

Intellectual Property Exploitation at the University of Hradec Králové

PART I

Introductory Provisions

Article 1

Subject Matter of the Decree

- 1) This Decree is issued in order to secure a unified procedure for application and protection of creative as well as non-creative rights to industrial property, in particular the patent and innovation right, the design right and the trademark right, as well as other rights relating the intellectual activity in the industrial and scientific spheres created at the University of Hradec Králové (hereinafter the *UHK* or the *Employer*) so as to best protect the legitimate interests of the UHK and its employees and thus provide support to the application of the creative potential of the UHK and its employees.
- 2) The subject matter of this Decree is (a) definition of the term intellectual property at the University of Hradec Králové (hereinafter the *UHK*), (b) definition of rights and obligations related to the creation, announcement, recording, protection, use and commercial application of rights to objects of intellectual property, and (c) definition of exploitation of research and development results at the UHK.
- 3) Intellectual property refers to results of activity that the originator/author has produced when performing tasks following from their employment or another analogous work relationship with the UHK or as part of performing their study obligations. These may include:
 - a) Industrial property;
 - b) Copyright works;
 - c) Other objects of intellectual property not classified under (a) and (b).

Article 2

Definition of Terms

- 1) The following terms are used for the purposes hereof:

Industrial property: Results of intellectual activities that are new and industrially (economically) exploitable. They include inventions, patents, technical solutions protected by a utility model, designs, topography of semiconductor products, improvement proposals, plant varieties, biotechnological inventions, and trademarks.

Protection of objects of industrial property: Established by awarding (and maintenance) of patents or by registration (and prolongation) of utility models, designs and trademarks by the relevant authority in the Czech Republic or elsewhere in the world.

Invention¹: A technical solution that is new, is the result of inventive activity, is industrially exploitable and capable of being protected by a patent or utility model.

Company invention: An invention that was made by its originator when performing tasks following from their employment or another analogous work relationship with the UHK.

Patent: A protection document awarded for the purpose of invention protection. The owner of a patent has the exclusive right to use the protected invention, grant consent for use to other persons (e.g., by way of a licence) and the right to transfer the patent to another person.

Utility model²: A form of protection for technical solutions that are new, go beyond mere professional skill and are industrially exploitable. A utility model is a lower degree of protection than a patent.

Design³: The appearance of a product or its part, consisting primarily in attributes of lines, colours, shapes, structure or material of the product or its decoration.

¹ Act No. 527/1990 Sb., on Inventions and Improvement Proposals, as amended.

² Act No. 478/1992 Sb., on Utility Models, as amended.

³ Act No. 207/2000 Sb., on Protection of Designs and on amending Act No. 527/1990 Sb., on Inventions, Designs and Improvement Proposals, as amended.

Trademark⁴: Any labelling than can be graphically depicted, particularly words, including personal names, colours, sketches, letters, digits or product or packaging shapes, if such labelling can be used to distinguish someone's products or services from someone else's.

Improvement proposal⁵: A technical, production or operational improvement or solution of problems relating to occupational safety and health protection or environmental protection, which the innovator is entitled to exploit.

Biotechnology invention⁶: An invention related to (1) biological material that is isolated from its natural environment or manufactured using a technical procedure even if it has occurred in nature; (2) plants or animals, unless the technical feasibility of the invention is limited to a certain plant variety or animal breed; or (3) microbiological or other technical procedure and product other than a plant variety or animal breed obtained in this way.

Originator: Any natural person in an employment or another analogous work relationship with the UHK that is involved in producing an object of industrial property (i.e., a UHK employee – academic or non-academic, as well as, e.g., visiting professor, visiting assistant professor or another person working temporarily or doing research at the UHK). This Decree also applies the term originator to an entire group of co-originators of a research and development result.

Co-originator: Any natural person in an employment or another analogous work relationship with the UHK that is involved in producing an object of industrial property at a determined proportion, i.e., in case the object of industrial property is produced by multiple persons or even multiple organisations.

Acquirer: An entity (natural person or legal entity) that acquires the right to the UHK's intellectual property based on a contract made with the UHK.

Intellectual property protected by the Civil Code⁷: Intellectual property that cannot be protected by registration in a relevant register and is not a copyright work, includes unregistered identifications, trade secrets, confidential information or know-how.

Copyright⁸: Includes rights to literary works, other works of art or scientific works.

⁴ Act No. 441/2003 Sb., on Trademarks (Trademark Act), as amended.

⁵ Act No. 527/1990 Sb., on Inventions and Improvement Proposals, as amended (Sections 72-74).

