



*AAL Joint Programme, Call 2015*

**WP5. Dissemination & Exploitation**

## **D5.2. Business model validation, Business Plan and Commercial feasibility analysis**

**LEADER:** CINI

**CONTRIBUTORS:** SIVECO, AIT, SYNYO, EPSILON

**DATE:** 15.12.2018

# 1. Table of contents

<b>1. Table of contents</b>	<b>2</b>
<b>2. Executive summary</b>	<b>3</b>
2.1. Link with the objectives of the project	3
2.2. Terminology and abbreviations	3
<b>3. History of document</b>	<b>4</b>
<b>4. Commercial feasibility analysis</b>	<b>5</b>
4.1. Market analysis	6
4.2. Extended Benchmarking analysis	8
4.2. Fine tuned Value Propositions	12
Value Propositions	14
Cost structure	17
Revenue streams	17
<b>5. Business model validation and exploitation strategy</b>	<b>18</b>
5.1. Business model validation	18
5.2. Exploitation strategy	19
5.2.1 IPR Management - Legal framework of Follow.Me	21
5.2.2 Exploitation Approach	22
<b>6. Go-to market strategy and Exploitation Plan</b>	<b>22</b>
6.1. Go-to market strategy and Exploitation Plan	22
6.1.1 Go-to market strategy based on the Follow.Me Business Model	22
SIVECO Romania SA	23
SYNYO	24
EPSILON	26
6.1.2 Exploitation of Follow.Me results – assumptions and figures	27
<b>7. Overall conclusion</b>	<b>30</b>
<b>References</b>	<b>31</b>
<b>ANNEXES</b>	<b>32</b>

## 2. Executive summary

### 2.1. Link with the objectives of the project

The current deliverable addresses the aspects related to *Task 5.3 – Business model design, Business Plan and go-to market strategy* concerning the exploitation strategy, as depicted in the Description of Work of the Follow.Me project. The deliverable presents the exploitation strategy based on a sustainable, scalable and profitable business model taken up by the Consortium. This document is a natural pursuit of the research stage regarding the Follow.Me business model defined formerly in the deliverable **D2.2 Business Case**.

Moreover, the deliverable aims to present significant aspects of the business plan and Go-to market strategy based on the results of benchmarking analysis and the Value Propositions of Follow.Me solution as they were defined in the deliverable D2.2.

Based on the business model features and the results of market analysis, the members of the Consortium defined the overall exploitation strategy for Follow.Me solution and highlighted those distinctive aspects regarding the positioning of Follow.Me solution on the market on purpose of its commercialization.

We mention that in drafting this deliverable the observations and recommendations from the Midterm project review report were taken into consideration. Furthermore the actions proposed by the Consortium like a follow-up of these observations and recommendations where tackled in order to define the business plan and the exploitation strategy.

### 2.2. Terminology and abbreviations

Abbreviation	Description
AAL	Active Assisted Living Program
IPR	Intellectual Property Rights
GPS	Global Positioning System
UI	User Interface
R&D	Research and Development
CEP	Complex Event Processing
NLP	Natural Language Processing
FM	Follow.Me
EU	European Union

IPR	Intellectual Property Rights
BMC	Business Model Canvas
VPC	Value Proposition Canvas
NGO	Non-Governmental Organization
IT	Information & Technology
EC	European Commission

### 3. History of document

Version	Description of updates	Partner	Date
<b>0.1</b>	First draft of the deliverable	SIVECO	July 2018
<b>0.1 (1)</b>	Update of the structure of chapter 6, based on the Consortium IPR and agreed common exploitation strategy	SIVECO, All	August 2018
<b>0.1 (2)</b>	First contribution in Chapter 4	SIVECO	September 2018
<b>0.1 (3)</b>	Second contribution in Chapter 4	SYNYO	September 2018
<b>0.1 (4)</b>	Contributions in Chapter 2, Chapter 4 and Chapter 5	SIVECO, SYNYO	October 2018
<b>0.2</b>	Contributions for Chapter 5 and Chapter 6	CINI, SIVECO, All	November 2018
<b>0.2 (1)</b>	Deliverable ready for the internal report	SYNYO, EPSILON	November 2018

0.3	Final version of the deliverable	CINI	December 2018
-----	----------------------------------	------	---------------

## 4. Commercial feasibility analysis

This chapter presents our business strategy for the marketable product Follow.Me comprising the final list of Value Propositions and other significant aspects regarding the Go-to market strategy.

The business strategy is based on various types of results, such as: the results issued from the *market analysis*, the results issued from *an extended benchmarking analysis (competitive analysis)* and the conclusions resulted from *the review of the commercial contacts and field trials feedback*.

A preliminary benchmarking analysis was performed previously in the deliverable D2.2; other existing products and solutions on the market are explored in the current deliverable.

As presented in the deliverable D2.2, three prospects regarding the distinctive and innovative features of the Follow.Me solution were reviewed, namely:

- ❑ Functional perspective (addressing usefulness, accessibility, usability)
- ❑ AAL Program particularity perspective / AAL Program compliance (addressing the older adults needs in specific contexts and situations)
- ❑ Financial perspective (addressing the most convenient formulas of selling off the product and services).

The product Follow.Me is an Integrated Applications Suite (IAS) dedicated to locate, monitor and guide older people with cognitive impairments (dementia). The analysis of Follow.Me as selling solution / product is based on USP (Unique Selling Proposition or Unique Selling Point) marketing approach, referring the competitive advantages of Follow.Me against similar solutions and products existing on the market. Applying the USP approach, the solution positioning has issued from the benchmarking analysis.

The Unique Selling Points of the Follow.Me solution are the commercial competitive benefits which attract the potential beneficiaries/consumers. The full version of USP of the Follow.Me solution is presented hereinafter in Chapter 4.2.

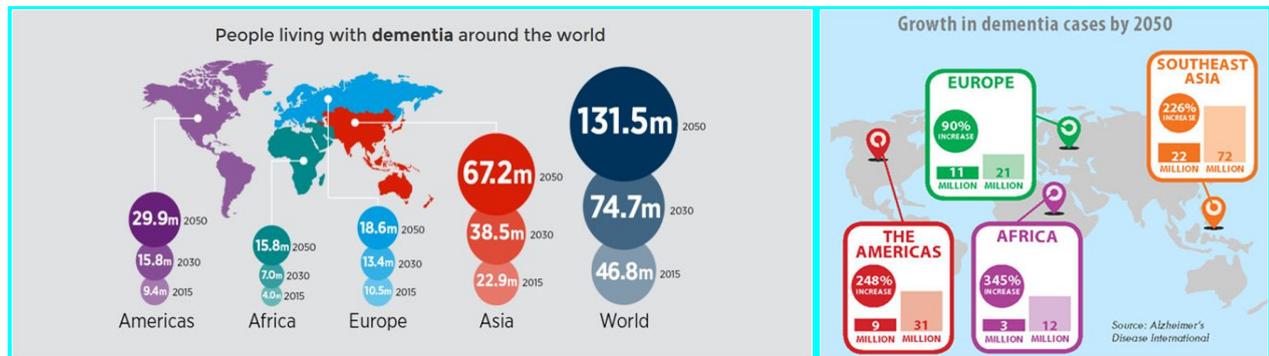
Based on the distinctive features of Follow.Me applications as USPs were defined the Value Propositions of the Follow.Me solution. The fine tuned Value Propositions of the Follow.Me solution were gathered from the analysis of results issued from the valuable feedback of the end-users (through different presentations and field trials). The final list of Follow.Me Value Propositions is presented hereinafter in Chapter 4.3.

## 4.1. Market analysis

The trend around the globe is a population that is growing old. Unfortunately, ageing is not always ageing well. As our population ages the prevalence of chronic diseases, including dementia increases. Alzheimer’s disease (AD) is the most common form of dementia accounting for between 50% and 60% of all dementia.

The hallmarks of AD are ‘plaques’ and ‘neurofibrillary tangles’ in the brain which are essentially abnormal proteins form. Tangles lead to death of brain cells which then reduces the brain's ability to transmit signals clearly. AD is a progressive disease, which means that gradually, over time, more parts of the brain are damaged. As this happens, the symptoms become more severe.

The [World Alzheimer Report 2015](#) shows that people aged over 60 years old is growing faster than any other group as a result of both longer life expectancy and declining fertility rates. There are currently nearly 900 million people aged over 60 years living worldwide, by 2025, this number is expected to reach 1.2 billion. The Report also mentions that over 46 million people live with dementia worldwide and this number is estimated to increase to 131.5 million by 2050.

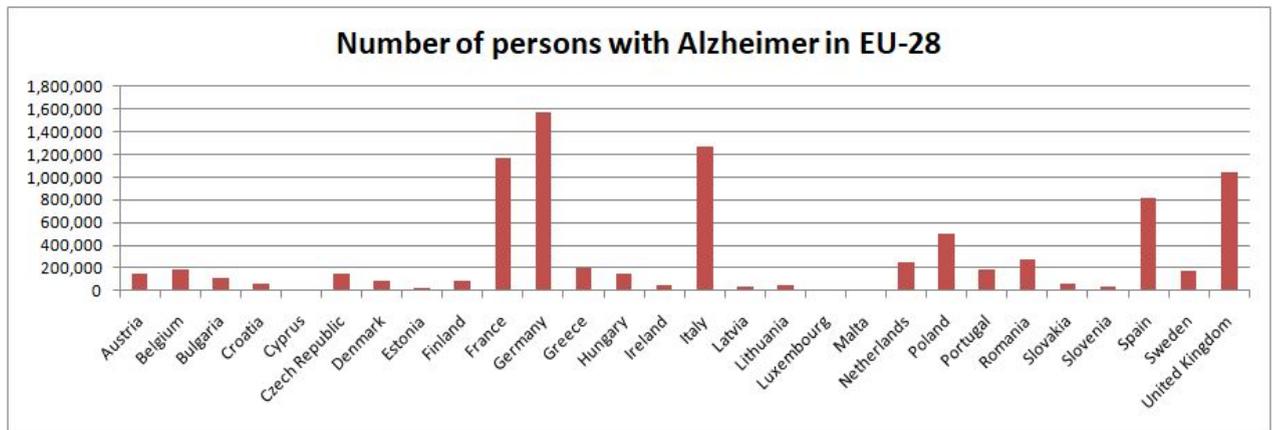


Source: World Alzheimer Report 2015

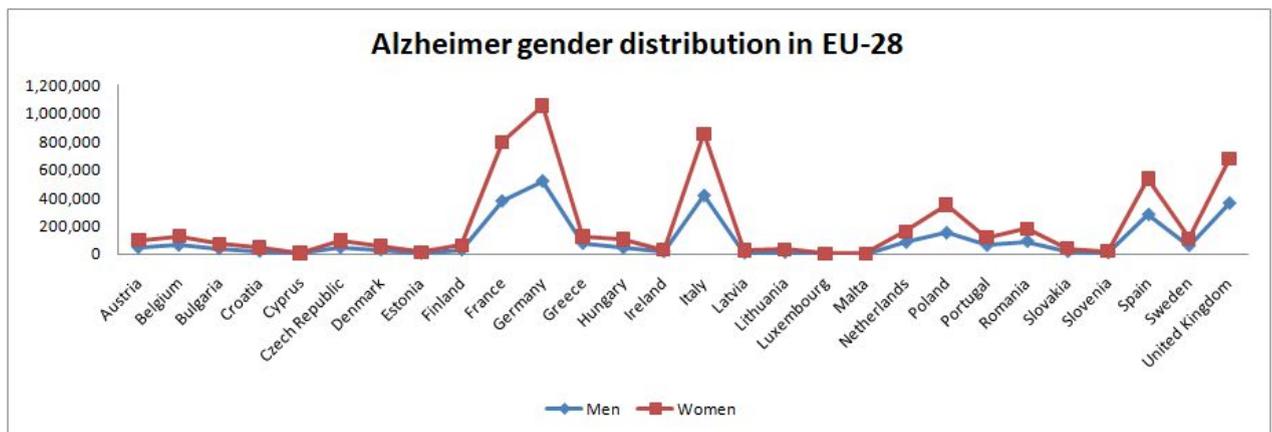
### EU-28 status

In 2013 Alzheimer Europe published a report with updated figures considering the prevalence of Alzheimer in EU member states<sup>1</sup>.

