

ARTICLE 5

- 1) Projects eligible for grant support will be projects of joint industrial, scientific and technological R&D which can help to bring innovative and marketable systems, products, applications and processes with potential to the economies of both Italy and Israel.
- 2) Support will be given only to joint technology development projects which are undertaken by private sector businesses from Italy and Israel.
- 3) Grant support will be limited to 50% of a project's total eligible R&D costs. The successful aid recipients will be those whose projects have passed an appropriate review, organised by the Competent Authorities.
- 4) The Cooperating Authorities, as defined in Article 8, shall develop procedures that will ensure that when a project is successful in achieving sales of a product or process and/or receives licensing fees and/or royalties, the support given under the scheme will be repaid at a prefixed royalty rate from the sales or other income from the successful project.

ARTICLE 6

The Parties will support the formulation of joint projects which could be inserted in the programs of the European Union, namely the RTD Framework Program, or other International Organizations. The Parties will encourage the partnership in initiatives about scientific research and technological innovations which could be realized within the MEDA Program Fund of the European Union for the Euro-Mediterranean Partnership.

ARTICLE 7

1. The partners to projects supported under this Agreement shall be required to submit to the Parties evidence of contractual arrangements between them relating to intellectual property rights. These should address, in particular:
 - a) the ownership and use of know-how and intellectual property owned by the partners prior to the project;
 - b) arrangements for the ownership and use of information and intellectual property to be created in the course of the project.