⁶ Act No. 206/2000 Sb., on Protection of Biotechnology Inventions, as amended.

⁷ Act No. 89/2012 Sb., the Civil Code, as amended.

⁸ Act No. 121/2000 Sb., on Copyright and Rights Related to Copyright and on Amendment to Certain Acts (the Copyright Act), as amended.

Author: A natural person who has created the work; for collected works as a whole, a natural person who has selected or organised them in a creative way.

Copyright work (work): A literary work, work of art or scientific work which is a unique result of the author's creative activity and is expressed in any objectively perceptible form, including electronic form, either permanent or temporary, regardless of its extent, purpose or importance. This typically includes literary, photographic, audiovisual, cinematographic and cartographic works. Databases and software are copyright works as well.

Employee work: Any work created by the author to meet their obligations arising from their employment with the UHK. Employee works also include collective works, i.e., works in the creation of which several authors participate and which is created at the instigation and under the management of the UHK and which is presented in public under the UHK's name, and individual contributions included in such work cannot be used separately.

School work: Any work that a UHK student has made to meet their study obligations. Analogously, school work includes works made by a lifelong learning participant.

Know-how: A set of knowledge, skills, experience and proficiencies of a production, technical, operational, business, scientific, research or other nature that are not generally known or available, are material, describable (i.e., they exist in an objectively perceptible form) and commercially exploitable.

Trade secret⁹: Comprises competition-important, definable and valuable facts that are related to the University and are commonly unavailable in relevant business communities. Trade secret includes, in particular, projects and results of research, development, technical development, business plans, commercial or production plans, business or advertising strategies or other intentions; pricing principles, including price calculations and budgeting; licence policy principles relating to industrial or other intellectual property, as well as other contractual policy principles; safety policy principles regarding protection of property and persons, as well as personal data; applications for registration of objects of industrial property in relevant public registers, including any annexes and background documentaion, as well as any related documentation or other information; this also applies to time before submission of such applications; design, technological or other technical and production documentation, such as construction drawings, bills of materials, part specifications, work procedures, recipes, etc.; scientific and research, project, engineering, analytical or consultation documentation;

⁹ Section 504 of Act No. 89/2012 Sb., the Civil Code, as amended.

strength and technological calculations of machine parts or instruments; prototypes, three-dimensional models, samples or demonstrations or tests of services; product manufacturing or service provision instructions; technical specifications or product drawings or service breakdowns; technical reports on products, services, instruments, scientific, research or development results, including laboratory reports and results of standardising activity; company inventions or other company solutions, employee (company) designs or other such objects of industrial property regardless of its fitness for registration in a relevant register; improvement proposals, employee computer programmes, photographs or databases or other objects of copyright or rights related to copyright, including problem analysis, programme analysis or any other documentation and source text of employee computer programmes.

Knowledge transfer¹⁰: Any process aimed at acquiring, collecting and sharing explicit and implied knowledge, including skills and competence in both economic and non-economic activities such as research collaborations, consultancy, licensing, spinoff companies creation, publication and mobility of researchers and other personnel involved in those activities.

Licence: A permit or authorisation for exercising the right to use a work for all or only some listed uses, to an extent either limited or unlimited.

Startup: Typically a business plan at least in the stage of an idea which has a potential for commercialisation and tries to treat a market situation or business problem in an innovative way. A startup may be any newly established company, primarily with a technological focus, that tries to solve problems locally and in an time-innovative way.

Spinoff: A legal entity established (with or without property interest of the UHK) in order to commercialise a result or results of the UHK research and development, or a legal entity with endeavour for commercialisation of such results as one of its primary objectives.

Proof of concept activities: Activities performed with a result of the UHK research and development that lead to at least partial practical verification of benefits and practical functioning of the research and development results, or that lead to improving quality, thus the value of information about the research and development results. Typically, this involves manufacturing of a functional sample or its partial development, verification of some production principles and manufacturing possibility, performance of certified and independent measurements and tests, testing of functional samples in practice or in simulated operation.

¹⁰ Communication from the European Commission “*Framework for State Aid for Research, Development and Innovation*” (2014/C 198/01).

TTO¹¹: The Technology Transfer Office which provides protection of intellectual property and performance of all designated activities necessary for the commercialisation process.