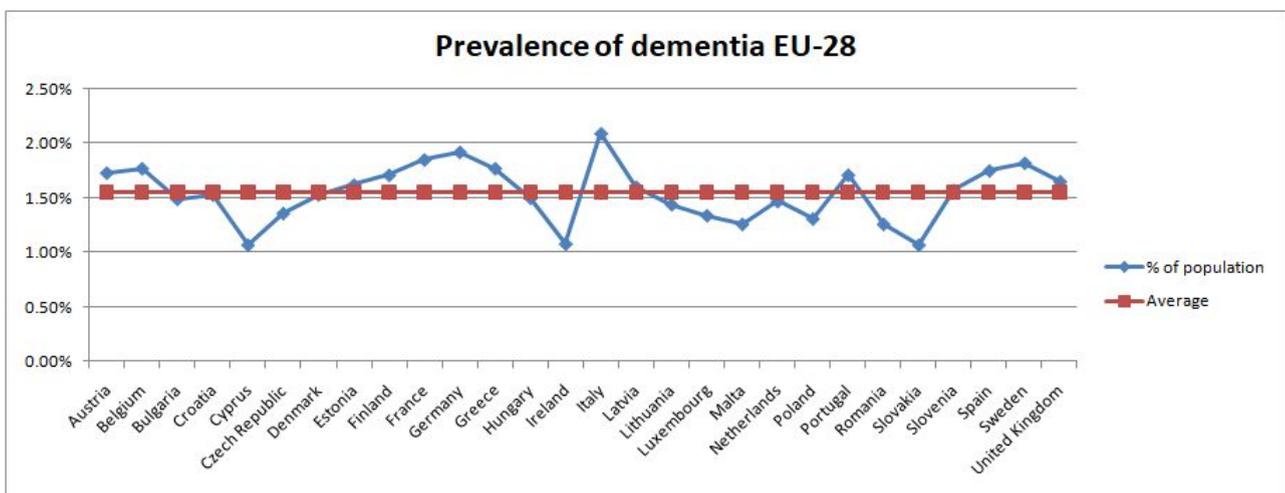
<sup>1</sup> Alzheimer Europe (2013) and Hofman et al. (1991).



**Figure 2. The prevalence of Alzheimer in the Europe Union in 2013**



**Figure 3. Gender distribution of Alzheimer cases in EU-28**



**Figure 4. Prevalence of dementia EU-28 versus EU-28 average**

As it may be observed in the charts below, on an average 1.50% of the EU-28 population is affected by Alzheimer. Peaks above and below the average distribution are visible in several countries. Cyprus, Slovakia and Ireland are situated under the EU-28 average with 1.07 - 1.08%. On the opposite site countries like Italy, Germany and Sweden are situated above the EU-28 average with 2.09%, 1.92% and 1.82%. Looking at the gender distribution (Figure 3) women seem to be affected in a larger number. The differences between the number of men and women affected by Alzheimer are most visible in countries where the prevalence is above the EU-28 average: France, Germany, Italy, Spain, United Kingdom.

The expectations around the world are that the number of people affected by dementia will increase significantly in the next decades. This is why the number of initiatives and investments in a new generation of caregivers (in the form of physical, emotional and financial support) are continuously raising.

Follow.Me project is part of the supportive activities funded by the European Active Assisted Living Programme aiming at monitoring the position of elderly people with different forms of dementia and Alzheimer. Caregivers and family members will be able to track their patients and relatives using technologies in order to know when they leave a defined safe area, the speed they are traveling and the health indicators like heart rate.

#### 4.2. Extended Benchmarking analysis

Significant work was put on revisiting the benchmarking analysis accomplished in the preceding deliverable D2.2 as recommended within the Midterm project review report. The purpose of an extended benchmarking analysis was to include in our review more examples of products / solutions and services in the market and to compare their features with the ones of Follow.Me in order to determine the real strengths of the Follow.Me solution.

As a result of our preliminary benchmarking analysis performed in the stage of business case design of the Follow.Me project implementation, Follow.Me is considered to have the following **competitive features**, which have resulted from the comparison with the similar solutions / products:

- The solution is particularly focused on *monitoring, guidance and care* of the older patients with dementia;
- Follow.Me is a solution centered on *status and capability of acting* of the older patients with cognitive impairments / dementia, by measuring in real time the vital parameters (heart rate) and monitoring their behavior;
- Implements *smart mobile applications with respect to the AAL Program specificity*, easy to configure and personalize for different domains at a convenient price;
- *Flexible communications management solution* developed on *smart mobile communication devices with embedded specific software, based on smart algorithms and rules engine core*;
- Solution *cloud based* which implements *innovative technologies* for smart mobile communications.

This section aims to improve the preliminary benchmarking analysis with the results of our review about *innovative solutions similar to Follow.Me, existing on the market such as GPS trackers, monitoring and localization solutions, telematics solutions and telemedicine solutions*. The benchmarking analysis compared the Follow.Me solution with more than other 40 products / solutions existing on the market (16 of them were already presented in the initial benchmarking analysis in the deliverable D2.2).

In this stage of validation the business model and commercial feasibility for Follow.Me other 32 products and services were considered representative for the competitive analysis.

Within the both phases of the benchmarking analysis (preliminary and improved) we have studied the similarities (similar concepts, similar features, similar components, similar technologies) between the Follow.Me solution and the other solutions analyzed and also the distinctive features of the Follow.Me solution relative to the analyzed solutions.

The most relevant characteristics of the Follow.Me solution, considered as basis of our research, are the following:

- Follow.Me is focused on the needs of older people with dementia, ensuring not only their *monitoring / tracking (GPS)*, but also *their guidance and care*.
- Follow.Me is a *customizable communications management solution* developed on smart mobile communication and smart wearable devices (smartphones, smartwatches) with *embedded specific software, based on smart algorithms and rules engine core*.
- *The UI has a specific design intuitive, user-friendly and accessible, dedicated to the older people with cognitive disorders*.
- Follow.Me provides the following major functionalities: *monitoring / localization - indoor and outdoor, real time tracking, real time answering, vital signs monitoring, assistance / guidance, fall detection, alerts / alarms, notifications, messaging*.

For more details, please refer to the Benchmarking analysis presented in the deliverable D2.2.

Considering the above-mentioned key aspects, we evaluated the similar solutions *based on scoring the 12 specific features* provided by the Follow.Me prototype:

1. Outdoor location, registration and usage
2. Indoor location, registration and usage
3. Speed, distance, registration and usage
4. Health Parameters (e.g. heart rate), registration and usage
5. Fall detection
6. Battery Life Notification
7. Notifications sent when alerts are generated
8. CEP (Complex Event Processing) engine for intelligent generation of alerts and notifications
9. Natural language usage in the dialog between system user and device/software
10. SOS alerts

11. Machine learning mechanism used for predictive analysis
12. Customized tracking programs used for each user.

Based on the above-mentioned features, we have obtained the following scores for each product (12 is the highest score). For a comprehensive perception regarding our approach please refer to the Benchmarking analysis presented in ANNEXES, in the spreadsheet **Follow.Me - Extended benchmarking analysis.xlsx** where our research is described.

In the table below are presented also the costs (initial costs and subscriptions in \$ USD) for those solutions where this information was available.

No	Name	Type (Device/Service, other)	Overall score (based on relevant features)	Device price \$ USD	Price per month \$ USD
<b>1</b>	<b>Follow.Me</b>	<b>Service</b>	<b>12</b>		<b>17</b>
2	ConfortZone CheckIn	Service	4		10
3	MX Locare	Device	3	130	30
4	GoLiveWear	Service	4		
5	SafeTracks-TYRiLOXC, Prime Mobile, Blue Beacon	Device	5		20
6	iTraq	Device + Service	5	178	6
7	Trax	Device	5		12
8	POCKETFINDER	Device	7	120	
9	SpyTec Mini	Device	2		25
10	Yepzon	Device	1		10
11	SPOT3	Device + Service	3		25
12	PAL Lifesaver	Program	5	625	30
13	MedicAlert® Safely Home	Device + Service	1		5
14	GPS Tracker, LESHP GPS Tracking System	Device	7		10

15	Bluewater Security	Device	1		30
16	MindMe Alarm	Device	4	111	22
17	REVOLUTIONARY TRACKER	Software product	7	200	29
18	Safelink	Device + Service	5	200	40
19	GoLiveWear	Device	7		
20	Guard2Me	Software product	6	500	
21	MySOS Tracker	Device + Service	3		15
22	Buddi	Device + Service	6	300	40
23	StrayStar Tracker	Device	6	200	10
24	mCareWatch Huawei Watch 2	Device + platform	7	700	15
25	<i>Tempo by Care Predict</i>	<i>Device + software</i>	<b>11</b>	170	30
26	Limmex Emergency watch	Device	3	400	
27	Lively Safety Watch	Device	3	400	
28	UnaliWear Kanega Watch	Device	4		
29	AngelSense GPS Tracker	Software product	3		
30	GPS Tracker - Optimus 2.0	Device	6	80	20
31	GPS Tracker - JIALEKANG Multimode Precise Positioning	Device	5	45	
32	Trackimo	Device + Service	7	190 (including 1 Year GSM subscription)	5
33	Wuzzi alert professional	Device + Service	7	136	16 (for each alarm the cost)

					is 0.20 \$ USD / minute)
--	--	--	--	--	--------------------------------

### Conclusions

The competitive advantages of Follow.Me were analyzed, as presented hereinafter, by distinguishing *the specific features (functionality, technology, innovation, usability)* and *the focusing on the project framework for elderly patients*, suffering by cognitive impairments / dementia.

Based on the distinctive features of the Follow.Me applications (USPs), were defined the Value Propositions of the Follow.Me Integrated Applications Suite (IAS).

The fine tuned Value Propositions of the Follow.Me solution were gathered from the analysis of results issued from the valuable feedback of the end-users (through requirement surveys, presentations and field trials).

