

VTT Shared Benefit Project

SBP IPR Term Sheet

*Purpose of this document is to outline key IPR terms of the shared benefit project agreement for basis of corresponding legal document (“**Project Agreement**”). This SBP IPR Term Sheet is subject to the understanding that any rights and obligations shall exist only if and to the extent that a definitive license agreement has been concluded by and between VTT and project partners.*

Background IPR

VTT is obligated to offer to the Partners a non-exclusive license to such Background IPR that is necessary for exploitation of results of the Project and in possession of VTT. Preferably, the Background IPR is defined in the Project Agreement prior to the Project, however, it is not always possible and VTT shall inform the Partners as soon as practical if VTT plans to use Background IPR that is necessary for the exploitation of the results of the Project.

The terms and price of license to Background IPR will be agreed separately during or after the Project if requested by a Partner by the end of a period of 6 months from the end of the Project (“IPR Option Period”). VTT is obligated to offer a worldwide, non-exclusive, non-transferable license to Background IPR, with no right to sub-license. Licensee shall pay VTT a “market price” for the license, but the payment model will be negotiated case-by-case.

Application field of the license will be agreed separately with each Partner, but VTT’s obligation to offer the license is limited to the exploitation of the Project results (in a field corresponding to the scope of the Project) in the business field of the Partner.

Foreground IPR

VTT owns all IPR created in the Project including possible but unlikely joint inventions and jointly developed software (“Foreground IPR”); this way all Partners can have equal rights to the Foreground IPR and problems related to joint ownership will be avoided.

VTT decides about protection of Foreground IPR, and also covers patenting costs and other costs arising out of protection of the Foreground IPR.

By notifying VTT during the IPR Option Period any Partner may request a non-exclusive license to Foreground IPR for exploitation of the Project results in the business of the relevant Partner (i.e. the license is granted for an application field that is defined in accordance with the scope of the Project and business of the Partner).

The License Fees and payment model (upfront fee, royalties, lump-sum, etc.) will be negotiated case-by-case with each Partner that have requested a license.

Key terms of the license are predefined and will be attached to the Project Agreement. This “Foreground IPR License Term Sheet” is also attached to this document. Also license agreement template/draft can be attached to the Project Agreement if requested.

Extension of the License

VTT and Partner may also negotiate extension of the scope of the non-exclusive license (broader application field, right to SW source code, right to grant sub-licenses, right to transfer the license, etc.). Such an extension is subject to agreement on the License Fees.

VTT Shared Benefit Project

Foreground IPR License Term Sheet

*Purpose of this document is to outline key terms of the IPR license agreement for basis of corresponding legal document (“**License Agreement**”). This IPR License Term Sheet is subject to the understanding that any rights and obligations shall exist only if and to the extent that a definitive license agreement has been concluded by and between VTT and Licensee.*

Technology (to be defined in detail in the Annex 1 of the License Agreement):

- A. “Patents” shall mean the VTT’s rights of the patents, utility models and applications thereof listed in the Annex 1 of the License Agreement, and any continuation, continuation-in-part, extension, reissue or division, and any patent or utility model that derives priority from the foregoing.
- B. “Know-How” shall mean VTT’s proprietary non-patented and non-published technical information, trade secrets, developments, discoveries, data, drawings, techniques, processes, models, specifications and other documented information that are owned or controlled by VTT as at the Effective Date and that are listed under the heading “Know-How” in the Annex 1 of the License Agreement.
- C. “Software” shall mean software in form of objects codes, copyrights of which are owned or controlled by VTT as at the Effective Date, and that are listed the Annex 1 of the License Agreement.

Licensed Products:

Any and all products manufactured, have manufactured, sold or otherwise supplied by the Licensee that are within any valid claim of the Patents or otherwise utilises the Technology.

Application Field:

To be defined in detail in the License Agreement. The Application Field shall be limited to the exploitation of the Project results (in a field corresponding to the scope of the Project) in the business of the Licensee. However, other (broader) definitions are possible if reasonable and more practical.

Grant of License:

A worldwide, **non-exclusive** and non-transferable license with no right to sub-license, to develop, manufacture, have manufactured, market, use and sell the Licensed Products in the Application Field.

Payments:

Payment amounts, timing and royalty model will be agreed at the time of negotiating the license. Payment model can be for example as follows:

Upfront Fee		x €
Minimum Annual Royalty*	Year 1	x € / year
	Year 2	x € / year
	Year 3 and onwards	x € / year
Royalty from sales of Licensed Products		x €/unit or x % of Net Sales

*The Minimum Annual Royalty will be deducted from the payable royalties of corresponding year.

Value Added Tax and any other taxes, duties or charges shall be added to all payments in accordance with applicable legislation.

Software:

Licensee shall have the right to use the Software in machine-readable, compiled object code format only. The Licensee shall have a right to integrate the Software with its own software products and other Licensed Products. The license does not comprise the right to reverse engineer, de-compile, disassemble or modify the Software and shall not permit third parties to do the same.

Licensee shall have the right to distribute units of Software in machine-readable, compiled object code format only, and only when the Software is either part of or in connection with Licensed Products. The Software shall only be distributed to end user, who agrees to be bound by similar terms and conditions as stated in this Agreement. As far as not allowed by the mandatory, statutory laws, those sublicenses shall not comprise the right to:

- transfer, assign or lease any of the rights granted to any third party.
- sub-license the Software or otherwise give user rights to the Software to any third party.
- reverse engineer, de-compile or disassemble the Software.
- copy, modify, develop or translate the Software.
- use the Software contrary to applicable laws and regulations.

The Agreement does not set any obligations related to development, customisation, maintenance, support, training, and/or implementation of the Software. This kind of work, if any, will require a separate written agreement.

Know-How:

The Licensee shall have no right to disclose to any third party, publish or patent the Know-How or parts thereof without written consent of VTT, *except* the Licensee may disclose Know-How to its sub-contractors in connection with the exercise of the “have manufactured right” included in the license to the extent necessary and under a secrecy agreement with essentially the same confidentiality provisions than those the Licensee has.

No Warranties:

The Technology is provided “AS IS” and VTT makes no representations or warranties with respect to the Technology or the Licensed Products, including but not limited to commercial utility, merchantability or fitness for any particular purpose, absence of a latent or other defect, validity, enforceability or that the use of the Technology or the Licensed Products will not infringe any patent, copyright, other proprietary or property rights of others.

Liability:

The Licensee shall bear any product liability as well as any other liability for the commercial utilization of the Technology. Licensee shall be solely responsible for, and VTT shall have no obligation to honour, any warranties that Licensee provides to its customers with respect to the Technology or Licensed Products.

VTT shall not be liable to Licensee, its successors, assigns or affiliates for any loss of profits, loss of business, interruption of business, nor for indirect, special or consequential damages of any kind whether under the Agreement or otherwise, even if VTT has been advised of the possibility of such loss unless damages are caused by gross negligence or wilful misconduct.