

European  
Innovation  
Council



## **Call for Expression of Interest**

Intellectual Property (IP) Due Diligence Service Experts

2023

Version 1.0



# CALL FOR EXPRESSION OF INTEREST

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## 0. Introduction

European Innovation Council (EIC) is a key novelty of Horizon Europe and represents the most ambitious innovation initiative that Europe has taken, with a budget of €10 billion for the period 2021-2027. Three main granting schemes offered by the European Innovation Council (EIC) are EIC Pathfinder, EIC Transition and EIC Accelerator.

The Horizon Europe European Innovation Council, implemented by the European Innovation Council and SMEs Executive Agency (EISMEA) supported by EUIPO's expertise are implementing IP due diligence services to EIC funded beneficiaries.

## 1. Background, objectives and scope

By this **call for expression of interest**<sup>1</sup>, EISMEA seeks to draw up a list of IP specialists willing to offer IP due diligence services (the "experts") to beneficiaries who have received EIC funding (the "beneficiaries") in the Member States of the European Union (EU)<sup>2</sup> or associated countries.

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<sup>1</sup> Participation in this call for expression of interest is open on equal terms to all natural and legal persons falling within the scope of the Treaties. This includes all legal entities registered in the EU and all natural persons having their place of business or employment in the EU.

Applicants from Iceland, Norway and Liechtenstein enjoy full participation to the single market under the European Economic Area (EEA) Agreement and therefore have equal access to this call for expression of interest.

<sup>2</sup> This Call for expression of interest is not meant to establish a list of vendors or preselected candidates as per Section 13, Annex I of Regulation (EU, Euratom) 2018/1046. The experts included in the pool will establish their working relationship directly with the beneficiary who will request their services. This CEI will however be governed by the same principles established in the abovementioned Regulation, that is, with transparency, equal treatment and proportionality.

The scope of the IP due diligence service will be limited only to IP rights related to projects covered by EIC grants.

- ⚠ Acceptance of your application for expression of interest does not automatically imply that you will be assigned a task. This will depend on our business needs and fulfilment of certain formal requirements.

By replying to this call you agree to perform potential assignments in appropriate quality standards and in compliance with the Impartiality and Confidentiality clauses from [the Code of Conduct](#).

## 2. Timetable and deadlines

This call for expression of interest is permanently open from February 15th 2023 to March 29<sup>th</sup> 2023.

## 3. Eligible profiles

We are looking for experts with a place of business or employment in a Member State of the EU, with a high level of expertise and professional experience in intellectual property.

Experts are required to be IP practitioners qualified at least in one EU Member State or EEA with at least 5-years professional experience in one or more of these areas:

- IP due diligence
- IP audit
- IP pre-diagnostic / IP Scan
- Management of IP portfolios, including legal advice in IP strategy
- Representation of clients in IP disputes
- Legal advice in contracts commercialising IP rights, including agreements for licensing and transferring intellectual property, and brand co-existence agreements

The experience shall cover broad range of IP rights, at least trade marks and patents at national, European and international level.

IP due diligence services will be conducted in English language. Experts are required to have at least C1 language skills of English.

- ⚠ If selected for assignments involving classified information, you will need to obtain appropriate security clearance from their national security authority (NSA).

## 4. Exclusion

Persons who are subject to EU administrative sanctions (i.e. exclusion or financial penalty decision)<sup>3</sup> or in one of the following exclusion situations that bar them from receiving EU funds CANNOT work as experts:

- bankruptcy, winding up, court-ordered administration, arrangement with creditors, suspension of business activities or similar procedures
- in breach of social security or tax obligations

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<sup>3</sup> See Article 136 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ('EU Financial Regulation') (OJ L 193, 30.7.2018, p. 1).

- guilty of grave professional misconduct<sup>4</sup>
- committed fraud, corruption, links to a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking
- shown significant deficiencies in complying with main obligations under an EU procurement contract, grant agreement, prize, expert contract, or similar
- guilty of irregularities within the meaning of Article 1(2) of Regulation No [2988/95](#)
- have created an entity under a different jurisdiction with the intent to circumvent fiscal, social or other legal obligations in the country of origin.