The final list of Follow.Me Value Propositions is presented in the next chapter.

## 4.2. Fine tuned Value Propositions

The final list of Follow.Me Value Propositions is *the basis* of our exploitation strategy.

The following features of Follow.Me representative for the target group (older people with cognitive impairments and their caregivers) were taken into consideration for the Value Propositions definition:

- Monitoring (indoor and outdoor), guidance and care
- Real time tracking
- Real time answering
- Vital signs monitoring
- Customized tracking programs applied for each user
- Alerts and notifications
- Usability of interfaces (specific technical approach for UI – User Interface)
- Support for reporting and statistics (Dashboard).

Based on the above-mentioned aspects we have gathered the most representative Value Propositions of the Follow.Me product and services as described hereinafter.

A *Business Model Canvas* (BMC) of the Follow.Me solution was created within the first phase of the project (see the deliverable D2.2 for more information). After the user requirements analysis and the user tests, the value proposition taken from this initial efforts was challenged. In the following, the updated value proposition is presented.



**Figure 5. Initial Business Model Canvas**

## Key partners

As outlined in D2.2, there are a number of key partners identified for the Follow.Me solution: Telecom companies, ICT companies, Industrial companies (mobile phone, smartphone, smart TV, tablets) supporting industrialisation (further development) process, Medical / neurological organizations, Central Public Administration / Government, and Clusters / networks, associations.

## Key activities

Key activities are the same as presented in D2.2: Research and development (R&D), Development, Validation (testing), Training, Dissemination (PR, Marketing), Networking (Sales, Events), and Cloud services.

## Key resources

Key resources are Smartwatch / smartphone apps, indoor location solution, cloud services, training, IPR, and access to shared knowledge with active international health organisations clusters.

## Customer segments

Follow.Me, as outlined in D2.2, is aimed at two customer segments: (i) formal care organizations ensuring care and treatment of older people suffering of cognitive impairments (dementia) (B2B), and (ii) informal caregivers and relatives of the patients with dementia (B2C). This is important for the value propositions, as outlined below.

## 4.3 Value Propositions

- **Localization, monitoring and guidance of older people with mental impairments (dementia), preserving their lifestyle**

The Follow.Me solution is an innovative integrated suite of mobile applications dedicated to locate, monitor and guide people with cognitive impairments (dementia) in Europe. The application allows people with mild dementia to stay (relatively) independent by ensuring guidance and the possibility of an emergency alarm.

This is important, as the user requirement analysis<sup>2</sup> has shown, that a majority (55%) of patients goes outdoors by themselves, sometimes accompanied. Furthermore, professional caregivers confirmed that a monitoring system can be helpful for patients with dromomania, for follow up and safety, independent living and patient orientation problems. Patients involved in the user requirement analysis confirm this: Most of them have an active life. In 76% of cases, they are capable to perform activities outside the house. The most frequent difficulties when performing daily living activities were driving the car (42%) and cycling (40%), but they can perform shopping (70%), periodic medical visits (55%) or social activities (55%). Furthermore, more than 60% of the patients leave the house more than one time a day and most of the patients are able to walk on a distance up to 1 kilometer. This means that the possibility for guidance, as well as alarming a relative or professional caregiver in case of an emergency, supports their independence.

The field trials supported these assumptions: All of the caregivers said that the most useful functionality was to localize the patient and they often verified the last transmitted location for the monitored patients - some mentioned that *the localization functionality (providing data about the last position of the patient) is life-saving for their cared ones*. In addition, neurologists were able to identify specific behaviour and walking patterns due to this functionality. However, a feel of invading their privacy could be a concern to patients. A solution could be to allow patients to define their own privacy settings together with the caregivers to avoid a feeling of being observed. Nevertheless, the monitoring and localisation feature is the core value of the Follow.Me solution, and the most appreciated feature besides the calling functionality. In addition, quantitative results of the field trials showed that testers didn't feel threatened by using the Follow.Me system and trusted its capabilities of monitoring patients with cognitive impairment.

- **Continuous monitoring of healthcare status (saving patients' lives)**

---

<sup>2</sup> See D2.1 for more details.

Follow.Me is a solution which ensures a continuous monitoring of healthcare status of the elderly people with dementia, by measuring in real time the vital parameters (heart rate) and assessing their behavior. This was identified as useful information during the requirement analysis, although not the first priority - location data, periods of inactivity and information about abnormal behaviour was rated as more important. The field trials showed that while some caregivers did not use this functionality at all, others identified it as highly valuable, using it to report to the doctor what they thought was out of the normal. For healthcare professionals, there is a distinct added value in the continuous monitoring of healthcare status: for example, the heart rate monitoring led to more thorough medical investigations and more specific treatment for some patients. This emphasizes the potential role of the Follow.Me system in monitoring hospitalized patients.

- **Providing support on demand**

Follow.Me requires specific functionalities (e.g. "SOS", "Call", "Take me home") which ensures support on demand to the patients. Indeed, 91% of the patients involved in the user requirement analysis consider a device with alarming functionality to remind the time of administering the medication useful.

Moreover, the Follow.Me suite of applications is a solution user-friendly for the caregivers and medical personnel, because of its rules-engine core and accessible mobile applications, easy to configure and use.

- **Alerts, alarms and notifications in real time**

These are major benefits in special situations or emergencies, for both patients and caregivers. 61% of the involved patients consider a manual alarm (SOS) useful; notifications of irregular heart rate was considered useful by 73%, while the detection of long periods of inactivity was important to 61%. During the field trials, caregivers noted that there were too many notifications. Patients also mentioned that they are uncomfortable or scared by the notifications, or to have problems in reading them due to visual impairments. The calling function, however, was found useful by both caregivers and patients, especially to guide patients home safely or to talk to caregivers - this features proved most enjoyable and important to both groups; and even patients with advanced cognitive impairment were able to answer calls. In conclusion, the initial value proposition still holds true; however, the functionality, design and frequency of the notifications have to be improved in order to satisfy patients and caregivers. Furthermore, patients who tested the Follow.Me system outdoors felt safer while wearing the device.

- **Ensuring comfort, safety, quality of life and dignity to patients with dementia**

Practical application of the Follow.Me solution will have a positive influence on the daily activity of patients with dementia, by monitoring and helping them and also preserving their lifestyle, improving this way their comfort, safety and quality of life and ensuring their sense of dignity. As mentioned above, during the field trials, the invasion of their privacy was a problem for some patients. The field trials showed that patients with moderate to severe cognitive impairment and dromomania were the patients who benefited the most by using

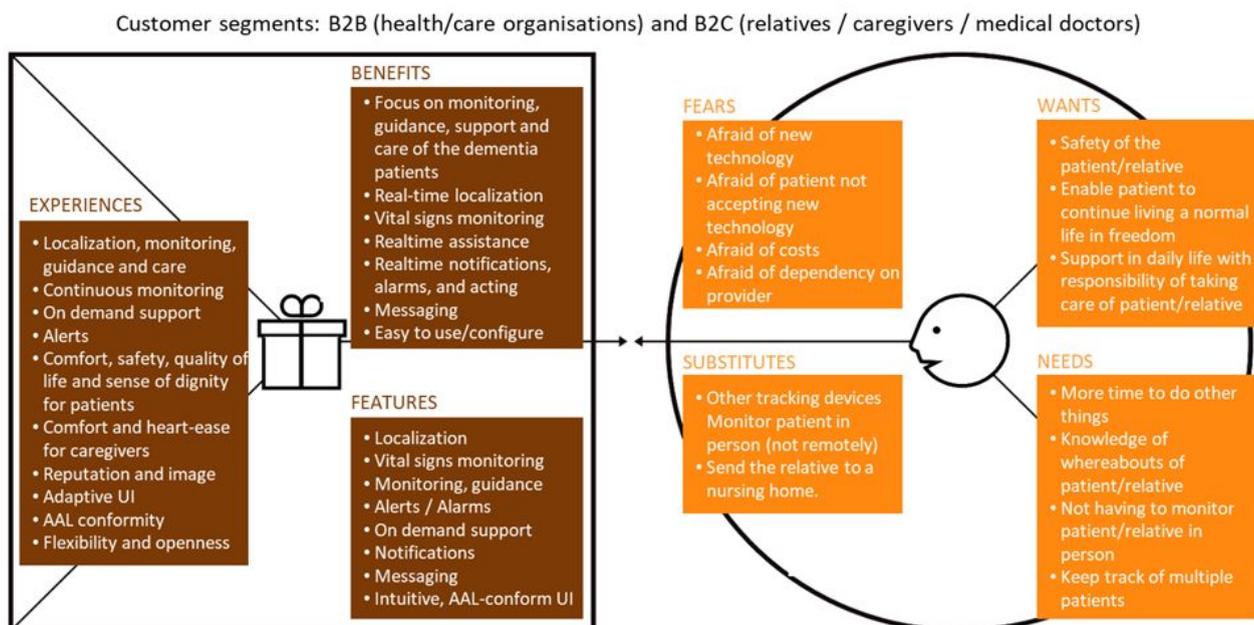
the Follow.Me system - for example, four out of nine patients tested in the outdoor setting were brought home using the Follow.Me setting after getting lost. Furthermore, quantitative results showed that patients felt a raise or at least maintain of their self esteem and independence, and that the solution provides peace of mind to them.

- **Ensuring comfort and heart-ease for relatives and caregivers**

Practical application of the Follow.Me solution will have a positive influence on the daily tasks of the relatives and caregivers caring their beloved, improving this way their comfort and heart-ease. This initial assumption was supported by the findings of the user requirements analysis: 59% of informal caregivers and 95% of professional caregivers, as well as 96% of specialist doctors, find it useful for them to follow their relative or patient by a track & trace system. This was also confirmed by the field trials, where caregivers stated that using Follow.Me would be a useful tool to monitor dromomania, giving them eas of mind and making them less worried about their family member. This was also confirmed by quantitative results of the trials; which also showed an improvement of caregivers' quality of life. Furthermore, caregivers indicated that they would recommend the Follow.Me system to other caregivers in similar situations.

- **Reputation and image (organisations)**

This is achieved by a higher quality of caring patients with cognitive impairments (dementia) inside organizations (hospitals, nursing homes, ...). The usage of Follow.Me contributes to strengthen the quality of caring and treating patients, improving this way the reputation and image of the organization (secure, sure, safe).



## Customer relationship

The aim is to keep in contact with the customer's key personnel to support the customer in their business. Contact persons are located in the targeted organizations (hospitals, clinics, institutions for caring older people, NGOs). In addition, customer support will mainly include the setup of the Follow.Me system in the customer place (e.g. the hospital), training of the caregivers and professionals and software update, maintenance and software quality control.

## Channels

Four channels have been identified as main approach for customer support: in-app support including a feedback functionality and service ratings, meetings, Service Level Agreement (SLA, depending on the cost model), and a feedback function to improve the functionality of the application.

