** of the negotiations on the involvement in a project (before submitting a proposal)
- Will for intended common line of action
- **Explains:**
 - protocols for communication, information exchange,
 - reporting,
 - confidentiality issues
 - modifications and conditions for terminating the agreement.

Non-Disclosure Agreement

Other documents you will need



- **Confidentiality** in R&D projects, from the setting-up (even during earliest discussions), to implementation and exploitation phases.
- A **non-disclosure agreement**, is a document that two parties can use to agree not to disclose confidential information to any third party. If either party releases any of the information shared, they may be liable to legal and monetary damages.

Operating Agreements

How your startup will work

Operating Agreement is a legal document (of LLCs) that outlines:

- financial rules,
- responsibilities of founders,
- how disputes are resolved,
- and more.



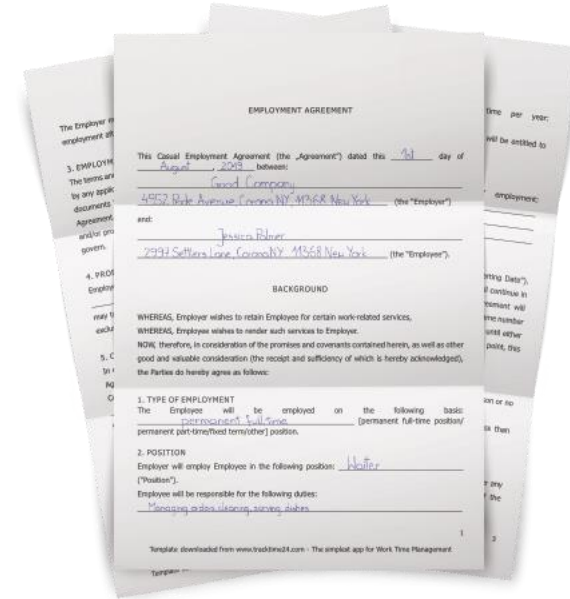
Corporations (Joint Stock Companies) need more Legal Documents:

Articles of Incorporation, Company Bylaws, Stock Certificates

Employee Contracts

What you should include

- The job description
- The financials
- Time off arrangements
- Intellectual Property
- Company policies
- Termination clauses
- Non-competition and restraint clauses



Financials Aspects

What you need to address in your application

- How will you finance this success?
- Current company's ownership and capital structure

What Is A Capital Structure?

The capital structure shows how an organization financed its operations. Following the balance sheet structure, usually, assets of an organization can be built either by using equity or liability. Equity usually comprises endowment from shareholders and profit reserves. Where instead, liabilities can comprise either current (short-term debt) or non-current (long-term obligations).

Liability

Obligations contracted by an organization. Just like the Assets, liabilities can be current and non-current



Equity

Amount of money or resources endowed to an organization



Asset

The assets side of the Balance Sheet is divided in Current Assets (which usually have a life cycle of one accounting year) + Non-Current or Long-Term Fixed Assets (with a life cycle of more than one accounting year)



FourWeekMBA

Financials Aspects

What you need to address in your application

- **Current applications for funds/discussion** with public & private investors
- **Funding & Growth strategies:** organization's plan for overcoming current and future challenges to realize expansion goals: *growth strategy goals, increasing market share and revenue, acquiring assets, and improving the organization's products or services.*

Non-Organic Growth

Leverage other companies' assets through mergers, acquisitions or strategic alliances.

Cost Optimization

Reduce costs by streamlining operations and targeting inefficient uses of cash.

Revenue Optimization

Increase revenues through new pricing or business models on existing products.



Market Penetration

Sell more to existing customers, or targeting new "segments" with existing products.

Market Development

Sell existing products into new markets or entering new markets abroad.

Product Improvements

Improve existing products and services that serve existing customers.

New Product Development

Create new products and services to target existing customers or to enter new markets (diversification).