Experts will also be refused if it turns out that<sup>5</sup>:

- during the contract award procedure, they misrepresented information required as a condition for participating or failed to supply that information
- they are in a conflict of interest (*mutatis mutandis*, to Article 61.3 of the FR 2018/1046).

## 5. Procedure


In order to be selected as an expert in providing IP due diligence services under this Call of expression of interest, you must declare your interest by sending your application via the following link: . –

<https://ec.europa.eu/eusurvey/runner/11378500Vbp>

From the applications received EISMEA - EUIPO will draw up a list of vetted IP experts.

EISMEA will inform you on the outcome of your application (within 4 weeks)

Should a beneficiary be interested in the provision of your service, we will contact you to propose the task assignment and check your availability.

 Please note that registration in the list of applicants of IP due diligence services does nothing more than declare your interest in the initiative and does not entail any entitlement to receive assignments. The appropriate identity and eligibility checks will be conducted after the registration and will be based on your application.

### **Registration**

Registrations must be submitted via the following **LINK**:

<https://ec.europa.eu/eusurvey/runner/11378500Vbp>

Questions about the process can be made to the following e mail address:

EISMEA-E-02@ec.europa.eu

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<sup>4</sup> Professional misconduct includes: violation of ethical standards of the profession, wrongful conduct with impact on professional credibility, false declarations/misrepresentation of information, participation in a cartel or other agreement distorting competition, violation of IPR, attempting to influence decision-making processes or obtain confidential information from public authorities to gain advantage.

<sup>5</sup> See Article 141 EU Financial Regulation [2018/1046](#).

## **Selection**

Selection of experts will be made on the basis of the information declared in the submission form.

The selection will be made based on professional expertise and experience (minimum 5 years), coverage in terms of IP areas (as indicated in point 3), language skills, geographical balance and gender balance.

The procedure will be objective and follow the principles of non-discrimination and equal treatment.

The selected experts will be asked to sign a code of conduct and a non conflict of interest statement.

## **Contracting**

If you are accepted, you will be added to the list of vetted experts and you might receive requests for assignments.

If you accept an assignment, you will enter into a direct agreement with the EIC beneficiary. There will not be any contractual relationship between EISMEA, EUIPO and the expert.

The expert must acknowledge the receipt of the request from the beneficiary without undue delay. If the expert does not accept the assignment within three days from receiving the request from the EIC beneficiary, the assignment will be considered as refused and the beneficiary will be encouraged to choose a different expert. Provision of the service will be agreed on an ad hoc basis with the beneficiary, and in all cases must be completed in accordance with the **IP due diligence scope** (annex 1) within three months from the day the beneficiary requested the service.

## **6. Other conditions**

### **Record keeping**

Records and other supporting documentation to prove compliance with the experts' obligations (*original supporting documents*) must be kept for at least three years after the final payment under a contract.

In case of on-going checks, audits, investigations, litigation or other pursuits of claims, the records and other supporting documentation must be kept until the end of these procedures.

### **Satisfaction survey**

EIC beneficiaries having received the services from the list of EISMEA-EUIPO vetted experts will receive a satisfaction survey on the service provided.

### **Payment arrangements**

Payments will be made in accordance with the payment schedule and the amounts set out in the contract with the EIC beneficiary. The payment is limited up to 7.000 euro. <sup>6</sup>

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<sup>6</sup> For those justified complex cases the price might be higher and it will be fully reimbursed.

Payment for the service will be made directly by the beneficiary upon receipt of an invoice issued by the expert.

### **Ownership and use of the results – IPR**

The results produced (*including copyright and other intellectual or industrial property rights*) will belong to the EIC beneficiary. The rights will be obtained for the full term of intellectual property protection, from the moment the results are delivered and approved. Delivery and approval are considered to constitute an effective assignment of rights. This transfer of rights is free of charge.

### **Data protection**

If processing your expression of interest involves the recording and processing of personal data (such as your name, address and CV), such data will be processed pursuant to Regulation (EU) 2018/1725 on the protection of individuals with regard to the processing of personal data by the Union institutions, bodies and agencies and on the free movement of such data. Unless indicated otherwise, your reply to this call and any personal data requested are required for the purposes of this call and will be processed solely for those purposes by the contracting authority indicated in point 1, which is also acting as data controller.

