
Protection of Intellectual Property at the Czech University of Life Sciences Prague

UNOFFICIAL TRANSLATION

Article 1

Introductory Provisions

- (1) This Directive regulates the relationships and determines certain rights and obligations of employees and students of the Czech University of Life Sciences Prague associated with the creation, protection and use of the results of creative activities in relation to the Czech University of Life Sciences Prague (hereinafter "CULS"), with the intent to support the creative potential of CULS, its employees and collaborating entities, and so that CULS employees, CULS, industry and society as a whole benefit from this activity.
- (2) The area of relationships and rights and obligations within the creation, protection and utilization of the results of creative activities in science and research at CULS regulated by this Directive consistently abides by the international treaties by which the Czech Republic is bound, by the applicable legal order of the Czech Republic, by the Researchers Charter, by the European Charter for Researchers and the Code of Conduct for their Recruitment, and by the European Code of Conduct for Research Integrity.
- (3) The purpose of this Directive is to set a unified procedure and rules in the protection and utilization of the results of creative activities arisen in relation to CULS.

Article 2

Basic Concepts

- (1) For the purposes of this Directive, intellectual property means the results of creative activities specified in Article 2 of the Convention on establishing the World Intellectual Property Organization¹ that a CULS employee created during the fulfilment of a task arising from employment or another similar labour relationship to CULS.
- (2) For the purposes of this Directive, an invention means a technical solution that is new, that is the result of inventive activities and that is industrially usable.
- (3) For the purposes of this Directive, a patent means a protective document that is granted to protect inventions. A patent owner has exclusive right to use the protected invention, to grant

¹ Convention establishing the World Intellectual Property Organization, signed in Stockholm on 14 June 1967, amended on 2 October 1979 and published in Decree No. 69/1975 Coll., as amended by Decree No. 80/1985 Coll.

consent to use to other persons (e.g. through a license) and is entitled to transfer the patent to another person.

- (4) For the purposes of this Directive, a utility model means a technical solution that is new, exceeds the framework of mere professional skill and is industrially usable.
- (5) For the purposes of this Directive, industrial design means the appearance of a product or part thereof, consisting essentially of the lines, contours, colours, shape, structure or materials of the product itself, or its decoration, which is new and of an individual nature.
- (6) For the purposes of this Directive, a biotechnological invention means an invention that concerns:
 - a) biological material that is isolated from its natural environment or manufactured via a technical procedure, even if it has already been found in nature,
 - b) plants or animals, unless the technical feasibility of the invention is limited to a particular plant variety or animal breed, or
 - c) microbiological or other technical procedure and product other than the plant variety or animal breed obtained in this way.
- (7) For the purposes of this Directive, a company invention means an invention that was created by the originator in order to fulfil a task arising from employment or other labour relationship to CULS.
- (8) For the purposes of this Directive, originator means an individual who created a technical solution or industrial design via his or her own creative activities and is in a employment or other labour relationship with CULS (for example, an academic or non-academic CULS employee, visiting professor or professional assistant).
- (9) For the purposes of this Directive, a co-originator means an individual who created a technical solution or industrial design via his or her own creative activities together with another person. Co-originators are entitled to a technical solution or industrial design in the scope in which they participated in its creation.
- (10) For the purposes of this Directive, an author means an individual who created an copyright work pursuant to Act No. 121/2000 Coll., on Copyright and Rights Related to Copyright and on Amendments to Certain Acts (Copyright Act), as amended, and is in a employment or other labour relationship with CULS (for example, an academic or non-academic CULS employee, visiting professor or professional assistant).
- (11) For the purposes of this Directive, a copyright work means a literary and other artistic work and scientific work that is the unique result of the creative activities of the author and is expressed in any objectively perceivable form, including electronic, permanent or temporary form, regardless of its scope, purpose or significance. For the purposes of this Directive, a copyright work also means, inter alia, photographic, audio-visual and cartographic works, and a computer program as such is also considered a copyright work.

