

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL

AND

THE GOVERNMENT OF THE STATE OF ISRAEL

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

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

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

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

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

DESIRING to enhance their industrial competitiveness through cooperation in industrial and technological 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 research and development (hereinafter referred as "**R&D**") projects, between businesses, corporations or entities (hereinafter referred as the "**Entities**") from the two countries;

Have reached the following understanding:

Article I - Objectives

The Parties determine that the objectives of this Memorandum of Understanding (hereinafter referred to as the "**MOU**") are to:

- (a) Promote the activities of their respective private sectors to intensify bilateral industrial R&D cooperation;
- (b) Facilitate the identification of specific projects, partnerships or collaborations between Entities from Brazil and from Israel that could lead to industrial R&D cooperation;
- (c) Coordinate the survey of suitable government resources and programs to support industrial cooperation and commercial exploitation of R&D projects results;
- (d) Give expression to the initiative by establishing a framework for searching financial support under which the Parties shall support jointly approved industrial R&D cooperation projects between Entities from the two countries leading to commercialization in the global market.

Article II - Definition

For the purpose of this MOU, 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 Development, Industry and Foreign Trade of Brazil (hereinafter referred to as "MDIC") and the Ministry of Industry, Trade and Labor of the State of Israel (hereinafter referred to as "MOITAL") shall be in charge of the implementation of this MOU and shall designate Cooperating Authorities for the purpose of implementing this MOU.
2. The Secretary of Industrial Technology of MDIC on behalf of Brazil (hereinafter referred to as "STI") and the Office of the Chief Scientist of MOITAL (hereinafter referred to as the "OCS"), on behalf of Israel shall be the Cooperating Authorities for implementing this MOU. They shall be responsible for their respective costs in promoting and administering the objectives of this MOU such as traveling expenses, organization of seminars and publications.
3. The MDIC and MOITAL may agree to produce separate documents, upon specific understandings, comprising mechanisms, measures, procedures and plans for the adequate implementation of the framework created under this MOU.

Article IV – R&D Projects

1. The Parties within their competence and according to their applicable legislation, rules and mechanisms shall facilitate, support and encourage cooperation projects in the field of technological and industrial R&D undertaken by Entities from Brazil and Israel, 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 the Project will be subject to the provisions of its own domestic laws, regulations and procedures with respect to identification, search, assistance and funding of research and development 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 Brazil and from Israel to jointly assess cooperation opportunities;
- (b) Performance of any other activities to promote possibilities for cooperation between Entities from Brazil and from Israel.

Article V - Fair and Equitable Treatment

Subject to its internal laws and regulations, 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 MOU.

Article VI - Disclosure of Information

1. Each Party commits itself not to transmit, without written approval of the other Party, information concerning the results obtained from the cooperative programs for industrial research and development covered under this MOU 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 MOU 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 MOU.

Article VII - Intellectual Property Rights (IPR)

1. The partners to Projects supported under this MOU 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 MOU to safeguard their own interests.

3. Scientific and technological information of a non-proprietary nature arising from the cooperative activities under this MOU 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 MOU into force. This MOU shall enter into force on the date of the later notification.
2. This MOU shall remain in force until either Party terminates it. Either Party may terminate this MOU by written notification to the other Party, through diplomatic channels. This MOU shall cease to be in force six months after the date of such notification.
3. This MOU 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.
4. The amendment or termination of this MOU shall not affect the validity of arrangements and contracts already concluded.
5. This MOU shall not affect present or future rights or duties of the Parties under other international agreements and treaties.

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

Done in duplicate in Brasilia on the 27th day of February of the year 2007, corresponding to the 9th day of Adar of the year 5767, in the Hebrew calendar, each in the English, Portuguese and the Hebrew languages, texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.



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