### 4.4 Cost structure

- **Maintenance and support**

Project partners aim to develop most of the features of the Follow.Me platform during the project time frame, hence maintenance and support costs will be kept at minimum. Revenues, as described in the next section, can be partly re-invested to sustain further development of the platform.

- **Hardware (smartwatch, cloud infrastructure)**

There will likely be no need to purchase additional hardware to continue the development of the Follow.Me platform. Cloud services are rather cheap, considering the usage planned to develop the platform. The cost of the devices to sell will be clearly covered by the associated revenues.

- **Marketing & sales**

Partners will attempt to exploit the marketing channels they already use, in order to minimize costs. Part of the revenues will be invested on marketing activities.

- **Customization (new features, new components)**

New features and components will be mostly developed based on customers' requests, hence their cost will be covered by the associated revenues.

## 4.5 Revenue streams

- **Direct sales (subscription fees: basic FM, Family pack FM, premium FM)**

One of the main sources for revenues is direct sales. Multiple subscription plans will be provided to fit the needs of as many customers as possible.

- **Licensing sales of white label solutions**

Enterprises willing to ship a branded product can exploit the possibility offered by the project partners to customize the Follow.Me platform.

- **Training and advisory**

Training and advisory potentially are other sources for revenues, especially if the Follow.Me platform is enriched with advanced features.

- **Tailor-made extensions for customers**

Project partners are interested in developing tailor-made extensions for customers, which will clearly constitute another possible source for revenues.

## 5. Business model validation and exploitation strategy

The business plan is based on Follow.Me as product (IAS) and service. The ownership of the results belongs to those partners interested in exploiting different possibilities after the end of the project.

Main aspects concerning the exploitation strategy and business plan are presented hereinafter in section 5.2 and Chapter 6.

Various choices have been analyzed for the exploitation of the Follow.Me project results, namely:

- Further R&D projects (e.g. knowledge base / knowledge transfer, CEP, NLP, parts of developed software, mobile app, etc.)
- Sale
- Licensing (based on IPR agreement stipulations, e.g. licensing the individual ownership components)
- Joint venture / partnership (e.g. partnership with Telecom companies, healthcare companies).

The most suitable option was to identify the exploitable results and their ownership and settle a *collaboration framework*, including the *IPR (Intellectual Property Rights) agreement and a sustainability plan* for all the partners.

### 5.1. Business model validation

The positioning of the Follow.Me solution on the market resulted from the benchmarking analysis presented hereinbefore.

Taking into consideration the distinctive features of Follow.Me we drafted the BMC and VPC by identifying the potential customers, key partners, key activities, key resources, customer relationship, sales channels, costs and revenue streams as depicted in the deliverable D2.2.

The final version of the business model is described in section 4.2. The exploitation strategy is based on the specific components and findings of this business model and pursues the IPR stipulations.

### 5.2. Exploitation strategy

Within this section are presented relevant aspects concerning the common exploitation strategy based on the preliminary findings from the deliverable D2.2.

The final version of the Follow.Me business plan, based on the fine-tuned Value Proposition Canvas, is described below.

<b>Follow.Me Business Plan</b>	
Why does the project exist?	AAL project to develop an ICT solution for monitoring, guiding and care the elderly people with cognitive impairments (dementia)
Who do we need to be to do that?	A diverse, passionate consortium of partners with various expertise, culture and background willing to improve safety, quality of life and dignity sense of targeted people
Big Goal	To provide a complex and innovative ICT platform to locate, monitor and guide people with cognitive impairments in Europe

<p>What are we building to accomplish this?</p> <p>How will we build this project?</p>	<ul style="list-style-type: none"> <li>• A suite of applications for web, smart TV and mobile devices (smartphone, smartwatch)</li> <li>• In-app support</li> <li>• Smart algorithms and complex events processing</li> <li>• Customized tracking programs applied for each user</li> <li>• Accessible from computers, smartphones, smartwatches and smart TVs</li> <li>• Engaging older adults with cognitive impairments (dementia) and their caregivers</li> <li>• Engaging neurological associations, doctors and NGOs working on the benefit of older people</li> </ul>
<p>What is the work to be done in the coming months?</p> <p>Key activities</p>	<ul style="list-style-type: none"> <li>• Go-to market strategy approved by the Consortium</li> <li>• Launching first marketable Follow.Me prototype</li> <li>• Commercial effort</li> <li>• Dissemination</li> </ul>
<p>Measurable outcomes</p>	<ul style="list-style-type: none"> <li>• Suite of applications (IAS) ready to be used</li> <li>• Marketing strategy established</li> <li>• 2700 individual users (about 1% of the persons suffering from cognitive impairments in Romania) willing to subscribe</li> <li>• 2 clinics willing to subscribe to the offered cloud services in Italy</li> <li>• 4 professional associations / organizations recommending Follow.Me</li> </ul>

Based on the previous analysis (Chapter 4 and the aspects mentioned above), the members of consortium considered the joint ownership of software with specific rules for individual owned results as the most suitable exploitation strategy.

The legal document, agreed and signed by all partners, which governs the exploitation issues and collaboration framework is the IPR Agreement. The IPR Agreement (see the final version in ANNEXES and relevant aspects addressing the ownership share and commercial exploitation in section 5.2.1).

The IPR Agreement encompasses the general and individual obligations of the parties in connection with the scope of exploiting *the foreground* resulting from the project.

The purpose of the IPR is to set out the terms and conditions governing the mutual relationship and respective rights and obligations of the parties regarding the ownership and commercial exploitation of the project results.

As presented hereinbefore in the preamble of Chapter 5, the exploitable foreground of the consortium could be ranged in three major groups: (a) for further research (design, CEP, NLP, algorithms, parts of software applications,...); (b) for creating and commercialize a marketable product (e.g. Follow.Me IAS or components/applications of the Follow.Me solution); (c) for creating and providing a service for others (e.g. joint venture/partnership, licensing).

The parties might exploit the foreground resulting from the project, as follows:

- I. Joint exploitation of the Follow.Me solution developed under the project, based on the joint ownership terms and conditions
- II. Individual exploitation of the individual contributions of the parties in the Follow.Me solution developed under the project.

### **5.2.1 IPR Management - Legal framework of Follow.Me**

The stipulations of the IPR Agreement follow the preliminary aspects concerning the exploitation approach as it is presented within the Description of Work (DoW) and the Consortium Agreement (CA). These documents depict the general provisions about the jointly ownership for results, dissemination approach and exploitation strategy.

The IPR Agreement represents the regularized framework of our exploitation approach. We present in the following some relevant aspects concerning the terms and recommendations of the IPR management. The integral version of the IPR Agreement is presented in ANNEXES.

#### **Purpose and scope**

The IPR Agreement, based on the Consortium Agreement (CA), provides obligations and rights of the project partners related to Follow.Me Foreground IP ownership and exploitation. The purpose of the IPR Agreement is to specify in respect of the Project the relationship between the parties in particular concerning the rules of devolution of intellectual property rights results of Follow.Me and the related rights and obligations of the parties.

The IPR Agreement is to facilitate commercial exploitation of the Project outcomes and of its Foreground with the provision of taking into account each party individual expectations and creating an enabling environment for Follow.Me to reach the market.

#### **Ownership share**

Parties agree to respect their individual Background. All Background remains in the ownership of each Party providing the Background. Foreground shall be owned by the Party

who carried out the work generating the Foreground, or on whose behalf such work was carried out. Where several Parties have jointly carried out work generating the Foreground and where their respective share of the work cannot be ascertained, they shall have joint ownership of such Foreground. The IPR regarding the Follow.Me Solution is jointly owned by the partners in the quotas reported in the IPR Agreement.

### **Commercial exploitation**

The parties may exploit the Foreground resulting from the project in two different ways:

- a) Joint exploitation of the Follow.Me solution developed under the project
- b) Individual exploitation of the individual contributions of the parties in the Follow.Me solution developed under the project.

The exploitation of the Follow.Me solution developed under the project, may be done individually by each project partner. In this respect, each party may individually sell licenses for the Follow.Me solution to third parties at a price that is mutually defined by the parties in writing yearly, by signing an amendment to this agreement.

In case of a license sale, the revenues from such sale will be split as follows:

- a) The party which concluded the sale will receive 50% of revenue remaining after the taxes are deducted;
- b) The rest of 50% of the net revenue, will be split between the parties in the proportions defined in the IPR Agreement.

Each partner may exploit the individual Foreground of the other partners resulting from the project, on a royalty free basis. In this respect, each partner grants to the others, in respect to its own Foreground, a world wide, non-transferable, during the term of the Agreement, royalty free license of use, copy, modify, alter, adapt, decompile, recompile, develop derivative products of the source code and object code of the Foreground. However, neither party may, in this case, use the visual identity or the name of the Follow.Me solution defined as Foreground IP.

### **5.2.2 Exploitation Approach**

The main elements concerning the exploitation approach are enclosed in the IPR Agreement. We consider Follow.Me as an overall solution which can be commercialized by all partners. For this purpose we have defined the exploitable foreground of Follow.Me and identified the ownership. Most of the results are considered joint ownership which means that each partner of the project can commercialize them and update / improve the components of the Follow.Me solution.

As set out in the IPR for those results whose ownership belongs to a specific partner, were defined access rights to other partners (fee, support for updates/improvements, consulting, marketing, ...).

The business plan described previously in section 5.2 is based on the results of the BMC and VPC and contains the key points to follow a common exploitation strategy.

## **6. Go-to market strategy and Exploitation Plan**

### **6.1. Go-to market strategy and Exploitation Plan**

#### **6.1.1 Go-to market strategy based on the Follow.Me Business Model**

In this section we explore relevant aspects of the exploitation approach which will guide the Go-to market strategy for the three companies interested in commercializing the Follow.Me solution: SIVICO, SYNYO and EPSILON.

The Go-to market strategy is based on the Follow.Me Business Model as it is described previously in section 4.2.

The exploitation strategy of Follow.Me allows the individual exploitation of the results for each partner based on its own opportunities and capabilities as shown hereinafter.

#### ***SIVICO Romania SA***

SIVICO Romania is specialized in developing innovative IT solutions and implementing complex IT projects for education, health, agriculture, customs organizations, European institutions, private companies and public sector.

#### *Knowledge transfer / innovation process*

SIVICO is currently involved in more than 25 EC-funded research projects. Current practice of SIVICO consists in licensing technology and customized IT solutions to the targeted market actors. SIVICO aims to turn research outputs into products, which will be commercialized in the European market.

#### *Identified exploitable items*

Within the Follow.Me project, SIVICO developed the Follow.Me backend which is the core of the Follow.Me solution and the Web interface (Web UI). The backend stores the information (user profiles, authentication data, user positions, etc.) uploaded by the mobile applications, provides the applications with the information they request and generates notifications and alarms based on smart algorithms and rules (CEP engine).

The first step on the process of commercializing Follow.Me is the identification of potential partners. For instance, it would be important to have as partners the major telecom companies such as Telekom Romania, Vodafone Romania etc.

Another useful partners would be the associations of neurologists and NGOs involved in the care of patients with cognitive impairments and neurological disorders, which might help us

create awareness as the Follow.Me solution is dedicated to a group without means and procedures to purchase such IT solution.