Financials Aspects

What you need to address in your application

- **Financial needs to scale up** (precise amounts per work package)
- **Precise Grant/Investment component** amounts needed from the EIC and justification
- **Profit & Loss account over the next 3 years:**
(income statement or statement of operations) = financial report, summary of a company's revenues, expenses, and profits/losses over a given period of time.

Profit and loss statement example

Profit and loss of company XYX

Total revenue	£100,000
Cost of goods sold	£20,000
Gross profit	£80,000

Operating expenses

Salaries	£10,000
Rent	£10,000
Utilities	£5,000
Depreciation	£5,000

Total operating expenses	£30,000
Operating profit	£50,000
Interest expense	£10,000

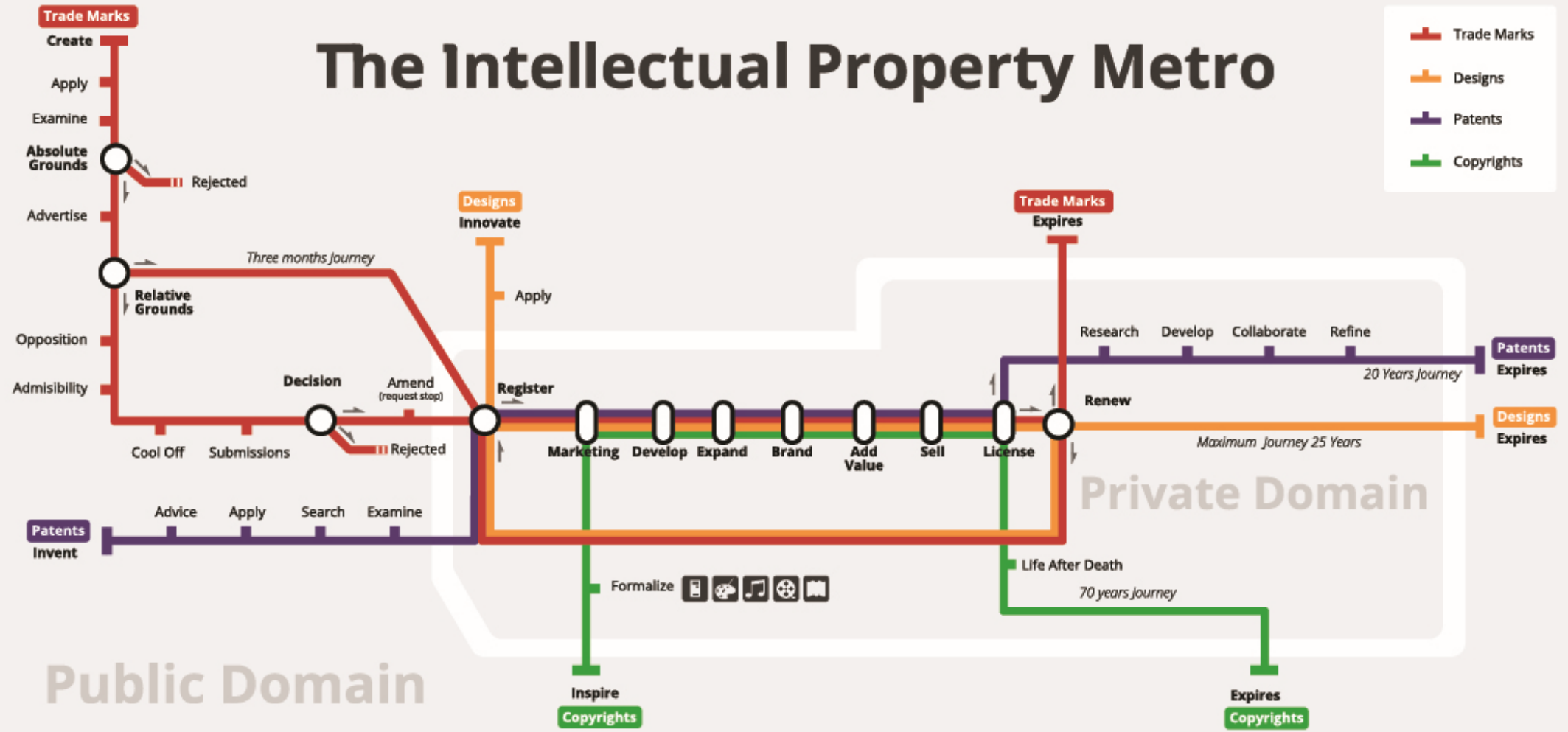
Income before taxes	£40,000
Taxes	£10,000