- (12) For the purposes of this Directive, an improvement proposal means technical, manufacturing or operational improvements, as well as addressing occupational health and safety and environmental issues which an innovator is entitled to handle.
- (13) For the purposes of this Directive, an innovator means an individual, who created an improvement proposal via his or her own creative activities and is in an employment or other labour relationship with CULS (for example, an academic or non-academic CULS employee, visiting professor or professional assistant).
- (14) For the purposes of this Directive, a trademark means any designation capable of a graphical representation, in particular words, including personal names, colours, drawings, letters, numbers and product shape or packaging, if such a designation is capable of distinguishing the products or services of one person from the products or services of another person.
- (15) For the purposes of this Directive, a trade secret means competitively relevant, identifiable and assessable facts that are not normally available in the relevant business spheres, and which relate to a company plant and CULS ensures their secrecy in its interest in the corresponding manner.

Article 3

Basic Principles of Protection of Intellectual Property at CULS

- (1) A person in an employment or other labour relationship with CULS (hereinafter a “CULS employee”) shall be obliged to protect all of the intellectual property of CULS as the employer, as well as the rights associated therewith, including the corresponding measures leading to keeping confidential facts and findings that represent trade secrets and know-how belonging to CULS.
- (2) CULS employees and students shall be obliged to abstain from any conduct that could be at variance with the legitimate interests of CULS in relation to the intellectual property of CULS and conduct that could endanger or damage the intellectual property of CULS.
- (3) CULS employees shall be obliged to ensure that the rights of third parties to intellectual property are not violated during the fulfilment of employees’ obligations arising from an employment or other labour relationship with CULS.
- (4) When publishing the results of research or development, CULS employees shall be obliged to proceed in such a way as not to endanger the interests of CULS as the employer in the legal protection of the subject of intellectual property, in particular not to publish these results before CULS makes a decision on exercising the rights to the subject of intellectual property.
- (5) Even after the end of employment or other labour relationship with CULS, CULS employees shall be obliged to preserve the rights to intellectual property, including a trade secret and know-how that belong to CULS, not to use such findings and not to publish and provide them to other persons.
- (6) As an employer, in accordance with generally binding legal regulations, CULS shall be obliged to protect and respect all of the rights to intellectual property that may arise in relation to the

fulfilment of employment obligations of CULS employees; in particular, if a right to subject of intellectual property is not exercised by CULS, CULS shall be obliged to enable CULS employees to exercise toward the subject of intellectual property the relevant rights in their own names and at their own cost without CULS publishing such findings.

Article 4

Exercising Rights to Intellectual Property

Section 1

Results of Technical Creative Activities and Industrial Design

Subsection 1

Information Obligation

- (1) If, during the fulfilment of a task arising from an employment or other labour relationship with CULS, a CULS employee creates a technical solution or industrial design for which it can be expected that it fulfils the conditions of industrial protection, the employee shall be obliged to immediately inform CULS (the worksite specified below) of such a fact in writing and transfer to CULS the documents necessary for evaluating this technical solution or industrial design.
- (2) The obligation pursuant to the prior paragraph shall be fulfilled by a CULS employee via the transfer of the proper and completely filled-in notification of the creation of a technical solution or industrial design (hereinafter the "Notification") to the Centre for Innovation and Technology Transfer (hereinafter "CITT"). A CITT employee shall immediately confirm in writing the takeover of the Notification. The date of takeover shall be the date as of which the statutory period for exercising rights pursuant to the relevant generally binding legal regulations runs. The Notification is placed on the CULS intranet in section "Správa obsahu/CITT/Ochrana duševního vlastnictví/Podat oznámení ". A CULS employee shall be obliged to transfer the Notification to CITT in electronic form (by sending an electronic form over the CULS intranet) in two copies in paper form (a printed copy of the submitted electronic form) with the signature of the notifier (CULS employee).