PART II

UHK Intellectual Property

Article 3

Industrial Property Exploitation

- 1) The UHK exploits the research and development results using the procedure described below. Every employee who invents a new technical solution or improves an existing one, discovers new facts, innovates, improves a work procedure, instrument or tool or contributes to such a result in connection with their work performance and their valid job description has to follow the procedure described in Article 4 and is considered an originator. The powers and obligations of participants in the research and development result exploitation process are specified in Annex 3 hereto.
- 2) The UHK exploits the research and development results towards third parties (in particular, authorities awarding public contracts in research and development, businesses and collaborating organisations) in accordance with European^{12,13} and national legislation; the main principles are specified in Annex 5 hereto.

Article 4

Industrial Property Exploitation Process

- 1) The originator is required to notify the TTO about a research and development result in writing by means of a completed form Notification of Research and Development Results which forms Annex 1 hereto (hereinafter the *Notification*).
- 2) The TTO performs a formal check of the Notification and, if necessary, helps the originator eliminate shortcomings, confirms the Notification receipt, and registers it and allocates a registration number to it.

¹¹ The powers of the Technology Transfer office are exercised by the UHK Science and Knowledge Transfer Office.

¹² European Commission Regulation No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (the General Block Exemption Regulation – GBER).

¹³ Communication from the European Commission *Framework for State Aid for Research, Development and Innovation* (2014/C 198/01).

- 3) If any additions to the Notification are needed, the originator is required to cooperate with the TTO in a timely manner.
- 4) The TTO proposes to the Vice-Rector for Science and Creative Activity the summoning and composition of an Intellectual Property Assessment Committee (hereinafter, the *Committee*). If approved, the Vice-Rector for Science and Creative Activities summons the Committee. The TTO prepares documents for the Committee meeting.
- 5) The Committee assesses the qualities of the notified result and recommends exercising or dismissing of rights to the result. If it recommends exercising of rights, it also proposes a suitable form of intellectual property protection.
- 6) In the case of an obvious exercise of rights to a research and development result due to the planned output of the research project under consideration, the TTO may decide not to use the procedure set out in paragraphs 4 and 5. In such a case, the recommendation and suggestion of an appropriate form of protection by the Committee is superseded by the recommendation of the Vice-Rector for Science and Creative Activity.
- 7) The resulting recommendation and proposal of an appropriate form of protection is forwarded to the Rector of UHK for a final decision.
- 8) The UHK Rector decides whether the UHK will exercise its rights to the result. In the case of an improvement proposal, the originator is informed about the UHK Rector's decision within 2 months at the latest; in other cases, within 3 months from the complete Notification of of Research and Development Results as per Paragraph 1 of this Article. The TTO then makes a record on the UHK Rector's decision.
- 9) If the UHK does not exercise its rights to the result towards the originator within 3 months of the Notification receipt, the rights pass back to the originator. Both the originator and the UHK as the employer are required to maintain confidentiality about the knowledge offered towards third parties for this period.
- 10) The TTO summons the Council for Commercialisation (hereinafter the *Council*) and submits to it the exercised results for consideration whether the result is to be commercialized or not.
- 11) If the Council decides to commercialize the result, the TTO prepares background documents for the next Council meeting, usually in form of a commercialisation project.
- 12) The TTO develops the commercialisation project typically within 2 months of the Rector's affirmative decision on exercising the rights to the given result pursuant to Paragraph 8 of this Article.

- 13) The draft commercialisation project typically has to contain the following information:
- Identification of the research result (technology, invention, improvement proposal, computer programme, database, etc.);
 - Selected methods of legal protection of the result or alternative methods of legal protection and the planned commercial application;
 - Planned steps of a technical, market and business nature for the planned increase in value of the scientific result for commercial application (e.g., proof of concept activities, checking demand on target markets);
 - Time and financing plan, including coverage of resources for the above steps;
 - Factual schedule (and timetable as the case may be) for further steps, containing “STOP/GO” decision-making points;
 - Information about the co-ownerships structure, previously used and planned financing sources and conditions;
 - Overview of existing contractual relationships and planned contracts;
 - Cooperation conditions, expected advantages and their implications on contractual conditions in the case of plans to set up a spinoff company.
- 14) In the case of plans to set up a spinoff company, a business plan is a mandatory annex to the commercialisation project; its requisites are specified in Annex 5 hereto.
- 15) The commercialisation project is approved by the Council, and it also sets the procedure and other parameters for preparation and implementation of the commercialisation with professional support from the TTO, and manages the commercialisation within its powers.
- 16) Specific terms and conditions of a contractual relationship resulting from the commercialisation are not subject to the Council approval and are mandatorily commented on by the TTO in cooperation with the UHK lawyer and approved by the UHK Rector. The Rector may sign a contract following the commercialisation of the notified result only if the requirements set by the managing act defining contract circulation at the UHK are met. The Vice-Rector for Science and Creative Activities is informed about the intention to make such a contract before its making, confirming it by his/her signature on the dispatch note for the contract. At the same time, his/her signature confirms the verification of meeting of the steps of the UHK intellectual property exploitation process described above.
- 17) The TTO then monitors whether and how the contract made is being performed.