Net income **£30,000**

<https://www.ig.com/uk/glossary-trading-terms/profit-and-loss-definition>

The Intellectual Property Metro

- Trade Marks
- Designs
- Patents
- Copyrights



Why IP is important

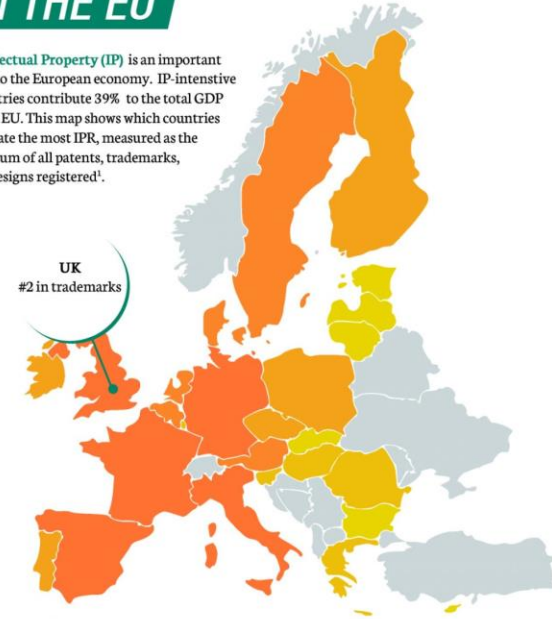
- Your ideas
- Your work
- Your business advantage
- A valuable **asset** that must be protected (it can be traded)

Intellectual Property RIGHTS

- A granted “right” for a **limited legal monopoly**.
- Limitations exist in **time, territory and scope**.
- Anyone who violates IP rights is an “**infringer**”. Rights holder can bring legal action against infringer to restore the monopoly.
- The rights holder can:
 - **Transfer their rights** (sale or licensing);
 - **Waive** their rights (intentionally or voluntarily); and
 - offer “**access rights**” to background IP and/or foreground IP

INTELLECTUAL PROPERTY IN THE EU

Intellectual Property (IP) is an important asset to the European economy. IP-intensive industries contribute 39% to the total GDP of the EU. This map shows which countries generate the most IPR, measured as the total sum of all patents, trademarks, and designs registered¹.



More IPR Intellectual Property Rights Less IPR

Notes

1. All data from Table 24, pg. 85 in “Intellectual property rights intensive industries: contribution to economic performance and employment in the European Union.” Industry-Level Analysis Report, September 2013. A joint project between the European Patent Office and the Office for Harmonization in the Internal Market. Available at bit.ly/IPContribution.

Types of IPR

- Copyrights
- Patents
- Trademarks
- Industrial Designs
- Trade secrets
- **!!Protection still in national level rather than EU***
- **Apply to European Patent Office but European patent needs to be validated by the national patent office in each country where protection is required.**

WHAT IS INTELLECTUAL PROPERTY (IP)?

Intellectual property refers to creations produced by the mind

- INDUSTRIAL PROPERTY**
Concerns inventions, patents, trademarks & industrial designs
- COPYRIGHT**
Covers works of art and literature
- TRADEMARK**
A recognizable sign identifying the source of a product or service
- PATENT**
Exclusive rights an inventor holds to an invention
- TRADE DRESS**
Product design and appearance
Protected under federal law – must be non-functional and distinctive
- TRADE SECRETS**
Confidential information valuable to an organization
Not protected in the same way as other IP – trade secrets may not be disclosed as this constitutes unfair competition
Trade secrets may be protected indefinitely
- INDUSTRIAL DESIGN RIGHTS**
Protects a design or pattern
In the US, design patents last for 14 years

