

# IPRs and Spin offs

## a legal perspective

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### Legislative basis of spin-offs in Greece:

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- There are four legislative measures establishing the set-up of a spin-off company in Greece:

## 1) Law 2741/1999

- The Law establishes the National Institution for Food Inspection – "EFET"  
(completely irrelevant)
- However, article 23 provides for the "financial exploitation" of the knowledge and research results.

## Only one prerequisite is needed for exploitation:

The "knowledge and the research results" must have been produced **within**:

- research centers, or
- educational institutions, or
- enterprises, or
- other organizations,

in Greece or abroad.

## Ways of financial exploitation:

### **Indicatively and not exclusively:**

□ **a) Direct commercial exploitation**

by the institution who produced the knowledge (direct production and provision of the products/services)

→ not a (spin-off) company.

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## Indicative ways of financial exploitation:

□ **b) Licensing agreement** to any organization or enterprise

→ not a (spin-off) company

□ **c) Establishment of a new exploitation company (affiliated/subsidiary company)** by the institution who produced the knowledge (the mother company)

→ a spin-off company.

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## Indicative ways of financial exploitation:

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□ d) **Participation to the exploitation**

along with others organizations or enterprises (e.g. by establishing together a new company)

→ a spin-off company.

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## Indicative ways of financial exploitation:

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■ e) **Set up of a new "technological company"**

by the physical persons who produced the knowledge

→ a spin-off company

■ **Also members** of those companies may be: the institution, third physical or legal persons (e.g. the university, other universities, industries, Ltd and S.A. companies, etc).

## Indicative ways of financial exploitation:

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- f) "**Coordination of two or more of the above ways or in another way as well**"
  - great flexibility of action:
  - Example 1: The researchers who produced the knowledge and the institution, acting together:
    - → sign a license agreement with an industry, or
    - → transfer all their rights to an industry.

"Coordination of two or more of the above ways or in another way as well"

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- Example 2: The researchers who produced the knowledge and the institution, acting together, transfer all their rights to a new company established only by the researchers (a spin-off company)
- In that spin-off members are the researchers and a private Technological Park who did not contribute to the production of the new knowledge.

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- All the above ways of making a spin-off company to exploit the knowledge and research results

are  
with or without any state or EU  
funding.

## Funded spin-offs

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- After Law 2741/1999, two more legislative measures were voted:
  - 2) Presidential Decree: 17/2001 and
  - 3) Law 2919/2001.

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- Regulate the funding of spin-offs by the 3<sup>rd</sup> EU Framework Program
- The funding is partial: 50%
- By that 50%, the 30% is given by the Greek Public Authorities, and the 70% by the EU
- The Public Body cannot participate to the spin-off with more than a 50% share.

### What can be exploited in a spin-off?

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- Funded by the 3<sup>rd</sup> EU Framework Program or not, a spin-off can commercially exploit "knowledge and research results"

**What exactly can be exploited?**

## What exactly can be exploited?

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- "Knowledge and Research results" such as →
- Patents & Utility Models, and/or
- Know-how, and/or
- Copyrighted works emerged during the research.

## Who are the owners of the results in funded research:

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- Patents → The researchers and the University (60%-40%)
- Utility Models → The researchers (loop-hole in the Law)
- Know-How → The researchers (loop-hole in the Law)
- Copyrighted works → The researchers. However, to avoid any claims, the Research Committee usually puts a clause within the contracts with the Professors-Project Managers or Coordinators, according to which, all the rights belong to the University  
This clause is very vague, so it also covers the Know-how and the Utility Models.

## For lack of any uncertainty:

- In any agreement with the Research Committee before the commencement of the Project,
- the Researchers should define very clearly which rights will belong to any party in case of any kind of achieved results (patents, Know-How, copyrighted works)
- Another similar agreement should be made between the partners.

## Exploitation of Patents by the spin-off:

- Patents are granted for inventions, i.e. for a **new** product or process which involve **inventive step** and present **industrial applicability**
- Therefore, any research that led to results constituting an invention, either inventive product or inventive process, may be exploited by the spin-off.

## Exploitation of Patents by the spin-off:

- Officially, an invention is called a "patent" after the patent is granted. But the procedure for a European Patent, usually takes 3-7 years (the US Patent needs shorter time)
- Moreover the patent may never be granted because the application was abandoned or refused.

## Exploitation of Patents by the spin-off:

- Therefore, **before granting** and while the application is pending, the spin-off may exploit the invention, as a "patent pending application", or just as a "Know-How"
- **If the patent finally is granted**, the spin-off may exploit the invention as a "Patent"
- **If the patent finally is refused**, the spin-off may continue exploiting the invention as a "Know-How".

## Exploitation of Patents by the spin-off:

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- With or without a Patent, the spin-off will be given by the owners the (absolute) right:
  - To exploit the invention on it's own
  - To sell the invention or the Patent, or
  - To license it, exclusively or not.

## Exploitation of Patents by the spin-off:

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- After the expiration of the Patent (20 years of monopoly) the spin-off may continue exploiting the invention,
  - but now along with the competitors.

## Exploitation of Certifications of Utility Models by the spin-off:

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- Certifications of Utility Models are granted in some EU countries (among them Greece), for 3D objects (tools, devices, instruments, etc), the so called "small inventions"
  - These objects are **new** and present **industrial applicability** (have no inventive step, so shorter protection period than patents is provided – only 7 years of monopoly).
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## Exploitation of Certifications of Utility Models by the spin-off:

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- Exactly on the same way as with inventions

The spin-off will be given by the owners the (absolute) right to exploit the Certification:

- Directly, on its own
  - To sell the 3D object or the Certification, or
  - To license it, exclusively or not.
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## Exploitation of Know-How by the spin-off:

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- "Know How" is a sense much broader than the "invention". It concludes any instructions, drawings, advices, trade secrets, methods, schedules, diagrams, production guides, prototypes, conditions, etc.,  
about production of products or provisions of services  
not known to the public.

## Exploitation of Know-How by the spin-off:

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The spin-off will be given by the owners the (absolute) right to exploit the Know-How:

- on it's own, or
- in the form of a license agreement, exclusive or not (usually not).



## Copyrighted works:

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- Are original literary and/or scientific work, such as: studies, measurements, diagrams, photographs, software programs, databases, etc., created by the researchers, that led to the research results.

The spin-off will be given by the owners the (absolute) right:

- To exploit them directly, on it's own
- To sell them, or
- To license them, exclusively or not.



## The forth Law about spin-offs

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- Is the canceling of any spin-off within the Greek Universities and Polytechnics (only)
- It creates no problems to the establishment of spin-off companies in research centers, organizations, institutes, etc.

## Law 3440/2006

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- Named: "Charity Foundation ORMILIA of St. Peter's Monastery in Mount Athos"

## The last article of the Law provides:

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- A researcher of a University or of a Polytechnic has the right to participate in a spin-off:
  - 1) If he is appointed in the institution for more than 3 years, and
  - 2) **after an approval decision taken by the Senate.** The same decision of the Senate, will also define **the way of the participation** of the researcher to the spin-off company (percentages? duties? role?), and also
  - 3) even if the decision is positive, it is prohibited for the researcher to be appointed as Manager Director or as a President of the Board or in any administrative position in the company.

Therefore, in order for a University researcher to participate to the spin-off:

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- If he is thinking of an invention, he must not create it before the expiration of 3 years from his appointment

and

- He must find a way to persuade the 70 persons of the Senate (for the Aristotle University) that they have no right to prevent the exploitation of results achieved with European citizens' money.

Thank you for your attention

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