

FAQ: IP Provisions in the SPRIND Challenge Programme – What You Need to Know

1. Why does the Participation Agreement contain IP provisions at all?

As a federally owned limited liability company (GmbH), the Federal Agency for Breakthrough Innovation (SPRIND) is subject to specific regulatory requirements.

To implement SPRIND-Funken and SPRIND-Challenges, SPRIND relies on the European instrument of Pre-Commercial Procurement (PCP). This instrument enables fast and flexible funding with a comparatively low administrative burden.

Due to EU State aid law requirements, provisions on the use of intellectual property (IP) must be agreed, granting certain rights to the public contracting authority.

The IP provisions in SPRIND-Funken and SPRIND-Challenges are generally structured in favor of the teams: no exclusive rights to use intellectual property rights associated with the results are granted to SPRIND. This allows Participants to further develop or commercially utilize the results of the innovation competition after its completion in an innovation-friendly manner.

Not automatically, but only upon request the Participant is obligated to grant SPRIND a non-exclusive right to use intellectual property rights (for details, see the Participation Agreement). This provision reflects the contractual nature of PCP, which requires a State aid-compliant consideration. As of March 2026, the Participation Agreements explicitly provide that SPRIND may utilize, further develop, or research the results and associated IP rights only for its own use.

These contractual provisions apply equally to all Participants and are not subject to individual negotiation.

SPRIND identifies, validates, and supports breakthrough innovations. For this reason, SPRIND does not, as a rule, act as an independent commercial exploiter of IP rights. To date, SPRIND has neither commercially exploited nor further developed results from its Challenges or Funken, nor procured them subsequently – except where open-source results are concerned. While this does not establish binding administrative practice, teams may take this into account when assessing potential impacts on their business strategy.

2. What constitutes Pre-Existing Rights?

Pre-existing rights include all source code, data, expertise, or information – regardless of its form (tangible or intangible) – including all related rights (e.g., IP rights), that are in the possession by the Participants prior to signing the Participation Agreement and are designated as background IP, and are necessary for performing the competition or exploiting its results.

3. What is the difference between Foreground IP and Sideground IP?

Foreground IP refers to all tangible or intangible results (e.g., source code, data, knowledge, or information) developed or generated in the context of the competition, irrespective of form or protectability, including all associated rights, including intellectual property rights (“related intellectual property rights”, “Foreground” or “intellectual property rights associated with the results”).

Sideground IP refers to all data, expertise, or information – regardless of form (tangible or intangible) – including all related rights (e.g., IP rights, often referred to as “supplementary rights”) – that are created during the term of the competition but not in the context of the competition, and that are required for carrying out the competition or exploiting its results.

4. What do the SPRIND rules provide in the context of corporate restructurings?

Corporate restructurings during SPRIND-Challenges or Funken are generally possible. However, certain conditions must be met to allow a transfer of participation to another legal entity without exclusion from the competition. SPRIND must ensure continued access to results and safeguard public interests in accordance with its statutory mandate. At the same time, compliance with all rights and obligations under the Participation Agreement must remain ensured after restructuring, also in case of an assignment of the contractual position.

[Note: This overview is for initial guidance only and may not be exhaustive. See in particular Section 13 of the Participation Agreement.]

5. Can I transfer ownership of the results?

Yes, in principle, ownership of the results may be transferred, provided that no public interest or security concerns oppose such transfer. However, you must ensure that all relevant contractual obligations under the Participation Agreement are also binding for the new owner.

[Note: See in particular Section 5(2) No. 12 of the Participation Agreement]

6. What happens if I do not commercially exploit the results?

In principle, the results must be commercially utilized within a specified period after termination or cancellation of the Participation Agreement.

If commercial utilization fails, SPRIND has the right to demand that ownership of the results be transferred to SPRIND free of charge. The commercial utilization of the results is deemed to have failed if the results are neither commercially utilized nor otherwise marketed for a commercial application.