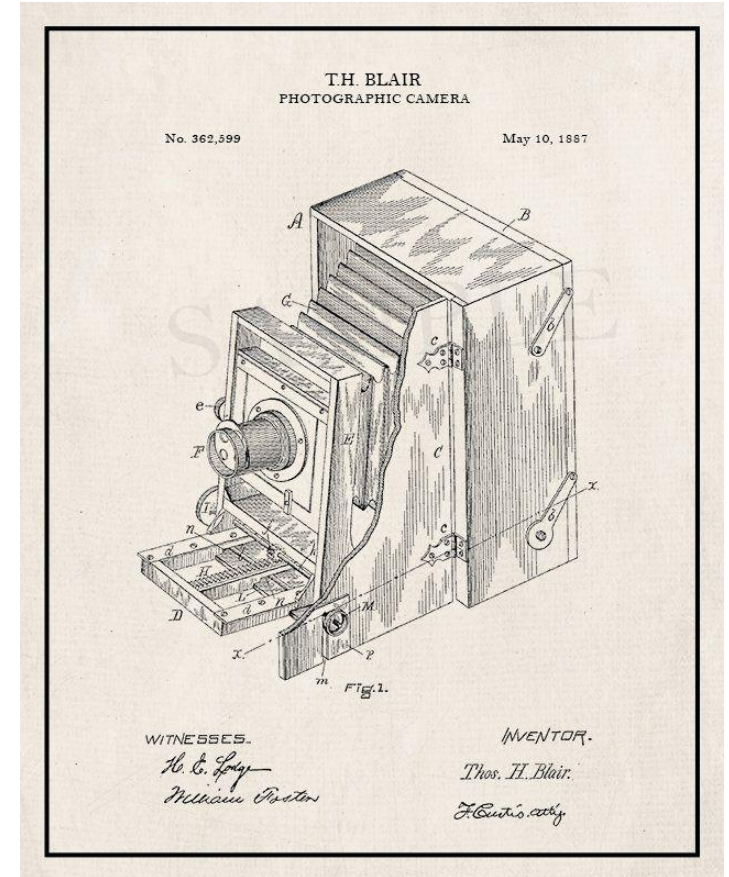
Patent Rights (5+1)

Exclusive rights for patent holders:

1. Making/ Using
2. Offering for sale (advertising)
3. Selling
4. Importing into the protected territory
5. Storing in the protected territory

Limited by **time, territory and scope.**

Patent owners can **assign, transfer** by succession,
conclude **licensing** contracts.








<https://pin.it/5j0S1y0>






















































Copyrights

- Providing protection to creators (writers, artists, music composers, etc.) on their creations. (“works”)
- Does **NOT** extend to ideas, only to expression of thoughts.
- No need for registration (some countries have a system)
- Types of rights:
 - Economic: financial reward / reproduction, distribution, public performance, broadcasting, translation, adaptation.
 - Moral: attribution / recognition, fame, right to object to changes, adaptations
- Protection: companies or organisations of creators
- Duration: usually 50 years after a creator’s death

Creative Commons Licenses explained, at a glance.

-  You can redistribute (copy, publish, display, communicate, etc.) the works.
-  You have to attribute the original work (title of work, creators name, link, CC license).
-  You can use the work commercially.
-  You can modify and adapt the original work. Provided you indicate how you changed it.
-  You can choose any license for your adaptations of the work.
- *** Intellectual property rights have expired, have been forfeited, or are inapplicable (e.g. works of Shakespeare, Beethoven, etc.)

Disclaimer: This document by its nature cannot be comprehensive and is provided to assist clients to clarify and identify legal issues on which they should seek legal advice. Please consult professional legal staff for advice specific to your situation.