*Business opportunity*

<b>Name</b>	<b>Follow.Me - suite of integrated applications (Web app, mobile apps, backend, smart TV app)</b>
<b>Exploitable items</b>	Follow.Me IAS, FM Backend; technological approach
<b>Description</b>	<p>The Follow.Me solution is an integrated suite of mobile applications with innovative approaches to user interface design dedicated to monitor, guide and care the people with cognitive impairments (dementia).</p> <p>The Follow.Me solution consists of:</p> <ul style="list-style-type: none"> <li>● A smartwatch application</li> <li>● A smartphone application</li> <li>● A web interface (Web UI)</li> <li>● The core backend (FM Backend)</li> <li>● A smart TV application.</li> </ul>
<b>Target (type of companies / organizations that could buy it, type of industry interested)</b>	<ul style="list-style-type: none"> <li>● Internal use in SIVECO (for testing purposes and further research). SIVECO has a dedicated e-Health department and a strong dedicated R&amp;D team which might ensure valuable feedback</li> <li>● Licensing for SIVECO customers and partners which belong to healthcare, telecom and ICT sectors / industries</li> </ul>
<b>Progress and next steps</b>	<p>We aim to work on internal testing of Follow.Me in SIVECO (Business Solutions Department) and use the integrated solution / parts of it in the future business engagements.</p> <p>We intend to apply the Follow.Me technological approach and the FM Backend for further R&amp;D projects.</p>

<b>Outcomes envisaged / expected</b>	<ul style="list-style-type: none"> <li>• Suite of applications (IAS) ready to be used in the first quarter of 2019</li> <li>• Marketing strategy established (Second quarter of 2019)</li> <li>• 1% of the number of individual users (people suffering by cognitive impairments in Romania) willing to subscribe in 2019</li> <li>• 4 professional associations / organizations recommending Follow.Me in 2019</li> </ul>
--------------------------------------	--

### **SYNYO**

SYNYO GmbH is research, innovation and technology company located in Vienna, Austria. SYNYO explores, develops and implements novel methods, approaches, technologies and solutions in various domains tackling societal, political, ecological and economical challenges.

#### *Knowledge transfer / innovation process*

Building on its expertise as well as a large network of experts and solution providers in the field of AAL and Smart Care, SYNYO is continuously engaging in new projects, exploring different related sectors like eHealth, mobile and social Health or inclusive work life, providing innovative software solutions as well as intelligent mobile applications.

#### *Identified exploitable items*

Within the Follow.Me project, SYNYO and AIT developed the mobile (caregiver) and wearable (care receiver) applications. The technical framework and approach is the main exploitable item for SYNYO; with a focus of further development in similar contexts.

#### *Business opportunity*

<b>Name</b>	<b>Follow.Me - suite of integrated applications (Web app, mobile apps, backend, smart TV app)</b>
<b>Exploitable items</b>	Follow.Me mobile applications; technological approach
<b>Description</b>	<p>The Follow.Me solution is an integrated suite of mobile applications with innovative approaches to user interface design dedicated to monitor, guide and care the people with cognitive impairments (dementia).</p> <p>The Follow.Me solution consists of:</p>

	<ul style="list-style-type: none"> <li>• A smartwatch application</li> <li>• A smartphone application</li> <li>• A web interface (Web UI)</li> <li>• The core backend (FM Backend)</li> <li>• A smart TV application.</li> </ul>
<b>Target (type of companies / organizations that could buy it, type of industry interested)</b>	Internal use in SYNYO (for testing purposes and further research); further development and exploitation within the AAL/health solutions within the research & development team
<b>Progress and next steps</b>	SYNYO will further test the Follow.Me applications to integrate it in our solution framework and the technical approach for other R&D projects.
<b>Outcomes envisaged / expected</b>	<ul style="list-style-type: none"> <li>• mobile application</li> <li>• wearable application</li> </ul>

### **EPSILON**

Epsilon s.r.l is a small ICT firm based in Italy, whose mission is to design and operate complex big data and cloud computing solutions for medium to large enterprises, and to develop web applications. Epsilon s.r.l has tight business partnerships with prestigious players like Google and Amazon Web Services, having been the first Google Enterprise reseller for Southern Italy and one of the first AWS technology partners in Italy. It also has strong expertise in security and networking technologies, where it provides clients with consulting services and systems development.

#### *Knowledge transfer / innovation process*

Epsilon s.r.l has a strong commitment to research activities and to implement cutting edge technologies since its foundation. Also, it has extensive experience in participating and managing European Union and National R&D projects, with more than 10 successful R&D projects in its portfolio.

*Identified exploitable items*

Within the Follow.Me project, Epsilon has developed the middleware running the entire Follow.Me system on a cloud computing infrastructure. Epsilon wants to capitalize on the work done in the project and so intend to exploit its augmented capabilities in the design, development and operation of complex cloud computing infrastructure dedicated to healthcare clients.

*Business opportunity*

Name	Follow.Me - suite of integrated applications (Web app, mobile apps, backend, smart TV app)
<b>Exploitable items</b>	Follow.Me middleware infrastructure based on cloud computing resources ; technological approach
<b>Description</b>	<p>The Follow.Me solution is an integrated suite of mobile applications with innovative approaches to user interface design dedicated to monitor, guide and care the people with cognitive impairments (dementia).</p> <p>The Follow.Me solution consists of:</p> <ul style="list-style-type: none"> <li>● A smartwatch application</li> <li>● A smartphone application</li> <li>● A web interface (Web UI)</li> <li>● The core backend (FM Backend)</li> <li>● A smart TV application.</li> </ul>
<b>Target (type of companies / organizations that could buy it, type of industry interested)</b>	Epsilon intends to market its services, based on the capabilities and expertise gained in the project, to small and medium companies operating in the healthcare and caregiving sectors (clinics, rehabilitation centers, nursing centres)
<b>Progress and next steps</b>	Our aim is to continue to test the functionality of the Follow.me platform in several health application scenarios with a particular focus on tracking and geolocation of mobile devices.

<b>Outcomes envisaged / expected</b>	<p>Our expected return is a substantial increase in the business coming from the healthcare sector. Our goals are the following:</p> <ul style="list-style-type: none"> <li>• Commercial strategy ready by Q2 2019;</li> <li>• N.2 clinics acquired as new clients in 2019 for cloud</li> </ul>
--------------------------------------	---

### 6.1.2 Exploitation of Follow.Me results – assumptions and figures

The Consortium assessed two exploitation options one attempting to sell the Follow.Me solution to hospitals and facility centers taking as partners the hospitals and caregiving facilities that are part of the Follow.Me Consortium (UHB, LICALAB, WKGL) and the second one attempting to sell the Follow.Me solution to individual customers and as suggested by the reviewers recovering the initial investment (the funds received via the AAL Programme).

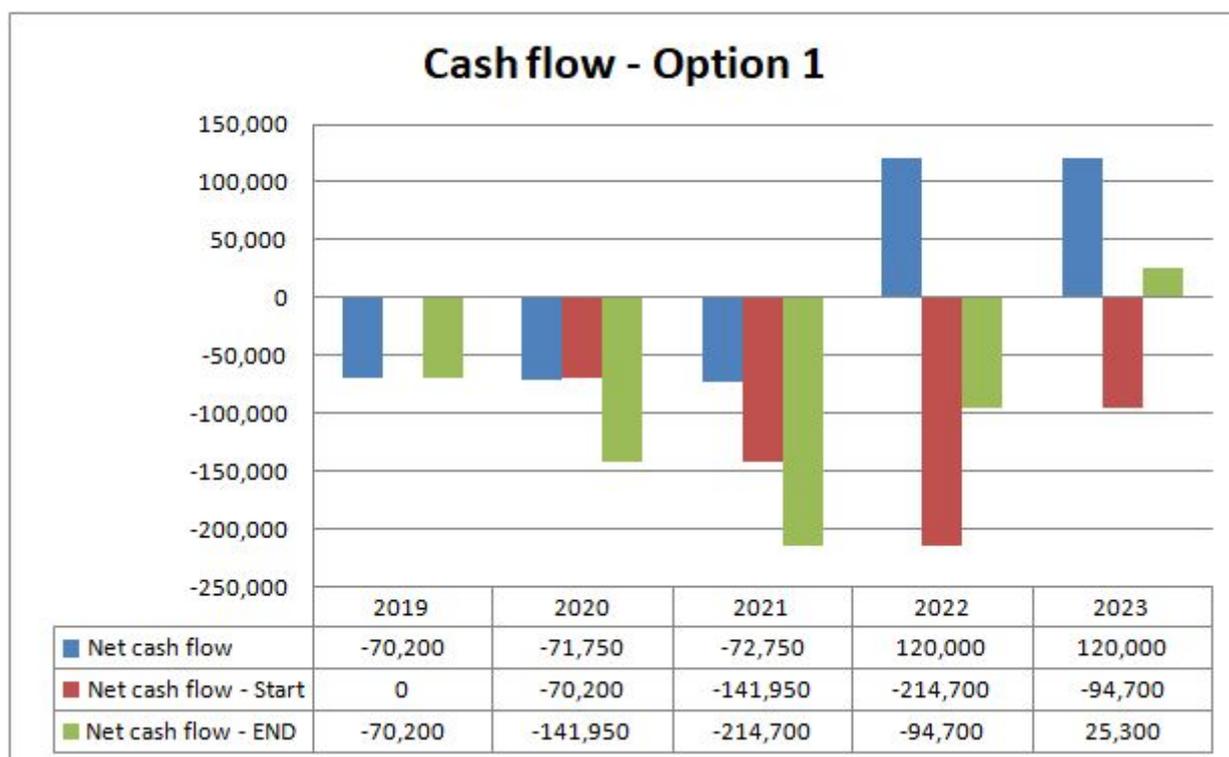
#### Option 1

The exploitation plan of Follow.Me is based on the following estimations and assumptions:

1. Payment for Follow.Me service based on monthly subscription fee (15 EUR/month including the GSM subscription and technical support) and payment of 2 licences of the Follow.Me solution.
2. Commercial release: The commercial version will be launched in 2019. The expected revenues are based on direct sales from members of the consortium and reaching in the first year 20 individual users, 50 in the second and third year and 100 individual users in the the fourth and fifth year of exploitation. Moreover, the Consortium aims at selling two licences in hospital or care facilities in the fourth and fifth year of exploitation. As in this exploitation variant the initial investment is not intended to be recovered, all Consortium partner will spend effort, knowledge and own customer lists to promote the Follow.Me solution.
3. Costs: The customer will pay a fixed price for using Follow.Me application (15 euros) or a fixed price 192.000 euro or a 500 users' license.