- 18) The UHK Rector decides continuously, based on the Council recommendations, about essential steps and financing of commercialisation activities or their halting as the case may be. In the case of halting commercialisation activities, the Vice-Rector for Science and Creative Activities charges the TTO with negotiating terms and conditions and developing a price quotation for transfer and sale of intellectual property to originators, if they show interest in such transfer.

Article 5

Copyright Work

- 1) The University of Hradec Králové uses for its activities primarily literary works and scientific, photographic, audiovisual, cinematographic and cartographic works; computer programmes are also considered works pursuant to the Copyright Act. Collected works are, for example, collections, journals, exhibitions, databases, computer programmes, etc.
- 2) Copyright works are treated pursuant to general provisions of Act No. 121/2000 Sb., on Copyright and Rights Related to Copyright and on Amendment to Certain Acts (the Copyright Act), as amended (hereinafter the *Copyright Act*).

Article 5a

Employee Work

- 1) Unless agreed otherwise, the UHK as the employer exercises, in its own name and at its own account, authors' owner's rights to works created by the authors as part of performance of their obligations under their employment or similar relationship with the employer. The employer is allowed to transfer the right to exercise pursuant to this paragraph to a third party only with the author's consent.
- 2) Exercising of owner's rights to employee works consists in the following:
 - The UHK may publish the work, modify it, process it, including translation, connect it to other works, include it in collective works and publicise it under the UHK's name.
 - The UHK may grant a licence with or without the right of sublicensing to other entities.
 - The UHK may also complete an unfinished employee work in case the author is in default, even after a written invitation to additional

performance, in making/finishing the employee work or in case the author's commitment to finish the work expires due to impossibility of performance or death.

- The author of an employee work is entitled to adequate additional reward from the UHK if the wage or other reward becomes evidently disproportionate to the profits from exercising rights to the employee work.
 - The relationships between the employer and an employee pursuant to Paragraphs 1 to 3 of this Article can be defined differently in a contract, e.g., the employee-author may publish the work at his/her own expense or the employer grants a licence to the employee-author with the right of sublicensing, etc.
 - If the UHK does not exercise owner's rights to an employee work at all or if it exercises them insufficiently, the author has the right to ask the employer to grant the author a licence under normal terms and conditions, unless the employer has a material reason to refuse it.
- 3) The author's moral rights to the employee work remain unaffected.
 - 4) The rights and obligations of the UHK as the employer in relation to an employee work remain unaffected after the termination of the employee's employment or analogous relationship.

Article 5b

School Work

- 1) A school work is any work enjoying the Copyright Act protection produced by a student in order to meet their study obligations resulting from their legal relationship with the UHK. School works comprise, in particular, Master's, Bachelor's and doctoral theses, seminar and similar papers, computer programmes, etc.
- 2) Owner's rights are not transferred to the UHK directly by operation of law, with the exception of rights resulting from special legal regulations (Section 47b of Act No. 111/1998 Sb. on Higher Education Institutions and on Amendments and Supplements to some other Acts).¹⁴
- 3) The UHK has the right by law to use a school work in a non-profit way for its internal purposes.

¹⁴ see also Rules for Bachelor's , Master's, Advanced Master's, Doctoral and Habilitation Theses Handling at the UHK.

- 4) By operation of law, the UHK has the right to make a licence agreement on use of a school work under normal terms and conditions.
- 5) If the student-author refuses to grant permission (licence) for use of the work without a material reason, the UHK may claim it at court, the ruling of which may substitute for the author's missing manifestation of will.
- 6) Unless the UHK and the student-author make a different agreement, the student-author may use their work or grant a licence to someone else. However, it may not contradict the UHK's legitimate interests.
- 7) If the student-author of a school work generates any income from using their school work or granting a licence for it, the UHK is entitled to demand an adequate contribution for the payment of costs it incurred in creating the work.

Article 6

Valuation of Intellectual Property

- 1) Intellectual property produced at the UHK that is designated for commercialisation (Article 4(11)) trading has to be valued for this purpose.
- 2) Valuation of intellectual property intended for commercialisation is based on the opinion of the Intellectual Property Valuation Committee which is established by the Rector for each individual case in accordance with the relevant provisions of the UHK Rules for the Internal Governance.