						
		COPY & PUBLISH	ATTRIBUTION REQUIRED	COMMERCIAL USE	MODIFY & ADAPT	CHANGE LICENSE
	COPYRIGHT					
	PUBLIC DOMAIN*					
	CC BY					
	CC BY-SA					
	CC BY-ND					
	CC BY-NC					
	CC BY-NC-SA					
	CC BY-NC-ND					

Trademarks

- Sign used to identify **certain goods and services by** someone (person or enterprise)
- Can consist of a word, combination, abbreviations, names, drawings (logos), 3D shapes, colors, even music.
- Must be **distinctive**
- Types of trademarks (in addition to commercial):
 - Collective: members of an organization, union
 - Certification: comply with a set of standards
- Protection: Registration in country Trade offices
- Duration: usually 10 years, renewed indefinitely



THE 5 CATEGORIES OF TRADEMARKS

A GUIDE TO CHOOSING THE RIGHT TRADEMARK



Trademarks are divided into five different categories, which are ranked by distinctiveness.

STRONG

Fanciful trademarks

Fanciful trademarks are made-up words which are invented to be used as a trademark name.

Kodak

EXXON

 **Polaroid**

Arbitrary trademarks

Arbitrary trademarks are words that have a real, common meaning but they are completely unrelated to the product or service.



Dove



Suggestive trademarks

Suggestive trademarks are named after a characteristic of the product or service.



 Microsoft

NETFLIX

Descriptive trademarks

Descriptive trademarks are a description of the product or service.

SHARP

BRITISH AIRWAYS 



Generic trademarks

Generic trademarks cannot be protected as they are simply a generic description of the product or service.

BAND-AID
BRAND ADHESIVE BANDAGES

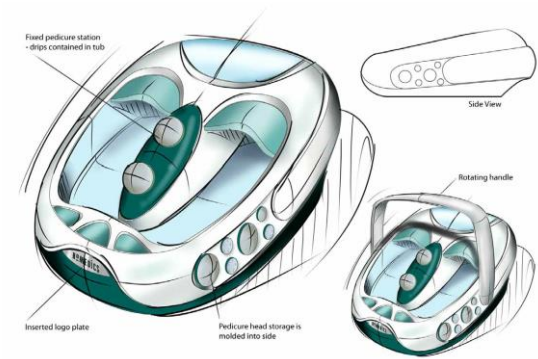
ASPIRIN

GENUINE
THERMOS

WEAK

Industrial Designs

- Ornamental or aesthetic aspect of an article: 3D features, shape, patterns, lines or color (instruments, watches, jewelry, houseware, electrical appliances, vehicles, architectural structures, textile designs, etc.)
- Must **“appeal the eye”** (aesthetic)
- Protection: Registration in country authorised agencies/trade offices
 - Prevent unauthorised copying or imitation
 - license or authorize others to use
- Duration: usually 5 years, renewed up to 15



Definition

According to [Article 3 of the Design Regulation](#), a design is the appearance of the whole or a part of a product resulting from the features of, in particular, the lines, contours, colors, shape, texture and/or materials of the product itself and/or its ornamentation. [Learn more.](#)

Examples of design

Almost any industrial or handicraft item can be eligible for design protection (except for computer programs)

Packaging of products RCD 000785522-0001	A product / set of products RCD 000485679-0016	Composite products RCD 000498196-0001	Parts of products RCD 23792-0001
iPhone RCD 001744989-0001	Logos RCD 000590194-0008	Computer icons RCD 001128384-0001	Drawings and artwork RCD 000569888-0001
Get-ups RCD 000251730-0001	Ornamentation RCD 000014696-0002	Web design RCD 001113038-0009	Maps RCD 00187405-0001

[+ Add Design](#)

Registration fee	€230.00
Publication fee	€120.00
Deferment fee	€0.00
Total fee	€350.00

[Reset application form](#)
[Print](#)



Word mark

A word mark is represented using words, letters, numbers or any other characters that can be typed.

[View examples](#)



Figurative mark

A figurative mark is represented using pictures, graphics or images; a figurative mark does not contain words or letters.

[View examples](#)



Figurative mark containing word elements

A figurative mark containing word elements combines the use of pictures, graphics or images with words or letters.