Subsection 2

Notification Proceedings

- (1) CITT shall be obliged to keep a continuous numbered log of Notifications, the subject of which is the offer of the subjects of technical solutions and industrial designs of CULS employees (hereinafter the "subject of the Notification") for their exercising on the part of CULS.
- (2) The relevant CITT employee shall be obliged to issue to the CULS employee a confirmation of the takeover of the Notification under the premise that such a Notification is duly filled-in, and that it is possible to professionally evaluate the created technical solution or industrial design. On the date of the proper takeover of the Notification shall begin running for CULS the three-month statutory period pursuant to the provisions of Section 9, paragraph 3, Act No. 527/1990 Coll., on Inventions and Rationalisation Proposals, as amended, for exercising the right to the subject of the Notification.

- (3) The relevant CITT employee and head of the CULS worksite, who is superior to the CULS employee who is the originator of the subject of the Notification, shall be obliged to provide effective support to the CULS employee in the filling-in of the Notification.
- (4) CITT shall be obliged to keep an independent file of each Notification, in which it shall store originals of all documents that relate to the Notification, and to duly number such documents in ascending order according to the time at which CITT received them.
- (5) Unless stipulated otherwise via a contract between CULS and a third party, or in this Directive, the right to the subject of the Notification shall be transferred to CULS. The right to originality shall not be affected by this.
- (6) The Evaluation Committee for the Protection of the Intellectual Property of CULS (hereinafter "Evaluation Committee") shall discuss and evaluate the Notification on time. The Evaluation Committee shall prepare an opinion at the latest within 4 weeks from receiving a Notification from CITT, unless CITT determines a different deadline. This opinion shall be the basic prerequisite for the final decision of the Rector on exercising a right to the subject of the Notification.
- (7) The opinion pursuant to the previous paragraph must include an express proposal for exercising or not exercising a right to the subject of the Notification, a proposal for the method of securing industrial protection of the subject of the Notification, a preliminary proposal for potential foreign protection of the subject of the Notification, and a proposal of funds from which shall be paid the costs for industrial protection of the subject of the Notification. With regard to a proposal for exercising a right to the subject of the Notification, the opinion must also contain a proposal of a reasonable remuneration for the CULS employee as the originator of the subject of the Notification.
- (8) With regard to a proposal of funds from which shall be paid the costs for industrial protection of the subject of the Notification, the Evaluation Committee shall be obliged to give precedence to funds from grants and similar resources, as well as to funds from the resources of the CULS Licence Fund, and if this is not possible, then to funds from the resources of the relevant CULS worksite at which the subject of the Notification was created (or from the share participation of several CULS worksites) or from other CULS funds.
- (9) For the purposes of preparation of an opinion by the Evaluation Committee, CITT shall be entitled to request other written opinions of professional CULS departments, which shall become a basis for discussion within the Evaluation Committee.
- (10) CITT shall be obliged to submit the Notification together with the opinion of the Evaluation Committee sufficiently in advance to the Rector for a final decision on exercising a right to the subject of the Notification in such a way that it is able, at the latest within 3 months from the proper takeover of the Notification, impart to the CULS employee as the originator of the subject of the Notification the final statement of CULS regarding the Notification.
- (11) Exercising a right to the subject of the Notification pursuant to this Directive and in accordance with valid legal order of the Czech Republic shall establish for CULS the exclusive right to handle the subject of the relevant Notification.