As of March 2026, the Participation Agreements also specify that, in this case, SPRIND may require third parties to be granted non-exclusive, non-transferable licenses for commercial or non-commercial exploitation of the results only within the time period specified in the agreement, and on fair, reasonable, and market-standard terms.

[Note: The explanations provided here are intended for initial guidance and may not be complete. The specific provisions are set out in the Participation Agreement, see in particular Section 5(2) Nos. 11 and 13 of the Participation Agreement.]

7. Why does SPRIND reserve the right to grant licenses to third parties for commercial exploitation?

To implement SPRIND-Funken and SPRIND-Challenges, SPRIND relies on the European instrument of Pre-Commercial Procurement (PCP). This instrument enables fast and flexible funding with a comparatively low administrative burden.

Due to EU State aid rules, IP provisions must grant certain rights to the public contracting authority.

The IP provisions in SPRIND-Funken and SPRIND-Challenges are generally structured in favor of the teams, so no exclusive rights to use intellectual property rights associated with the results are granted to SPRIND. This allows Participants to continue developing or otherwise utilize the results of the innovation competition even after it has ended, in a manner that supports further innovation.

SPRIND is granted a non-exclusive right to use intellectual property rights associated with the results only upon request, reflecting the contractual nature of PCP and the need for State aid-compliant consideration.

These provisions apply uniformly and are not negotiable.

SPRIND identifies, validates, and supports breakthrough innovations. For this reason, SPRIND does not, as a rule, act as an independent commercial exploiter of IP rights. To date, SPRIND has neither commercially exploited nor further developed results from its Challenges or Funken, nor procured them subsequently – except where open-source results are concerned. While this does not establish binding administrative practice, teams may take this into account when assessing potential impacts on their business strategy. As of March 2026, the Participation Agreements explicitly provide that SPRIND may utilize, further develop, or research the results and the associated IP rights only for its own use.

8. What obligations do I have regarding intellectual property?

Participants have various obligations with respect to the management of intellectual property (non-exhaustive):

Participants are responsible for the proper management and protection of their own IP rights and must bear the associated costs.

Before publication, Participants must adequately assess whether results are protectable and, if necessary, file for IP protection.

Participants are also required, upon SPRIND's request, to deposit copies of the results to ensure SPRIND has continuous access in the event of the Participants' insolvency (escrow agreement). New since March 2026: This requirement ensures that SPRIND may utilize, further develop, or research the results exclusively for its own use, without restricting the Participants' ability to commercialize or further develop their innovations independently.

In the final report for each stage, Participants must provide information on results that can be utilized, regardless of whether they are protectable.

[Note: The explanations provided here are for initial guidance and may not be complete. The specific obligations are set out in Section 5 of the Participation Agreement.]

9. What information obligations apply during participation?

During participation, Participants have various information obligations (not exhaustive):

- Participants are required to inform SPRIND of any circumstances and/or actions that could lead to the insolvency, debt default and/or insolvency proceedings.
- Participants must appropriately acknowledge/reference to the collaboration with SPRIND in any publications.
- If Participants decide not to seek protection for the results generated, they must inform SPRIND of this decision and the considerations underlying it.
- Information obligations also arise in the context of the final report for each stage of the competition.
- Furthermore, Participants are required to provide all reasonable assistance for a period of ten years after the end of participation, so that SPRIND can access information necessary for national or supranational audits.

[Note: The explanations provided here are for initial guidance and may not be complete. The specific obligations are set out in the Participation Agreement.]

10. Who can I contact if I have questions?

For questions regarding the Participation Agreement or IP provisions, you may contact the SPRIND team at any time.

Please note that SPRIND must comply with the framework of the European PCP instrument when implementing its competitions. The Participation Agreement reflects

the full extent of the available discretion within this framework. Therefore, the contractual provisions generally cannot be amended.

For further inquiries, please contact: **challenge@sprind.org**.