



**DIMECC Program**  
**InDEX – Industrial Data Excellence**

# Rulebook for fair data economy – Findings and experiences

InDEX final seminar

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# Testing of the Rulebook in Smart factory experiment

- Interview study of 6 InDEx manufacturing companies pointed out the legal challenges related to data sharing
- We tested the Rulebook for fair data economy
- in development phase of a service.
- With Konecranes, Fastems and Danfoss
- Two 4-hour workshops
- Comments from Legal departments of the companies
- Most recent version of the rulebook was used.
  - in workshop phase 1.2 and
  - in the legal commenting 1.3



# Rulebook for a fair data economy

- Templates for the contracts & list of questions on legal, business, technical and administrative rules.
- Created under Creative Commons Attribute 4.0 CC-BY

Constitutive Agreement & General Terms and Conditions

Dataset Terms of Use

Governance Model

Accession Agreement



# Rulebook assumptions

- Parties

1. Data Provider (makes data available within the Network)
2. Service Provider (processes Data to provide related services and redistributes the Data, such as anonymisation, pseudonymisation or combination of Data)
3. End User (uses the Data in its business)
4. Operator (provides services to facilitate the operation of the Network, such as provision of APIs, management of identities, connections and/or contracts)
5. Third Party End User (receives Data from Service Providers where the respective Data Provider has permitted such transmission of the Data).

A Party may simultaneously occupy multiple roles. Data Networks may not necessarily require all roles.

- Access rights can be defined separately for each Dataset
- Intellectual Property Rights are not transferred
- The Data is free of charge
- The Data can be redistributed only to the Members of the Network
- The Parties are entitled to redistribute Derived Materials to third Parties
- The Members are entitled to use the Data after the termination of the Agreement
- The Data Provider is entitled to carry out audits related to its Data

# Findings (1/4)

A company needs to understand

- in which roles it operates and what requirements the contract imposes on it. Thus, it can make sure that there are no conflicting requirements for its roles.
  - A picture or some other mean to visualise the different roles in the data network would be helpful.
- their existing contracts, especially contracts with customers, that outline the ownership and rights to use data.



# Findings (2/4)

- The companies wanted to start with the data-related questions, because technology and data related aspects were mostly clear.
    - The authors of the rulebook recommend to start with the business questions.
  - Dataset Terms of Use is the most important document in the whole contractual framework.
    - each data set and restrictions on the processing of the data needs to be described, as well as its location and method of distribution are defined
- Exemplar of well-defined dataset would be helpful.
- In Smart factory experiment
    - storing and destroying the data was seen a critical issue. Change management principles - and especially visibility of changes - were discussed from the perspective of
      1. removing data from the dataset, and
      2. additions to the dataset.
    - Right to use the data after the contract is terminated was discussed



# Findings (3/4)

The business aspects were more uncertain and needed most effort in clarification.

- The pricing model shouldn't be too complex to administer
- The pricing model should motivate the OEMs to develop their offering. One option is to put a price on version updates
- How is the support offered?
- Feedback channel from the data user is needed to learn what data is relevant and important for the users and if there are some additional needs

Pricing model	Description	Comments
Subscription-based pricing	Unlimited data use with a monthly fee	Pricing could be based on how many companies' data the customer chooses to subscribe. Reacting to changes might be difficult for OEMs.
Dual licensing	Combination of general public licence (GPL) & commercial licence (CL)	The most promising pricing model. Could function very well.
Paid certification to data	Selling a possibility to do service/product development	It is difficult to envision business model for this pricing model. Could potentially work for 3 <sup>rd</sup> party quality certification, where a customer gets access to data after training. Certification as part of the model.
Per-asset pricing	Buying an access to individual OEM data	Differs from dual licencing in that there is no free general license.
Tiered pricing	Different feature packages per different users (basic/ advanced/ premium)	Bundling data from the provider's perspective does not necessarily work. There is a trade-off between customization and the clarity of the offering, as well as the feasibility if the administration.
Per usage pricing	Payments are based on real time actions done with different OEM datasets	Very low threshold for starting. The model would serve customers that have only occasional data (service) needs.

# Findings (4/4)

*“Relatively good and well-prepared contract on a difficult topic with suitable level of complexity” (lawyer, Konecranes)*

- Additional assumptions which need critical evaluation:
  - *The Governance template is similar to many R&D project governance agreements defining that the network is governed by a joint steering committee. Joint Steering group aims at consensus. Each party has equal voice.*
  - *Joint costs incurred for the maintenance and administration of the Network will be allocated in equal shares between the Parties*
- Note: Even though individual datasets do not contain Personal Data, combining different Data may create Personal Data.



# Key takeaways

From a legal point of view the IHAN rulebook forms a coherent framework of contracts between several parties

- Conventional bilateral agreements lack practicality in business settings where several partners.
- The rulebook is designed for sharing data in the industry 4.0 context.

First steps when using the rulebook:

1. Agree on the scope of the business.

- The answers to the checklist questions change when moving from pilot phase to commercial phase.

2. Assess your existing contracts

- Clarify how your contracts with customers defines ownership of the Data. This largely determines the customer's role in the rulebook contracts (End User or also Data Provider).

3. Analyse the rulebook assumptions

- agree which assumptions need modifications. In InDEX test case modifications to:
  - Data free of charge
  - Permissions to use data after the contract ends
  - Decision making in the network steering group





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