- (12) In the event of exercising a right to the subject of the Notification pursuant to this Directive and in accordance with valid legal order of the Czech Republic by CULS, neither a CULS employee who is the originator of the subject of the Notification nor the CULS worksite at which the subject of the Notification was created shall be entitled to independently negotiate with patent representatives about industrial protection of the subject of the Notification, or to negotiate directly with the Industrial Property Office, or provide any information relating to the possibilities or conditions of commercialization of individual subjects of the Notification. In such a case these authorizations shall be carried out by CITT on behalf of CULS.
- (13) From the date of the takeover of the Notification until the utilization of the relevant resources of the industrial protection of the subject of the Notification by CULS, the relevant CITT employees and CULS employees who are originators of specific subjects of the Notification, as well as individual members of the Evaluation Committee, shall be bound by a confidentiality obligation about all facts and circumstances that relate to the Notification and the subject thereof. If CULS decides not to use the relevant means of the industrial protection of the subject of the Notification despite having exercised a right to the subject of the Notification and decides to keep the subject of the Notification secret, the confidentiality obligation pursuant to the previous sentence shall persist without a time restriction.
- (14) In the event of an express non-exercising of a right to the subject of the Notification, and in the event of futile expiration pursuant to paragraph 10 of this Article, the right to patent or design shall be transferred to a CULS employee. CULS shall enable the employee to ensure the submission of the corresponding registration of the invention or utility model in the employee's name and at his or her expense, also by ensuring that the subject of the Notification is not publicized for three months from the expiration of the three-month deadline from the submission of the Notification to CULS.
- (15) If the three-month period is missed pursuant to paragraph 2 of this Subsection of the Directive, it will only be possible to redress this situation to the benefit of CULS on the basis of a contract between the originator and CULS.
- (16) For subjects of the Notification that were created with the creative activities of other persons who are not in an employment or other labour relationship with CULS, before securing industrial protection, it will be necessary to contractually agree in writing which person will become the potential co-applicant of CULS if CULS exercises a right to the subject of the Notification. Such a contract must include a share in the co-ownership between CULS and such a person, which corresponds to the shares of creative activities in the creation of the subject of the Notification of a CULS employee and the other person. Such a contract must also contain the methods of the co-financing of the industrial protection of the subject of the Notification, as well as the method of decision-making about its utilization, granting of licenses, transfer or other handling of the created subject of the Notification. The relevant CITT employee shall be responsible for negotiating the individual provisions of such a contract, and the CITT employee shall collaborate with the heads of the CULS worksites who are superiors to CULS employees as the originators or co-originators of the relevant subject of the Notification. When negotiating contracts pursuant to this paragraph, the relevant CITT employee shall be obliged to proceed in accordance with the internal regulations of CULS.

Section 2
Improvement Proposals

- (1) A CULS employee who becomes an innovator shall be obliged to offer an improvement proposal to CULS as the employee's employer via CITT, so long as this concerns the field of work or activities of CULS.
- (2) In the offer of the improvement proposal, the CULS employee as the innovator shall be obliged to provide a brief description of the current state of the technology and its disadvantages that the improvement proposal removes, and to describe in detail the employee's own specific solution (improvement proposal), including a specification of the possibilities of its use and its advantages. If it is suitable to do so, the offer of the improvement proposal shall be supplemented with schematic drawings, tables, measurement results, and possibly other documentation.
- (3) CITT shall be obliged to keep records of offers of improvement proposals and a separate file of each offer, in which it shall gather and store all of the documents relating to individual offers.
- (4) The Evaluation Committee shall be obliged to discuss in substance the offer of the improvement proposal submitted to it by CITT. Following a substantive discussion of the improvement proposal offer, the Evaluation Committee shall be obliged to submit a statement to the Rector with a brief justification of whether it recommends that CULS approves the improvement offer proposal and concludes with the innovator a contract to accept the improvement proposal offer, including remuneration for it, or whether it recommends that CULS rejects the improvement proposal offer. If the Evaluation Committee recommends to the Rector that CULS accepts the improvement proposal offer, in cooperation with CITT, the Evaluation Committee shall be obliged to also specify in the justification the source for financing the remuneration for the improvement proposal for the CULS employee. The remuneration usually does not exceed 10,000 CZK.
- (5) If the Evaluation Committee finds the improvement proposal to be beneficial for CULS and proposes to the Rector that CULS accepts the improvement proposal offer, the Evaluation Committee shall be obliged to submit to the Rector a contract on accepting the improvement proposal offer, including the remuneration for it, with the CULS employee as the innovator in such a way that the contract can be concluded at the latest within two months from when the improvement proposal offer is submitted by the CULS employee.
- (6) The right to use the improvement proposal shall be established for CULS upon the conclusion of the contract with the CULS employee as the innovator on accepting the improvement proposal offer and the remuneration for it.
- (7) If CULS rejects the improvement proposal offer or rejects the concluding of the contract on accepting the improvement proposal and the remuneration for it within two months of the delivery of the improvement proposal offer to CITT, the CULS employee as the innovator shall be entitled to handle the improvement proposal without restrictions.