[View examples](#)



3D mark

A three-dimensional mark is represented using a three-dimensional shape, such as the actual product or its packaging.

[View examples](#)



Sound mark

A sound mark must be represented graphically using, for example, musical notation (score music).

[View examples](#)




3D mark containing word elements

A 3D mark containing word elements combines the use of a three-dimensional shape with words or letters.

[View examples](#)

Basic fee	850,00 €
Extra Class Fee	0,00 €
Total classes	0
<input type="checkbox"/> Total fee	850,00 €

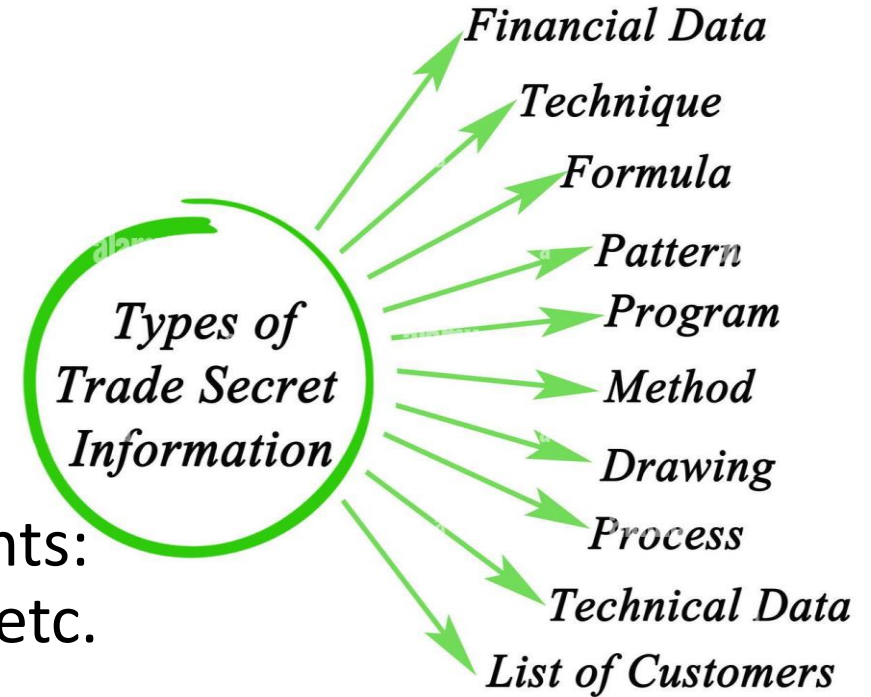
 Reset application form

 Print



Trade Secrets

- Confidential Business Information
- Provides a competitive edge for the company
- Not registered but **Kept Secret**
- Protection:
 - Through legal binding agreements:
Non disclosure, confidentiality, etc.
- Duration: indefinitely



alamy

Image ID: 2D52YH9
www.alamy.com

Use IP to Make Your Project Awarded

Assessment of state of the art

- Large amount of R&D carried out by private sector. Prefers to patent instead of publish.
- Neglecting patent databases, you neglect 80% of technical information available for your use (OECD)



<https://worldwide.espacenet.com>



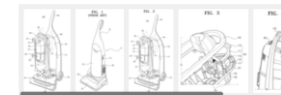
<https://patentscope.wipo.int>

Multifunction vacuum cleaner

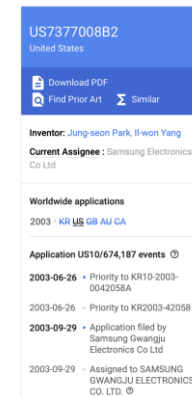
Abstract

A multifunction **vacuum cleaner**, in which a main body is removably connected to a frame portion, comprises a nozzle assembly for suctioning in an air including dusts or dirt on a cleaning area, a main body having a cyclone dust collector for centrifugally separating the dusts or dirt from the sucked air, a dust receptacle for collecting the separated dusts or dirt, a main body frame having an upper casing and a lower casing, a button operation portion formed on an upper part of the main body frame, and a connecting projection integrally formed with the button operation portion and moving elastically, and a frame portion which is pivotably connected with the nozzle assembly, and having a connecting groove to correspond to the connecting projection. The main body of the **vacuum cleaner** is removably mounted in the frame portion. As a result, the main body can be conveniently connected with or separate from the frame portion.