Article 7

Reward to Originators

- 1) An originator to whose intellectual property the UHK exercises the right is entitled to adequate reward determined according to a Rector's Decree. The reward reflects the size of the ownership share and is divided among the co-originators, if any, according to the mental share of intellectual input by each of the co-originators based on a contract made by the co-originators.
- 2) The reward pursuant to Paragraph 1 does not apply to copyright work of art, literary and scientific nature without a commercial potential, typically scientific papers, papers for collections, conference posters, monographs or other publications. Such works are treated pursuant to Act No. 121/2000 Sb., on Copyright and Rights Related to the Copyright and on Amendment of Certain Acts (the Copyright Act), as amended.

- 3) The originator is entitled to additional reward based on a licence agreement or sale of intellectual property.
- 4) Rewards based on a licence agreement or sale of intellectual property are paid to the originator without undue delay after payments are transferred from the business partner to the UHK account.
- 5) The table in Annex 2 hereto shows the calculation of the amount of reward from net revenues from a licence agreement or sale of intellectual property. The reward is divided among co-originators based on each co-originator's share of intellectual input.
- 6) For the purposes of this Decree, the net revenue is the UHK's income from the object of intellectual property modified by direct costs of commercialisation (provision of formal and contractual protection, legal services, business and marketing analyses and services, searches, management and implementation of commercialisation activities, etc.). Unless the UHK Rector specifies otherwise, the UHK's net revenue (i.e., the revenue after deduction of the originator's reward according to Paragraphs 5 and 6 of this Article) is divided so that 15% goes to the faculty or independent department involved in the production of the result, and the rest is transferred to the Intellectual Property Protection Fund that has been established to cover the costs of ensuring appropriate industrial-legal protection, its maintenance and the preparation and implementation of activities for the commercialisation of other research and development results, including Proof of Concept activities. The divided parts of the UHK's net revenue pursuant to this Paragraph have to be used for the UHK's primary activity only.

Article 8

Protection of Information About Intellectual Property

- 1) All information about intellectual property, including but not limited to, the Notification of Research and Development Results, the Committee and Council meeting minutes and recommendations and TTO opinions are considered trade secret and confidential.
- 2) Related information, whole documents or their parts may only be disclosed to third parties if their protection is arranged contractually and in a way corresponding by its level of protection to the nature of the disclosed information.
- 3) Employees who participate in scientific work, research and development are obliged to comply with the obligations resulting from the legal protection of intellectual property and the UHK trade secret related with the creation of an

invention or similar innovative solution and potential consequences of breach of the Employee's obligations imposed by the law.

Article 9

Transitional and Final Provisions

- 1) This Decree enters into force and effect on the date of its signing.
- 2) In the case of results communicated by the originator prior to the entry into force of this managing act, the shares set out in Annex 2 of Rector's Decree No 17/2020, i.e. 10% for the UHK and 90% for the originator, shall be used to determine the amount of the share of the revenue of research and development for the originator and the UHK within the meaning of Article 7, unless the Rector decides otherwise in agreement with the originator.
- 3) Rector's Decree No. 17/2020 is repealed.

Hradec Králové, 10 January 2024

Prof. Ing. Kamil Kuča, Ph.D.

Annex 1: Notification of Research and Development Results

Annex 2: Share in revenue from research and development

Annex 3: Powers and obligations of participants in the research and development result exploitation process

Annex 4: Handling of research and development results towards third parties

Annex 5: Business Plan Outline

Notification of Research and Development Results

	To be completed by the originator	TTO comments
1. Result name		
2. Result discipline		
3. Originator and co-originators, each co-originator's share in intellectual input		
4. Contact person authorised to act for co-originators		
5. Result description		
6. Description of scientific and research work done on the result, including information about place and time of the result		
7. Advantages of result compared to state of the art		
8. Disadvantages of result compared to state of the art		
9. Potential applications (areas, interested entities, demand)		
10. Result publication method and time		
11. Demonstration of novelty		
12. Readiness for use (steps necessary for practical application, description of follow-up research and development)		
13. Proposed protection method or contractual application and attributes of novel solution to be protected or applied		
14. Related project (if a grant or support has been provided)		
15. Support materials attached (text, sketches, charts, drawings, performance data, reports, agreement among co-originators)		

16. Result documentation storage form and location		
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By his/her/their signature below, the originator(s) certifies that the above-mentioned result was created within the scope of his/her/their employment or other similar employment relationship with the UHK and was created by his/her/their own creative activity.