Details concerning the processing of your personal data are available on the [privacy statement](#).

If personal data is processed by the expert, this must be done in accordance with the written instructions of the data controller.

Your personal data may be registered in the Early Detection and Exclusion System (EDES), should the beneficiary be in one of the situations mentioned in [Articles 136 and 141 of the EU Financial Regulation \(EU\) 2018/10461](#) (for more information see the [Privacy Statement](#).)

### **Liability**

EISMEA cannot be held liable for any damage caused to the expert (or any third party) as a consequence of performing the assignment.

## ANNEX 1:

### Scope of the IP Due Diligence

This document aims to define the minimum areas to be under the IP due diligence pilot project scope of service provided by the experts selected through the call for expression of interest (the “experts”).

IP due diligence is usually carried out by a prospective/potential buyer in order to gain an overview of the target companies IP assets. Additionally, IP due diligence may be carried out by a company in preparation for a transaction, such as a business sale, a major licensing deal or the potential allure of a relevant investment opportunity. Sometimes it is a company exercise to organise the IP portfolio and understand its status as well as rationalise the IP portfolio to reduce its maintenance cost.

## OBJECTIVES

The main objective of IP due diligence is to assess intellectual property assets related to project for which a beneficiary received EIC grant. It usually covers the assessment of how IP is safeguarded by the relevant business and IP rights related risks.

IP rights and other intangible assets in scope:

- Patents;
- Trade marks;
- Designs;
- Utility Models;
- Geographical indications;
- Copyrights;
- Domain names;
- Trade secrets.

Out of scope:

- Quantitative IP Valuation;
- Third party software agreements, open source licences;
- Personal data protection (GDPR);
- IP rights of a beneficiary which are not related to the EIC grant project.

## PROCESS DESCRIPTION

IP due diligence service will be conducted in English language. The main steps in the IP due diligence service will include signing a non-disclosure agreement, a self-assessment, interview/s, prioritisation of tasks (definition of the scope of the audit), an analysis of the company IP portfolio and related areas as well as a final report:

### 1. Non-disclosure agreement

The initial step requires signing a non-disclosure agreement between the beneficiary and the expert.

## IP due diligence service steps

### 2. Self-assessment

The ultimate objective of the self-assessment is to collect information about the company and related market in the context of IP rights so the expert can well prepare for the interview and can conduct it efficiently. Self-assessment also helps beneficiaries to understand the IP due diligence process and the steps that follow.

### 3. Initial interview

Initial interview will be carried out with key representatives of beneficiary company who are involved in the whole innovation process development within company. This part of IP due diligence is intended and focused on understanding the business objectives, risks, market situation, risks of litigations or injunctions, collaborations with third parties and IP challenges in related to the project financed by EIC grant. The object is to prioritise the scope of the IP due diligence and focus it based on company specific situation and needs. During the interview, the available documentation and other information sources, contact points and company participation including estimated effort, will be also discussed.

### 4. Prioritisation of tasks

Prioritisation of tasks part will determine the scope of the IP due diligence in the sense of which IP areas are the most important ones for the analysis in terms of business impact to maximise IP due diligence effectiveness. Based on the scope, there will be a high-level plan prepared including intermediate milestones and price of the service (up to 7.000 euro if not strong justification for higher price). The scope, timelines and price shall be confirmed by the beneficiary.

Scope, milestones and price could be updated if any significant finding is discovered during the analytical phase.

### 5. Analysis



Following the scope of IP due diligence, an analysis will be carried out based on a checklist per IP right. The checklist will serve as an overview of helpful information and topics needed to be investigated. Information sources will be used to cover typical documentation and tools required for investigation. Overall, the analysis phase is a series of work done by the expert including follow up interviews to validate and discuss findings.

Every IP due diligence is customised based on the company specific situation, therefore, not all of the items will be applicable for all beneficiaries .

## 6. Final report

The expert will deliver a confidential final report to the beneficiary.