#### Follow.Me Cash Flow

No		total	2019	2020	2021	2022	2023
0	1	2	3	4	5	6	7
<b>1</b>	<b>INCOMES FROM:</b>						
2	TOTAL LICENSES	388,800	300	750	750	193,500	193,500
2.1.	Follow.Me organizations - caregiver facilities	384,000	0			192,000	192,000
2.2	Follow.Me hospital facilities	0					
2.3	Individual customers	4,800	300	750	750	1,500	1,500
7	TOTAL INCOMES (= 2 + 3 + 4 + 5 + 6)	388,800	300	750	750	193,500	193,500
8	PAYMENTS TO THIRD PARTY	21,000	2,000	4,000	5,000	5,000	5,000
9	TOTAL PAYMENTS TO THIRD PARTY (= 9 + 10 + 11+12+13)	21,000	2,000	4,000	5,000	5,000	5,000
10	NET CASH FLOW BEFORE PAYMENTS FOR Consortium ACTIVITY	367,800	-1,700	-3,250	-4,250	188,500	188,500
11	PAYMENTS FOR ACTIVITY						
13	SERVICES	300,000	60,000	60,000	60,000	60,000	60,000
14	OTHER CONSORTIUM EXPENSES	0					
15	TOTAL PAYMENTS FOR activity (= 15+16+17+18+19+20+21+22)	300,000	60,000	60,000	60,000	60,000	60,000
16	NET CASH FLOW BEFORE ADDITIONAL PAYMENTS	67,800	-61,700	-63,250	-64,250	128,500	128,500
17	ADDITIONAL PAYMENTS FOR RISKS	42,500	8,500	8,500	8,500	8,500	8,500
				2019	2020	2021	2022
18	NET CASH FLOW	25,300	-70,200	-71,750	-72,750	120,000	120,000
19	NET CASH FLOW CUMULATED AT THE BEGINNING PERIOD		0	-70,200	-141,950	-214,700	-94,700
20	NET CASH FLOW CUMULATED AT THE END OF PERIOD		-70,200	-141,950	-214,700	-94,700	25,300



## Option 2

The exploitation plan of Follow.Me is based on the following estimations and assumptions:

1. Payment for Follow.Me service based on monthly subscription fee (15 EUR/month including the GSM subscription and technical support).

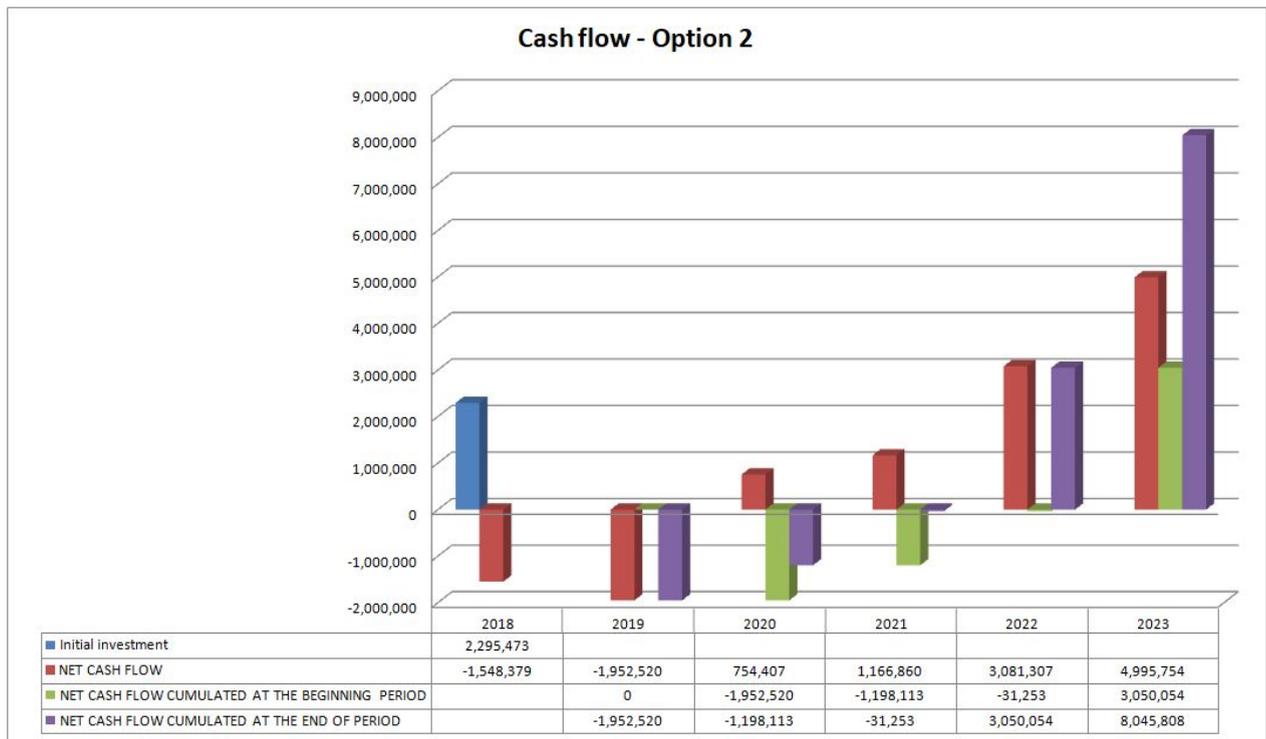
2. Commercial release: The commercial version will be launched in 2019. The expected revenues are based on gaining over each year 1% from the total amount of people suffering of cognitive impairments in the consortium countries and from European countries except the consortium countries (for year 4 and year 5). Details about the cost structure and revenues are presented in the table below:

	2019	2020	2021	2022	2023
Austria	1,454.32	2,908.64	4,362.96	5,817.28	7,271.60
Belgium	1,912.81	3,825.62	5,738.43	7,651.24	9,564.05
Italy	12,723.16	25,446.32	38,169.48	50,892.64	63,615.80
Romania	2,703.04	5,406.08	8,109.12	10,812.16	13,515.20
EU-28				68,227.00	136,454.00
	<b>18,793.33</b>	<b>37,586.66</b>	<b>56,379.99</b>	<b>143,400.32</b>	<b>230,420.65</b>
net price (7 euros / use	131,553.31	263,106.62	394,659.93	1,003,802.24	1,612,944.55
operational costs (8euros	150,346.64	300,693.28	451,039.92	1,147,202.56	1,843,365.20
<b>TOTAL income</b>	<b>281,899.95</b>	<b>563,799.90</b>	<b>845,699.85</b>	<b>2,151,004.80</b>	<b>3,456,309.75</b>

3. Costs: The customer will pay a fixed price for using Follow.Me calculated such as to cover the initial investment and other expenses of the consortium as depicted hereinafter in the financial evolution of Cash Flow. 15 euros per individual user (7 euros for the application and 8 euros operational costs for the telecom partner)
4. Incremental and scalable deployment at the European level.

### Follow.Me Cash Flow

No		total	2019	2020	2021	2022	2023
0	1	2	3	4	5	6	7
1	<b>INCOMES FROM:</b>						
2	TOTAL LICENSES	7,298,714	281,899.95	563,799.90	845,699.85	2,151,004.80	3,456,309.75
2.1.	Follow.Me organizations - caregiver facilities	0	-				
2.2	Follow.Me hospital facilities	0					
2.3	Individual customers	7,298,714	281,899.95	563,799.90	845,699.85	2,151,004.80	3,456,309.75
7	<b>TOTAL INCOMES (= 2 + 3 + 4 + 5 + 6)</b>	<b>7,298,714</b>	<b>563,800</b>	<b>1,127,600</b>	<b>1,691,400</b>	<b>4,302,010</b>	<b>6,912,620</b>
8	<b>PAYMENTS TO THIRD PARTY</b>	21,000	2000	4000	5000	5000	5000
9	Telecom companies	3,892,648	150346.64	300693.28	451039.92	1147202.56	1843365.2
9	<b>TOTAL PAYMENTS TO THIRD PARTY (= 9 + 10 + 11+12+13)</b>	<b>3,913,648</b>	<b>152,347</b>	<b>304,693</b>	<b>456,040</b>	<b>1,152,203</b>	<b>1,848,365</b>
10	<b>NET CASH FLOW BEFORE PAYMENTS FOR Consortium ACTIVITY</b>	<b>3,385,067</b>	<b>411,453</b>	<b>822,907</b>	<b>1,235,360</b>	<b>3,149,807</b>	<b>5,064,254</b>
11	<b>PAYMENTS FOR ACTIVITY</b>						
13	<b>SERVICES</b>	<b>300,000</b>	60,000	60,000	60,000	60,000	60,000
14	OTHER CONSORTIUM EXPENSES	2,295,473.00	2,295,473.00				
15	<b>TOTAL PAYMENTS FOR activity (= 15+16+17+18+19+20+21+22)</b>	<b>2,595,473</b>	<b>2355473</b>	<b>60000</b>	<b>60000</b>	<b>60000</b>	<b>60000</b>
16	<b>NET CASH FLOW BEFORE ADDITIONAL PAYMENTS</b>	<b>789,594</b>	<b>-1,944,020</b>	<b>762,907</b>	<b>1,175,360</b>	<b>3,089,807</b>	<b>5,004,254</b>
17	<b>ADDITIONAL PAYMENTS FOR RISKS</b>	42,500	8500	8500	8500	8500	8500
	Initial investment	2,295,473					
18	<b>NET CASH FLOW</b>	<b>-1,548,379</b>	<b>-1,952,520</b>	<b>754,407</b>	<b>1,166,860</b>	<b>3,081,307</b>	<b>4,995,754</b>
19	<b>NET CASH FLOW CUMULATED AT THE BEGINNING PERIOD</b>		<b>0</b>	<b>-1,952,520</b>	<b>-1,198,113</b>	<b>-31,253</b>	<b>3,050,054</b>
20	<b>NET CASH FLOW CUMULATED AT THE END OF PERIOD</b>		<b>-1,952,520</b>	<b>-1,198,113</b>	<b>-31,253</b>	<b>3,050,054</b>	<b>8,045,808</b>



The tables above show that a positive result can be reached 4 years after the commercial release.

## 7. Overall conclusion

The present deliverable has highlighted the significant aspects for exploitation strategy of the Follow.Me project. Based on results of the benchmarking analysis and BMC, the Go-to market strategy and a business plan have been proposed.

The Consortium addressed the following key points, as a base of drafting the business plan and the exploitation strategy:

- Positioning Follow.Me on the market
- Drafting the appropriate exploitation strategy
- Defining the most suitable exploitation plan of Follow.Me
- Developing the business plan based on the BMC approach and Cash Flow analysis.