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Originator's/originators' name(s) and signature(s) Name and signature of the person who hands the Notification over¹⁵ Name and signature of the person who takes the Notification over:

Date of discussion by the Commission/Vice-Rector for Science and Creative Activity

.....

Date of the Rector's opinion:

.....

Rector's opinion:

Rights to intellectual property **shall be/shall not be** exercised

¹⁵ To be completed only if the person who hands the Notification over is different from the originator.

Share in revenue from research and development

	UHK	Originator
Share in net revenue*	30%	70%**

- * **Net revenue** (for the purposes of this Decree) is the UHK's income from the object of intellectual property modified by direct costs of commercialisation (provision of formal and contractual protection, legal services, business and marketing analyses and services, searches, management and implementation of commercialisation activities, etc.).
- ** This share belongs to the originator unless the UHK Rector decides differently upon agreement with the originator.

Powers and obligations of participants in the research and development result exploitation process

Vice-Rector for Science and Creative Activities

- 1) Activities associated with intellectual property protection at the UHK belong to the powers of the Vice-Rector for Science and Creative Activities, without prejudice to other persons' obligations pursuant to legal regulations.
- 2) The Vice-Rector for Science and Creative Activities appoints the Intellectual Property Assessment Committee (hereinafter the *Committee*).

Technology Transfer Office

- 1) The Technology Transfer Office (also referred to as the *TTO*) provides protection of intellectual property and performance of all designated activities necessary for the commercialisation process.
- 2) In particular, the *TTO* records information about intellectual property, receives, analyses and assesses intellectual property and makes recommendations for appropriate protection methods for the *Committee*. In addition, the *TTO* produces specific analyses, plans, recommendations, designs appropriate methods of commercialisation of research and development results, sets the financial plan, deadlines and main milestones of target activities and compiles commercialisation reports for the Council. The *TTO* proposes and recommends to the *Committee*, the Council and the UHK Rector suitable sources for covering and financing of intellectual property protection and commercialisation activities. Afterwards it performs the set tasks leading to intellectual property protection and commercial application, their management and monitoring. The *TTO* continuously informs the Vice-Rector for Science and Creative Activities.
- 3) The *TTO* provides internal registration of intellectual property items at the UHK. It assigns a registration number to each submitted Notification (see Article above) and provides administrative work in cooperation with the originator. It maintains the central register of industrial property objects, ensures administrative work related to invention and improvement activities at the University. It also ensures the industrial property subject matter proceedings by filing an application for registration in the relevant register

and the protection and exploitation of industrial property subject matter against third parties.

- 4) The TTO communicates the Rector's decision on the exercise/non-exercise of rights to the originators.

Intellectual Property Assessment Committee

- 1) The Committee assesses research and development results in terms of their importance for the UHK and proposes suitable form of protection of intellectual property, or recommends not exercising rights to a result or making a decision about exercising of rights and processing and developing the result without legal protection (trade secret, know-how, etc.). The Committee is required to make a proposal within 70 days of the submission of a completed Notification of Research and Development Results. The Committee submits the proposal to the UHK Rector via the TTO.
- 2) The Committee has the following standing members: UHK Vice-Rector for Science and Creative Activities, UHK Faculty Vice-Deans charged with management of scientific activity, and the Head of the TTO. Additional members are appointed by the Vice-Rector for Science and Creative Activities; typically, they include the Head of the Department where the related research work takes place, the guarantor of the discipline and other experts in the area.
- 3) All members of the Committee who have not yet made an Agreement on Confidentiality, Protection of Information and Prohibition of Misuse of Information with the UHK are obliged to make conclude such an agreement before participating in the Committee meeting.

Council for Commercialisation

- 1) The Council defines and recommends acceptance, continuation and termination of commercialisation.
- 2) The Council composition and its meeting rules are specified by the Council Rules of Order.
- 3) When given information about a specific research result discussed or at any later time, each Council member shall consider dutifully whether they can act as an independent and impartial Council member. In case any of the members is partial to a research result, they have to inform the other Council members thereof immediately and, from the moment the member feels partial, may only provide additional information for the specific result but may not participate in decision-making and voting about the result in question.

- 4) The Council is summoned ad hoc to assess new research results, decide about key actions done by the TTO and, once a year, to assess the maintenance or cessation of maintenance of awarded patents, utility models, designs, trademarks, etc. with a view to commercial exploitation and acquisition of funds. The ad hoc meetings are held preferentially in the form of electronic communication.

