

AGREEMENT

BETWEEN

THE GOVERNMENT OF THE STATE OF ISRAEL

AND

THE GOVERNMENT OF THE REPUBLIC OF BULGARIA

**ON BILATERAL COOPERATION IN PRIVATE SECTOR
INDUSTRIAL RESEARCH AND DEVELOPMENT**

The Government of the State of Israel (hereinafter referred to as "Israel") and the Government of the Republic of Bulgaria (hereinafter referred to as "Bulgaria"), hereinafter referred to as the "Parties";

DESIRING to develop and strengthen economic, industrial, technological and commercial cooperation between Israel and Bulgaria;

RECOGNIZING that the challenges of stimulating innovation and economic growth are of mutual concern to both Parties;

CONSIDERING the mutual interest in making progress in the fields of industrial and technological research and development and the resulting advantages for both Parties;

DESIRING to enhance their industrial competitiveness through cooperation in industrial research and development (hereinafter referred to as "R&D") and to develop and strengthen economic and commercial cooperation between them;

RESOLVING to undertake a sustained effort to promote, facilitate and support joint industrial R&D projects between businesses, corporations or entities (hereinafter referred to as the "Entities") from the two countries;

Have reached the following Agreement:

Article I –Objectives

The Parties determine that the objectives of this Agreement are:

- (a) To promote the activities of their respective private sectors to intensify bilateral industrial R&D cooperation;
- (b) To facilitate the identification of specific projects, partnerships or collaborations between Entities from Israel and from Bulgaria that could lead to industrial R&D cooperation;
- (c) To coordinate and focus suitable government resources and programs to support industrial cooperation and commercial exploitation of R&D projects results;
- (d) To support Industrial R&D cooperation projects between Entities from the two countries, that have been approved by each Party respectively.

Article II – Definition

For the purpose of this Agreement, industrial R&D means, inter alia, research, development and demonstration activities intended to develop new products or processes to be commercialized in the global market.

Article III - Cooperating Authorities

1. The Ministry of Industry, Trade and Labor of the State of Israel (hereinafter referred to as "**MOITAL**") and the Ministry of Economy, Energy and Tourism of Bulgaria (hereinafter referred to as "**MEET**") shall be in charge of the implementation of this Agreement and shall designate Cooperating Authorities for the purpose of implementing this Agreement.
2. The Office of the Chief Scientist of MOITAL (hereinafter referred to as the "**OCS**") on behalf of Israel and the "**Economic Policy**" Directorate of MEET on behalf of Bulgaria (hereinafter referred to as "**EP**"), shall be the Cooperating Authorities for implementing this Agreement. They shall be responsible for their respective costs in promoting and administering the objectives of this Agreement such as traveling expenses, organization of seminars and publications.

Article IV - R&D Projects

1. The Parties within their competence and according to their applicable internal laws, regulations, rules, procedures and mechanisms shall facilitate, support and encourage cooperation projects in the field of technological and industrial R&D undertaken by Entities from Israel and from Bulgaria, for joint development and subsequent joint management and marketing of products or processes based on new innovative technologies to be commercialized in the global market (hereinafter referred to as the "**Projects**").
2. Each partner to a Project will be subject to provisions of the applicable internal laws, regulations, rules, procedures and mechanisms of its respective state, with respect to assistance and funding of R&D projects provided by its own government, including the level of support and the terms and conditions under which that support may be provided, and if applicable, the obligation to pay royalties.
3. The facilitation and stimulation of the cooperation Projects, may comprise, inter alia, the following forms and methods:
 - (a) Organization of meetings for Entities from Israel and from Bulgaria to jointly assess cooperation opportunities;

(b) Performance of any other activities to promote possibilities for cooperation between Entities from Israel and from Bulgaria.

Article V - Fair and Equitable Treatment

Subject to their applicable internal laws, regulations, rules, procedures and mechanisms, each Party shall accord fair and equitable treatment to the individuals, government agencies and other Entities of the other Party engaged in the pursuit of activities under this Agreement.

Article VI - Disclosure of Information

1. Each Party commits itself, subject to its applicable internal laws, regulations, rules, procedures and mechanisms, not to transmit, without written approval of the other Party, information concerning the results obtained from the cooperative programs for industrial R&D covered under this Agreement to a third person, organization, or to any other country or state.
2. Each Party shall notify the other immediately upon any requirement arising under which it might be compelled by law to disclose information or documents relating to this Agreement which would otherwise be subject to confidentiality.
3. The Party required to disclose shall in any event use its best endeavors to ensure that the person obtaining disclosure of the information in these circumstances protects the confidentiality at all times and observes the terms of this Agreement.

Article VII - Intellectual Property Rights (IPR)

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 the performance of the Project; commercialization of the Project's results; royalties and intellectual property rights in particular:
 - (a) The ownership and use of know-how and intellectual property owned by the partners to the Project prior to the Project;
 - (b) Arrangements for the ownership and use of know-how and intellectual property to be created in the course of the Project.
2. Notwithstanding the provisions of paragraph 1 above, it shall be the responsibility of the partners to Projects supported under this Agreement to safeguard their own interests.
3. Scientific and technological information of a non-proprietary nature arising from

the cooperative activities under this Agreement may be made available to the public through customary channels.

Article VIII - Final Provisions

1. Each Party shall notify the other Party, in writing, through diplomatic channels, of the completion of internal legal procedures required for bringing this Agreement into force. This Agreement shall enter into force on the date of the latter notification.
2. This Agreement shall remain in force until either Party terminates it. Either Party may terminate this Agreement by written notification to the other Party, through diplomatic channels. The Agreement shall cease to be in force six months after the date of such notification.
3. This Agreement may be amended, in writing, by mutual agreement of the Parties. Any such amendment shall enter into force in accordance with the procedure set forth in paragraph (1) of this Article.

The amendment or termination of this Agreement shall not affect the validity of arrangements and contracts already concluded.

This Agreement shall not affect the present and future rights or obligations of the Parties arising from other international agreements and treaties.

In witness whereof, the undersigned being duly authorized, have signed this Agreement.

Done in duplicate at Sofia on the 7th day of July 2011, corresponding to the 5th day of Tammuz of 5771, in the Hebrew calendar, each in the Hebrew, Bulgarian and English languages, all texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.


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