## References

- Alzheimer Europe (2013) and Hofman et al. (1991)
- <http://www.worldalzreport2015.org/downloads/world-alzheimer-report-2015.pdf>
- D2.2 Business case
- D4.2 On-field trials
- Response to Midterm project review report

## **ANNEXES**

- IPR - Intellectual Property Rights
- Follow.Me - Extended benchmarking analysis.xlsx

AAL Joint Programme, Call 2015  
“Living actively and independently at home”

**Project title:** Follow.Me  
**Project reference number:** aal-call-2015-108

---

**IPR Agreement**

**Revision: v.1.0**

---

**Authors:**

CINI  
UHB  
SIVECO  
AIT  
MOBIMESH  
EPSILON  
SYNYO  
WGKL  
LiCalab

<b>Date: [20/12/2018]</b>
<b>Dissemination Level: Confidential</b>

**TABLE OF CONTENTS**

**EXECUTIVE SUMMARY ..... 3**

    INTRODUCTION ..... 3

**SECTION 1: DEFINITIONS ..... 5**

**SECTION 2: PURPOSE, NATURE AND DURATION OF THE AGREEMENT ..... 6**

    2.1 PURPOSE ..... 6

    2.2 NATURE OF THE AGREEMENT ..... 6

    2.3 DURATION ..... 6

**SECTION 3: RESPONSIBILITIES OF EACH PARTY..... 7**

**SECTION 4: COSTS – PRICE ..... 7**

**SECTION 5: NON-DISCLOSURE OF INFORMATION / CONFIDENTIALITY / PRIVACY ..... 7**

**SECTION 6: LIABILITIES AND FORECE MAJEUR..... 9**

**SECTION 7: INTELLECTUAL PROPERTY RIGHTS..... 11**

    7.1 IPR DIRECTORY ..... 11

    7.2 IP JOINT OWNERSHIP..... 12

    7.3 ACCESS-RIGHTS..... 12

    7.4 CONDITIONS OF USE AND EXPLOITATION OF THE JOINT IP ..... 13

        7.4.1 *Rights of exploitation.....13*

        7.4.2 *Modifications of Software.....13*

        7.4.3 *IP rights prosecution.....13*

        7.4.4 *IP rights infringement.....13*

**SECTION 8: ASSIGNMENT..... 14**

**SECTION 9: TERMINATION ..... 15**

**SECTION 10: LANGUAGE ..... 16**

**SECTION 11: APPLICABLE LAW ..... 17**

**SIGNATURES           18**

## EXECUTIVE SUMMARY

The following document describes the framework agreement, as outlined in the Follow.Me Description of Work (DoW) in chapter 3.6 *The Intellectual Property Rights management (IPR) and other legal issues* which provides the status of the Foreground IP that will be generated during the project completion. The IPR Agreement, based on the Consortium Agreement (CA), provides obligations and rights of the project partners related to Follow.Me Foreground IP ownership and exploitation.

### Introduction

The Intellectual Property Rights (IPR) will be handled in line with the general policy of the European Commission regarding ownership and exploitation of rights and confidentiality.

Background information and background patents are made available to the members of the consortium on favourable conditions if they are necessary to perform the research in this projects and no major business interest of the owner of the background information oppose the disclosure or grant of licenses for such patents or information.

Foreground information and foreground patents are owned jointly by the members of the Consortium who contributed to the research work. Each member of the consortium shall make available its foreground information, on a royalty-free basis, to other members to the extent that such information is necessary for the execution of their own research within the project. If proprietary information is made available, the information shall be duly marked as confidential and the recipient will preserve its confidentiality. Non-disclosure agreements will be prepared if so requested by the disclosing party.

IPR Agreement is developed in line with the exploitation strategy and with each partner's specific exploitation plan and provides the distribution of shares of the Follow.Me partnership in view of the technology's commercialisation.

In order to take into account each partner's expectations, the approach that has been adopted by the consortium is to provide in the present document clarifications on open matters left by the CA such as:

- Ownership,
- Rights of use, and
- Exploitation rights of the Follow.Me Foreground IP.

Room is left for a future Joint Venture Agreement to be established between two or more consortium partners. The following reads the IPR Agreement *stricto sensu*.

**This IPR AGREEMENT**

**is made on [date]**

**BETWEEN**

(1) **Consorzio Interuniversitario Nazionale per l'Informatica** . the Coordinator

*<insert address>*

(2) University and Emergency Hospital of Bucharest

*<insert address>*

(3) SIVCO ROMANIA, S.A.

**Victoria Park, 73-81 Bucuresti-Ploiesti Drive, C4 Building, District 1, 013685 Bucharest, Romania**

(4) Austrian Institute of Technology

*<insert address>*

(5) MobiMesh

*<insert address>*

(6) Epsilon

*Via Carlo Poerio 89/a, 80121, Napoli, ITALY*

(7) Synyo GmbH

*Otto-Bauer-Gasse 5/14, 1060 Vienna, Austria*

(8) LiCalab vzw

*<insert address>*

(9) Wit-Gele Kruis Limburg vzw

*<insert address>*

hereinafter, jointly or individually, referred to as "Parties" or "Party",  
relating to the Project entitled

**FOLLOW.ME**

hereinafter referred to as the Project.

**SECTION 1: DEFINITIONS**

<p>Access rights</p> <p>Background</p>	<p>Licenses and user rights to foreground or background.</p> <p>Information and/or technical and/or scientific knowledge, including without limitation know-how, trade secrets, data, databases, program, software, drawings, formula, plans, schemes, and/or any type of information, whatsoever the form, patentable or not, and/or patented or not, as well as any copyright and all other intellectual property rights pertaining to such information which is held by a Party prior to its accession to this agreement, as well as copyrights or other intellectual property rights (IPR) pertaining to such information, the application for which has been filed before its accession to this agreement, and which is needed for carrying out the project or for using foreground. In particular, it has been agreed that no Party has included its background IP during the Follow.Me project completion.</p>
<p>CA</p> <p>Commercial Party</p>	<p>Follow.Me Consortium Agreement</p> <p>Commercial Party or CP, means party entitled to commercially exploit the Follow.Me foreground IP. It also means any project partners involved in the Follow.Me project that are willing to, jointly or individually, commercialise the Follow.Me project outputs.</p>
<p>DoW.....</p> <p>EUPs.....</p>	<p>Description of Work (Annex I of the Consortium Agreement)</p> <p>End User Party, i.e., any party, who will use the product after the termination of the Project, e.g., research organizations and end user organizations</p>
<p>Foreground .....</p>	<p>Tangible and intangible results which are generated under the project, including pieces of information, materials and knowledge and whether or not they can be protected. It includes intellectual property rights (e.g., copyrights, industrial designs, patents, plant variety rights), similar forms of protection (e.g., rights for databases) and know how or trade secrets (e.g., Confidential Information).</p>
<p>IP .....</p> <p>IPR .....</p> <p>Joint Venture Agreement .....</p>	<p>Intellectual Property</p> <p>Intellectual Property Rights</p> <p>Agreement for establishing a joint venture between two or more Parties for exploiting the Project foreground intellectual property</p>
<p>Limited Source Code Access .....</p>	<p>(a) access to the object code;</p> <p>(b) where normal use of such an object code requires an API, access to the Object;</p> <p>(c) Code and such an API; and</p> <p>(d) if neither (a) nor (b) is available, access to the source code.</p>
<p>Subcontractor .....</p> <p>CA</p> <p>WP .....</p>	<p>any third party involved in the Project’s tasks foreseen in the Consortium Agreement</p> <p>Work Package</p>

## **SECTION 2: PURPOSE, NATURE AND DURATION OF THE AGREEMENT**

### **2.1 Purpose**

The purpose of this IPR Agreement is to specify in respect of the Project the relationship between the parties in particular concerning the rules of devolution of intellectual property rights results of Follow.Me and the related rights and obligations of the parties.

The IPR Agreement is to facilitate commercial exploitation of the Project outcomes and of its Foreground with the provision of taking into account each party individual expectations and creating an enabling environment for Follow.Me to reach the market.

### **2.2 Nature of the Agreement**

This IPR Agreement is not a *sui generis* contract but rather an addendum to the Consortium Agreement governing Follow.Me. Therefore, should any contradiction occur between the present document and the CA, terms of the CA should prevail except regarding Section 7.1 Entry into force, duration and termination. The purpose of this document is to ease the foreground IP management and clarify and ascertain what should happen following the project completion to the project's outcomes. Content of Follow.Me foreground IP can be found in the Section 7.6 - Conditions of use and exploitation of the IP .

IPR Register of Follow.Me Business model validation, Business Plan and Commercial feasibility analysis that is updated throughout the project duration. The last iteration of this project deliverable contains the final version of the IPR Register with details regarding the background, foreground IP related to the project such as nature and status.

The CA is incorporated by reference in its entirety in the present agreement in particular Section 10 Intellectual Property Rights. As enabled by the CA, the consortium presently agrees to add further elements to Section 10 of the CA. The present agreement shall be construed in light of the CA. Where the CA lack any clarity or certainty, the terms of the present agreement shall prevail.

### **2.3 Duration**

This IPR AGREEMENT shall come into force from the signature date and shall continue in full force and effect after the termination of the project for a period of 3 years.

**SECTION 3: RESPONSIBILITIES OF EACH PARTY**

Each Party, hereby, undertakes with respect to other Parties all reasonable endeavours to perform and fulfil, promptly, actively and on time, all of its obligations under this IPR Agreement.

**SECTION 4: COSTS – PRICE**

The parties may exploit the Foreground resulting from the project, as follows:

- a). Joint exploitation of the Follow.Me solution developed under the project
- b). Individual exploitation of the individual contributions of the parties in the Follow.Me solution developed under the project.

a). The exploitation of the Follow.Me solution developed under the project, may be done individually by each project partner. In this respect, each party may individually sell licenses for the Follow.Me solution to third parties at a price that is mutually defined by the parties in writing yearly, by signing an amendment to this agreement.

In case of a license sale, the revenues from such sale will be split as follows:

- a) The party which concluded the sale will receive 50% of revenue remaining after the taxes are deducted;
- b) The rest of 50% of the net revenue, will be split between the parties as follows:

CINI	9.62%
UHB	1.84%
SIVECO	9.80%
AIT	6.53%
MOBIMESH	4.57%
EPSILON	5.30%
SYNYO	3.64%
LICALAB	4.10%
WGKL	4.60%

The technical support for the licenses will be provided by the party which concluded the sale. In case such party will not be able to solve an incident regarding the application, such party may ask the one or more partners of the consortium to provide support in solving that matter, based on a separated commercial agreement.

b). Each partner may exploit the individual Foreground of the other partners resulting from the project, on a royalty free basis. In this respect, each partner grants to the others, in respect to its own Foreground, a world wide, non-transferable, during the term of the Agreement, royalty free license of

use, copy, modify, alter, adapt, decompile, recompile, develop derivative products of the source code and object code of the Foreground.

However, neither party may, in this case, use the visual identity or the name of the Follow.Me solution defined as Foreground IP.

Neither party may use the Foreground of the other parties to develop an informatics programme which may compete with the Follow.Me solution. Also, during the term of this agreement, neither party may individually develop or promote informatics programmes that are similar or which may compete with the Follow.Me solution.

## **SECTION 5: NON-DISCLOSURE OF INFORMATION / CONFIDENTIALITY / PRIVACY**

### **5.1 General provisions**

The Parties undertake to preserve the confidentiality of any data, documents or other material that is identified as confidential in relation to the execution of the present Agreement, during the term of the present Agreement and for an additional period of 5 years after its termination, irrespective of the termination cause.

For the avoidance of doubt, any written confidential information should be identified as such on each page.

When confidential information was communicated orally, its confidential character must be resumed and confirmed by the Disclosing Party in writing within 15 days after disclosure.