UHK Rector

- 1) The UHK Rector approves the appropriate form of intellectual property protection based on the proposal submitted by the Committee and/or the Vice-Rector for Science and Creative Activity. The UHK Rector is required to provide a statement to a proposal in writing within 3 months of confirmed receipt of a complete Notification of Research and Development Results. In case the UHK Rector decides to exercise rights to a research and development result and decides to arrange any form of legal protection, the property is designated for trading from the moment of the exercising of rights, for the purposes of valuation and further exploitation of intellectual property.
- 2) The UHK Rector approves the commencement, termination, procedure, budget and other parameters of the commercialisation process based on the Council proposals.
- 3) The UHK Rector defines sources for covering of expenditures associated with the legal actions for intellectual property protection, application filing and subsequent administrative and maintenance fees for assuring the chosen intellectual property protection.
- 4) The UHK Rector defines sources for covering expenditures on commercialisation activities and its preparation (including activities in the stages of verification and increasing the commercial potential of research results).
- 5) The UHK Rector appoints the Council members in accordance with the Council Rules of Order.

Originator, author

- 1) Originators are required to make a notification, immediately and in writing, of the results of their research, development or innovation work to the TTO. The notification is made in writing. If they do not make the notification using the template form (Annex 1 hereto), they have to submit the template form to an authorised UHK employee within five days of the initial notification of the result.

- 2) The originator has to strictly maintain the confidentiality principles defined in Article 9 hereof. The research and development result is considered a part of the UHK trade secret and a classified fact. Until the Rector's decision on further steps (or until the filing of an application for a patent or similar legal protection for the result), the originator or any other person informed about the result is not allowed to publish any related information or disclose it to any third person not bound by confidentiality in the matter. To a limited extent (after consultation with the TTO), the originator may inform about framework benefits of the result, but not about its technical parameters, composition, manufacturing procedures, etc., without the TTO's explicit consent.
- 3) Notifications and documents have to contain, in particular, the name of industrial property object, its description, the discipline it pertains to, an explanation of its essence, advantages or disadvantages compared to the state of the art, examples of implementation, demonstration of its novelty and applicability, the essence of the employee's activity resulting in the industrial property object, and potential proposals for contractual exploitation of the results.
- 4) Upon request by the TTO or the Vice-Rector for Science and Creative Activities, the originator is required to actively and efficiently cooperate with the TTO during the analysis of the result, during arrangements for industrial property protection and exploitation of the protected intellectual property object.
- 5) In case the originator's unit or the originator explicitly requests cooperation with an external patent representative beyond the TTO's recommendations, the unit or the originator share the costs of the patent representative at 80% of the total costs invoiced by the patent representative.

UHK Lawyer

- 1) Upon request, the UHK Lawyer provides a more detailed interpretation of the Copyright Act, laws relating to industrial rights, the Civil Code and, as necessary, prepares licensing agreements or contracts for work to order or other related agreements and contracts.

UHK Managing Employees

- 1) All UHK managing employees are required to ensure, under employment contracts, agreements to perform work, agreement to complete a job or otherwise (e.g., job descriptions, written instructions or task assignments), the Employer's ability to demonstrate and prove that any works and

intellectual property objects produced are employee works or company inventions, i.e., works created to meet obligations arising from the employment, and that the employee has carried out such creative tasks.

- 2) For employees who do not have a job description and whose employment contracts do not define creative activity explicitly, the Employer's rights to works created by them can only be exercised in case they are assigned such tasks by a written instruction of their superior. In the case of doubts whether such a task can be assigned by a superior, the decision may be made by an employee authorised to make employment contracts (Rector, Dean, Bursar). Managing employees are required to consult such situations with employees authorised to make employment contracts.
- 3) Managing employees are required to monitor the production of employee works at the UHK units that they manage, and take care that owner's rights to them are exercised properly. If the UHK does not exercise owner's rights to an employee work at all or if it exercises them insufficiently, the author has the right to ask the employer to grant the author a licence under normal terms and conditions, unless the employer has a material reason to refuse it.

Handling of Research and Development Results Towards Third Parties

Public contracts in research and development

- 1) Where a result of a public contract **that cannot be protected** by the laws governing the protection of results of copyright, inventive or similar creative activities is involved, the results are owned by the provider and **may only be published and used** with the prior written consent of the provider by way of **teaching or public disclosure of research results on a non-exclusive and non-discriminatory basis**.
- 2) Where a result of a public contract **that can be protected** by the laws governing the protection of results of copyright, inventive or similar creative activities is involved, the UHK must, unless otherwise specified by the provider, exercise the right to the results, ensure their legal protection and, after providing it, to **grant to the Provider unrestricted free access to the result and non-discriminatory access to third parties under market conditions**. In order to publish project results before the industrial protection application is submitted, a written consent of the provider is necessary.