The final report should typically involve the following:

- Executive summary;
- Scope of the IP due diligence report;
- Introduction to company core business, discussion of commercial product/service and geographical scope of the business;
- Description of the current IP strategy;
- List of registered IP rights and non-registered IP of the project financed by EIC grant;
- Discussion of ownership and validity of IP rights related the project financed by EIC grant;
- Discussion of registerable IP rights which are not currently registered;
- List of current infringement cases (if any) related the project financed by EIC grant;
- List of risks related to IP in the project financed by EIC grant (including risk of infringing rights of a third party), evaluation in terms of probability and impact and recommended actions to mitigate those risks;
- Final recommendations (prioritised).

The final report may also include:

- Discussion of any IPR licensed by the company or companies involved in the project financed by EIC or lack thereof;
- Discussion of any relevant third-party rights;
- Qualitative IP valuation focused on the most valuable IP rights.

The final report will be presented to the beneficiary by the expert to clarify conclusions and respond to questions.

When the service is concluded, satisfaction surveys will be sent to both, provider and beneficiary, to gather feedback on the usefulness of the activity.

### **Checklist per IP right**

**All information bellow shall focus on IP rights related to the project financed by EIC grant.**

#### **1. Patents, utility models and their applications**

<b>Number</b>	<b>Subject</b>
1.1	Analyse the list, and corresponding copies from the offices, of patents and/or utility models or pending applications.
1.2	Review status of maintenance fees.
1.3	Analyse ownership and coherence between the designation of inventors and owners of the invention and check in search tools or with relevant IP offices.
1.4	Analyse if scope countries require that the patent or utility models be used, confirm use.
1.5	Identify opposition, scope, and status.
1.6	Identify suitable inventions not covered by patent or utility model yet.
1.7	Identify patents /utility models and inventors. Discover inventors' employment status. Check patent rights.
1.8	Review all patent /utility models agreements (for example NDAs, MTAs, collaboration agreements, consortium agreements, license agreements, assignment agreements, co-ownership agreements, MOU, LOI ).
1.9	Analyse copies of all prior art searches. Identify if there are any patent validity concerns.
1.10	Review copies of all correspondence relating to patent or utility models disputes if any
1.11	Make sure patent term extensions have been applied for.
1.12	Review copies of all patent term extension applications.
1.13	Audit the freedom to operate.

#### **2. Trademarks, designs and their application**

<b>Number</b>	<b>Subject</b>
2.1	Obtain information on all trade mark and designs applications (national, regional, EU and international level).
2.2	Review copies of assignment, and lien records.
2.3	Analyse opposition and cancellation proceedings.
2.4	Cross reference which products use a trade mark and which do not.
2.5	Identify any unused trade marks. For how long they have gone unused?

2.6	Review all agreements that pertain to trade marks (for example coexistence agreements, assignment agreements, license agreements).
2.7	Identify products or services using a brand which is not registered in relevant regions, check the coherence of protection of the distinctive signs (relevant signs, goods and services, territories).
2.8	Identify significant distinctive designs which are not registered in relevant regions
2.9	Review all documentation on searches, conclusions, and reports on the validity of trade marks/designs.
2.10	Review all correspondence dealing with trade mark/designs disputes.
2.11	Identify any possible conflicts of third-party domains names with the company brands / registered trade marks
2.12	Do any trade marks or designs need to be renewed during the due diligence phase?
2.13	Check the context of creation of a logo and verify the copyrights and trademarks related rights.

### 3. Copyrights

Number	Subject
3.1	Review all application and registration documentation for all copyrights, if any.
3.2	Review copies of all agreements pertaining to copyrights, as well as copyright assignment clauses in employment agreements or provision of services contracts.
3.3	Review information on searches, conclusions, and opinions on all copyrights.
3.4	Review any correspondence pertaining to copyright disputes.

### 4. Trade Secrets

Number	Subject
4.1	Identify significant trade secrets, including those obtained from third parties.
4.2	Review all agreements that deal with trade secrets (for example NDAs, MTAs, confidentiality clauses in IP agreements and work agreements).
4.3	Review all correspondence that deals with company trade secrets and infringement of third-party trade secrets