The previous paragraphs are not applicable where:

- the confidential information becomes publicly available by means other than a breach of
- the confidentiality obligations;
- the disclosing Party subsequently informs the receiving Party that the confidential information is no longer confidential;
- the confidential information is subsequently communicated to the receiving Party without
- any obligation of confidence by a third party who is in lawful possession thereof and
- under no obligation of confidence to the Disclosing Party;
- the confidential information was already known to the Receiving Party before the
- moment of disclosure;
- the confidential information was developed by the Receiving Party independently of any
- such disclosure by the Disclosing Party.

### **5.2 Privacy and control of personal data concerning end-users**

Personal or sensitive data will be handled in accordance with existing national and European legislation and directives.

The terms “Data operator”, “Authorized person”, “Concerned person”, “Processing”, “Personal data”, “Special personal data” will have the same meaning for person protection

with regards to processing of personal data and free circulation of this personal data, as mentioned in the REGULATION (EU) 2016/679 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation - GDPR).

The relevant security and privacy rules regarding storage and transmission of personally identifiable information have to be respected. Data have to be made anonymous, codified and stored in a secure place guaranteeing access only to authorised persons.

All collection of data and other interventions in the project should follow the principles of proportionality and purposefulness, i.e. be restricted to what is necessary to meet the purpose of the present IPR Agreement.

**SECTION 6: THE PARTIES ENVISAGE THAT DURING THE TERM OF THIS AGREEMENT, NO PERSONAL DATA WILL BE EXCHANGED OR HANDLED BETWEEN THEM. HOWEVER, IN CASE THE NEED TO USE OR EXCHANGE PERSONAL DATA WILL ARISE DURING THE TERM OF THIS AGREEMENT, THE PARTIES WILL SIGN AGREEMENTS REGARDING THE PROTECTION AND HANDLING OF SUCH DATA IN ACCORDANCE WITH THE PROVISIONS OF GENERAL DATA PROTECTION REGULATION – GDPR.LIABILITIES AND FORCE MAJEUR**

## **6.1 Liability**

### **6.1.1 Warranties**

In respect of any foreground results supplied by one Party to another under the present IPR Agreement, the providing party will warrant the absence of any infringement of any proprietary rights of third parties and that such Party has the right to grant Access Rights to the other parties.

The recipient Party shall in all cases be entirely and solely liable for the use to which it puts such foreground results. Furthermore, no Party granting Access Rights shall be liable in case of infringement of proprietary rights of a third party resulting from any other Party (or its Affiliates) exercising its Access Rights.

### **6.1.2 Limitations of contractual liability**

6.1.2.1 No Party shall be responsible to any other Party for punitive damages, indirect or consequential loss or similar damage such as, but not limited to, loss of profit, loss of revenue or loss of contracts, provided such damage was not caused by a wilful act or by breach of confidentiality

6.1.2.2 A Party's aggregate liability towards the other Parties collectively shall be limited to once the Party's share of the total costs of the Project as identified in Annex I of the EC-GA provided such damage was not caused by a wilful act or a gross negligence.

6.1.2.3 Notwithstanding the foregoing, the liability of each Party under this IPR Agreement in respect of any:

- Death, injury to natural persons or damage to real property caused by the negligence of

- willful act of such Party, its directors, employees, agents and Subcontractors;
- Infringement of any of the intellectual property rights, trade secret rights and rights over
- Confidential Information of any other Party or any Affiliates of any other Party; and
- Fraud;

shall be unlimited.

6.1.2.4 The terms of this Consortium Agreement shall not be construed to amend or limit any non-contractual liability.

### **6.1.3 Damage caused to third parties**

Each Party shall be solely liable for any loss, damage or injury to third parties resulting from the performance of the said Party's obligations under this IPR Agreement or from its use of Foreground or Background.

### **6.1.4 Insurance**

Each Party declare to hold insurance policies granting financial consequences of its liability for any immaterial, real property or natural persons damage it might cause to a Party or the Parties or an Affiliate or any third parties in the framework of the execution of this Consortium Agreement.

### **6.1.5 Force Majeure**

No Party shall be considered to be in breach of this IPR Agreement if such breach is caused by Force Majeure. Each Party will notify the other Parties of any Force Majeure as soon as possible. If the consequences of Force Majeure are not overcome within 6 weeks after such notification, the conditions regarding the further execution of the present IPR Agreement will be decided by all parties in writing.

## **SECTION 7: INTELLECTUAL PROPERTY RIGHTS**

### **7.1 IPR Directory**

No background is involved in this Agreement.

Follow.Me foreground IP means the tangible and intangible results, which are generated under the project, including pieces of information, materials and knowledge and whether or not they can be protected. It includes intellectual property rights (e.g., copyrights, industrial designs, patents, plant variety rights), similar forms of protection (e.g., rights for databases) and know how or trade secrets (e.g., Confidential Information).

In particular, Follow.Me foreground IP includes the software, platform, API, source code, object code, any toolkits, modules or documentations, and programs developed, created, or established during the project.

Each Party shall ensure that it can fulfil its obligations under this Agreement, notwithstanding any rights of its employees, or personnel having contractual obligation with the Party, in relation to the Foreground or Background.

Where Foreground is capable of industrial or commercial application, its owner shall provide for its adequate and effective protection, having due regard to its legitimate interests, of the other Parties. Each party will take the necessary steps to properly protect its Foreground developed under the Follow.Me project,

The parties mutually agree that that once the Follow.Me solution is finalized they will take all the necessary steps to protect the intellectual property rights and copyrights regarding the Follow.Me solution. The cost incurred by such formalities will be jointly covered by the parties proportionally with their participation in the Follow.Me project.

After the Follow.Me solution is finalized, provided that it is required that the registration for the protection of the IPR is required to be made only by one partner, the parties will mutually define the partner who will make such registration.

Each Party may transfer ownership of its own Foreground to any legal entity, subject to the following conditions:

- i). The assignor will inform the other partners about its decision to transfer the Foreground, the condition of such transfer and the transfer price and will grant the partners a 10 days term to decide if they desire or not to acquire such Foreground;
- ii). During the abovementioned term, the interested parties may send their confirmation or reject the offer.
- iii). If only one partner accepts offer, the transfer of the Foreground will be made to that partner.

iv). If more partners are interested to the offer, the assignor will ask the interest partners to send their offers with a price not less the proposed acquisition price, in 5 days term from the expiry of the term mentioned at point (i) above. The transfer will be made to the partner with the best financial offer.

v). If no partner express its interest to buy the Foreground in the abovementioned term, the assignor may transfer the Foreground to a third party at a price not lower then the price mentioned at point i) above.

vi). For the avoidance of any doubts, where a Party transfers ownership of Foreground, it shall pass on its obligations regarding that foreground to the assignee, including the obligation to pass them on to any subsequent assignee

**7.2 IP ownership**

As foreseen in Section 5 of the CA, the Parties agree to respect their individual Background. All Background remains in the ownership of each Party providing the Background.

Foreground shall be owned by the Party who carried out the work generating the Foreground, or on whose behalf such work was carried out.

**7.3 IP joint ownership**

Where several Parties have jointly carried out work generating the Foreground and where their respective share of the work cannot be ascertained, they („co-owners“) shall have joint ownership of such Foreground.

Nothing in the following is meant to detract any party from its joint owner status of Follow.Me Foreground IP.

The IPR regarding the Follow.Me Solution is jointly owned by the partners in the following quotas:

<b>Partner</b>	<b>Percentage</b>
<b>CINI</b>	19.24%
<b>UHB</b>	3.69%
<b>SIVECO</b>	19.60%
<b>AIT</b>	13.06%
<b>MOBIMESH</b>	9.14%
<b>EPSILON</b>	10.61%
<b>SYNYO</b>	7.28%
<b>LICALAB</b>	8.19%
<b>WGKL</b>	9.19%

**7.4 Access-rights**

As stated in the CA, Access-rights means licenses and user rights to Foreground and Background.

Section 5.2 is herein incorporated by reference. Access-rights to foreground shall be granted on a royalty-free basis. Access-rights to software do not include any right to receive source code or object code ported to a certain hardware platform or any right to receive respective software documentation in any particular form or detail, but only as available from the Party granting the access-rights

## **7.5 Conditions of use and exploitation of the IP**

### **7.5.1 Rights of exploitation**

Without prejudice for the provisions of Section 5 of the CA, an End-User Party shall not pledge, assign, sell, or otherwise dispose of its interest in the foreground to third Parties without the Parties' prior written consent.

The EUPs, including the Follow.Me Project's subcontractors do not have the right to distribute, make available, market, sell, and offer for sale, even by using the services of a third party, the foreground

### **7.5.2 Modifications of Software**

As it is anticipated that for enabling commercialisation, the software or software-related components of the foreground might need to be amended or improved, each Party waives right to be reported any change or modification made to the foreground that occurs after the end of the Project.

### **7.5.3 IP rights prosecution**

During the Project, the Parties shall decide, whether to file, prosecute, and maintain IP rights protection of the foreground. The Parties shall proportionally bear all costs resulting from these activities.

Parties shall agree which Party shall conduct the activities thereof in the names of and on behalf of the Parties. The elected Party shall provide a copy of relevant documents relating to the activities thereof for the other Parties examination.

If a Party declines to bear its share of the costs associated with the activities, the other Parties may conduct such activities in their own name and at their own expense. The declining Party shall retain its rights of use, but shall lose its rights of ownership and exploitation in respect of foreground.

### **7.5.4 IP rights infringement**

Each Party shall be responsible for monitoring and defending the joint IP. Each Party will, however, promptly notify the other Parties if it has a reasonable basis for believing that the joint IP has been infringed by a third party or if the joint IP would infringe any intellectual property right of a third party. Each party is also responsible for its own use of the Follow.Me Foreground joint IP.

The Parties may individual or jointly seek reparation for third parties infringement of the joint IP. Any granted awards will be shared in equal parts between Parties involved in the prosecution.

## **SECTION 8: ASSIGNMENT**

No Party shall, without the prior written consent of the other Parties, partially, or totally assign or otherwise transfer any of its rights and obligations under this Agreement except for assignment to Affiliates (under section 5.2.4.2 of the CA) . Such consent shall not be unreasonably withheld.

## **SECTION 9: TERMINATION**

This IPR Agreement shall survive the extinction of the Consortium Agreement due to his nature of providing means for anticipating what will happen following completion of the Project.

**SECTION 10: LANGUAGE**

This IPR Agreement is drawn up in English, which is the language that shall govern all documents, notices, and meetings for its application and/or extension or in any other way relative thereto.

**SECTION 11:            APPLICABLE LAW**

This IPR Agreement shall be construed according to and governed by ..... law.

When acting under this Agreement, each Party will comply with all applicable laws and regulations of the European Union, including export laws and regulations, laws and regulations relating to rights of privacy, publicity, reputation and intellectual property rights, including patent and copyright rights, and all relevant anti-corruption laws.

The parties hereto agree that in the event of any dispute in connection with this agreement that cannot be resolved by negotiation or arbitration, they shall submit the legal proceeding to the jurisdiction having the most connecting factors with the dispute.

**SIGNATURES**