Other results in research and development

- 1) Rights to results of research, development and innovation activity that is not a public contract belong to the UHK or are co-owned by the collaborating organisations that created the results together in collaboration with the UHK.
- 2) For the use of results, with the exception of the provisions referred to in Paragraphs 1 and 2, the following shall apply:
 - a) **If the UHK is the beneficiary of aid from public sources and if it has exclusive rights to a result fully funded from public resources, the results can only be exploited by way of teaching or public disclosure of research results on a non-exclusive and non-discriminatory basis or knowledge transfer;**

b) If a company along with UHK as a research organisation is the beneficiary of the project support, then:

- The results of such cooperation that cannot be protected under the laws governing the protection of results of copyright, inventive or a similar creative activity, may be freely disseminated, and the rights to the results arising from the UHK activities belong entirely to those entities; or**
- Any rights to project results as well as related access rights belong to all collaborating entities to an extent corresponding to the extent of their involvement in the project; or**

The UHK receives from the collaborating entity a compensation corresponding to market prices of rights to the project results that arise as a consequence of its activity and are ceded to the collaborating entity, or to which the entity has acquired access right. Where a result of a public contract that cannot be protected by the laws governing the protection of results of copyright, inventive or similar creative activities is involved, the results are owned by the provider and may only be published and used with the prior written consent of the provider by way of teaching or public disclosure of research results on a non-exclusive and non-discriminatory basis.

Business Plan Outline

- 1) Submitter's name and surname/company name,
Submitter's permanent address/registered office/company office,
ID (if any)
- 2) Project title – project focus and expected outcome
- 3) Legal form, line of business, brief description of company history (if any)
- 4) Main project intent – summary
 - Mission, goals, product/service uniqueness and its protection, competitive advantage, target customer segments and their sizes, team, financial targets, amount of initial investment needed and potential profit
- 5) Product/service description
 - Brief description of products/service, description of advantages, customer needs for product/service that it meets, its uniqueness, innovativeness, added value for customers, how it will be priced
- 6) Sales and marketing strategy
 - Description of the market scope, analysis and forecast of demand for product/service;
 - Basic characteristics of customers;
 - Demand-to-price and price-to-demand sensitivity;
 - Your competitors, main competitors, competitors' strength, what part of the market they occupy, advantages and drawbacks of competing products/services, how will you differ from the competitors;
 - Method of product/service placing on the market, how the product/service will be distributed, what distribution channels will be used, what amounts of sales you intend to implement via each distribution channel;
 - How will you handle aftersales service;
 - Method of promotion, how will you capture customers, how will you promote your products/services, how will you contact customers, how will you time activities and with what budget, what marketing communication channels will you use (what advertising and where, company documentation, company brands, logos, slogans, public relations, press releases, internet, etc.).
- 7) Staffing

- Current composition of your team, their expertise, experience, motivation;
 - Shortcomings of your team – what experience, knowledge and skills your team lacks at the moment, how do you propose to resolve the problem;
 - Project management method;
 - Qualifications and professional requirements for employees necessary for the project implementation and estimate of their number, workforce recruitment method, degree of exploitation of local workforce;
 - Amount of personnel costs.
- 8) Technical and spatial provision of the project
- Suppliers (discipline, location);
 - Manufacturing process, requisites for the manufacturing and its financial demands (if relevant);
 - Spatial location of the project (own premises, lease) and costs of premises;
 - Whether additional research and development will be required; if so, how time- and money-demanding will it be;
 - Legal protection of your product/service.
- 9) Project implementation schedule
- Project milestones, what goals are to be achieved in time and what does it mean in terms of finance, production, promotion, sales, and/or recruitment;
 - Vision for the company for the next 3 years.
- 10) Project budget, financial demands and provision for the project
- Your costs before launching the project (mostly costs of machinery acquisition, preparatory works), costs during the project functioning (fixed and variable operating costs); ideally developed as an itemised overview in a table;
 - Expected revenues (estimate of sales, structure of sales) for the first, second and third year;
 - Cash flow (income and expenditures, their inequality in time);
 - Break-even point;
 - Financial provision for the project (source of necessary funds).

11) Final summary – project SWOT analysis

- Project strengths (and how to exploit them);
- Project weaknesses (and how to resolve them);
- Opportunities (and how to exploit them);
- Threats (and how to address them).