Images (6)



<https://patents.google.com>



US7377008B2
United States

Download PDF
Find Prior Art Similar

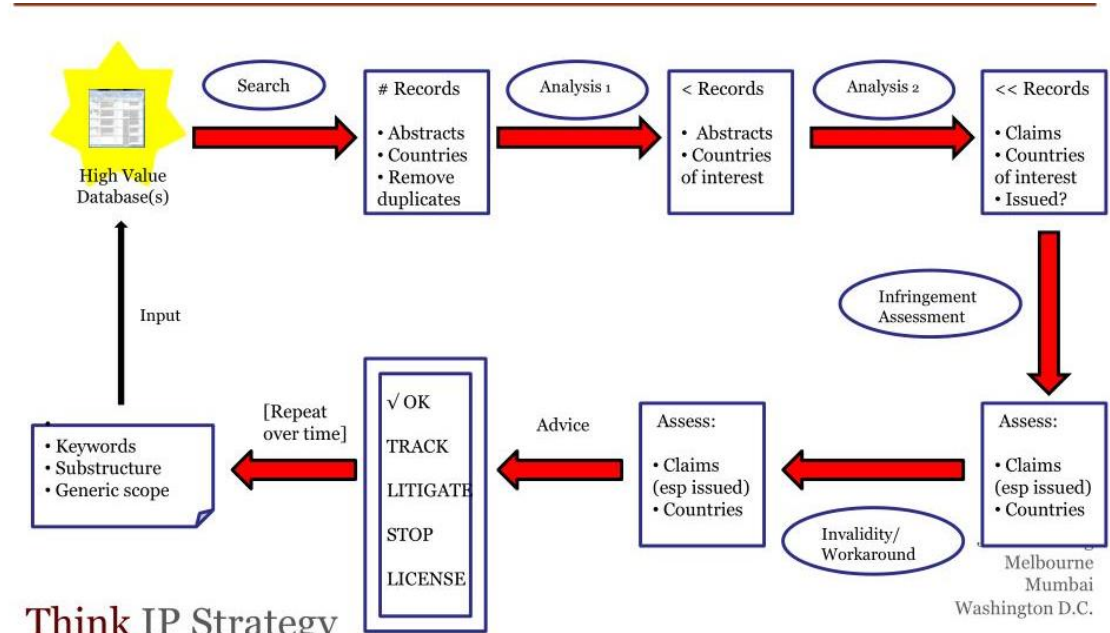
Inventor: Jung-seon Park, Il-won Yang
Current Assignee: Samsung Electronics Co Ltd

Worldwide applications
2003 - KR US GB AU CA

Application US10/674,187 events ©
2003-06-26 - Priority to KR10-2003-0042058A
2003-06-26 - Priority to KR2003-42058
2003-09-29 - Application filed by Samsung Gwangju Electronics Co Ltd
2003-09-29 - Assigned to SAMSUNG GWANGJU ELECTRONICS CO. LTD. ©

Freedom to Operate (FTO)

- Ability to **use your technology without infringing** on another's intellectual property.
- FTO searches are known as right to use searches, patent clearance searches, or patent infringement risk assessments.



Think IP Strategy
Trusted advisors to the world's most innovative companies

Freedom to Operate (FTO)

- If FTO reveals that one or more patents do limit a consortium freedom to operate, you must decide how to proceed;
 - purchasing the patent or licensing in
 - cross-licensing, making changes to the product
 - process in order to avoid infringing on the patent(s) owned by others, etc
- Think and determine possible solutions and costs, costs can be included in the project budget.



Teşekkür ederim!

Q&A

Time to ask your
questions!

Thank you!

Contact:

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