Section 3
Copyright Works

- (1) If a CULS employee as the author creates a copyright work for the fulfilment of his or her obligations arising from employment or other labour relationship with CULS, this shall constitute an employee copyright work to which pertain property rights of CULS as the employer, unless stipulated otherwise in a contract between CULS and a third party, or in this Directive.
- (2) CULS shall be entitled to publish the employee work, modify it, process it including a translation, combine it with another work or include it in a collective work and present it to the public under its name. CULS shall also be entitled to complete an incomplete employee work in accordance with the needs of CULS, use it, or provide the right to it to a third party.
- (3) If CULS does not exercise property rights of an employee work at all, or if it exercises them insufficiently, the CULS employee who is the author of such a work shall be entitled to request that CULS grant to the CULS employee, under normal conditions, the right to use the employee work.
- (4) The personal rights of the CULS employee as the author to the employee work shall remain unaffected.
- (5) The CULS employee as the author of the employee work shall have the right toward CULS to a reasonable sufficient remuneration if the wage or other remuneration paid to the CULS employee by CULS gets into an apparent disparity to the profit of CULS and use of rights to the employee work or its significance for achieving such profit.
- (6) The commercialization of employee works shall primarily be secured by CULS worksites at which such an employee work was created, and CITT shall be obliged to provide them with methodological aid.

Section 4
Trademarks

- (1) If conditions arise within CULS activities wherein industrial protection via trademarks is in the interest of CULS, the relevant head CULS employee shall be obliged to submit to CITT a proposal for submitting the relevant trademark application, including a list of products and services for which legal protection should be applied for. The relevant CITT employee shall be obliged to deliver the proposal for submitting the relevant trademark application for evaluation of its completeness to the CULS legal department.
- (2) After evaluation of the proposal for submitting the relevant trademark application, if the proposal is incomplete, the CULS legal department shall be obliged to submit it to the relevant head CULS employee for supplementation, or if the proposal is complete, to submit it to the Rector for a final decision on submitting a trademark application.
- (3) In the event of a positive decision on submitting a trademark application by CULS, in cooperation with CITT, the CULS legal department shall be obliged to carry out all of the legal and administrative acts associated therewith.

- (4) The costs associated with registering a trademark in a register, including administrative fees, shall be borne by the relevant CULS worksite, which submitted the proposal for the relevant trademark application.
- (5) CITT shall be obliged to keep records of the individual proposals for submitting the relevant trademark application, and a separate file on each of them, in which it shall gather and store all of the documents, as well as records of individual trademarks.

Section 5
Trade Secrets

- (1) CULS employees shall be obliged to maintain confidentiality on facts and information that fulfil the conditions of a trade secret and belong to CULS. This particularly concerns results of research and development, computer programs, databases, test and measurement results, production or measurement guides, technical and technological documentation, recipes, projects, business and technical descriptions, principles of the licensing strategy and facts of a similar nature.
- (2) Any conduct that may endanger or restrict a trade secret that belongs to CULS is prohibited.
- (3) Facts and information of such a nature may only be imparted to third parties if the third parties signed a contract on confidentiality.
- (4) The confidentiality obligation also represents a prohibition of publicizing a trade secret as part of a literary or scientific work, whether a CULS employee is or is not the author thereof, or whether or not this concerns an employee copyright work.

Article 5
Evaluation Committee

- (1) The Evaluation Committee is established for the fulfilment of the purpose of this Directive and for the fulfilment of the set obligations.
- (2) The Evaluation Committee consists of permanent members, and if necessary, at most an additional two professional consultants.
- (3) Permanent members of the Evaluation Committee are its Chairman, i.e. the Vice Rector for Strategy and Information Systems, the head of the CULS worksite of the CULS employee who is the originator or co-originator of the technical solution or industrial design, or innovator, or a representative entrusted by be such head of the CULS worksite, the relevant CITT employee appointed for cooperation with individual CULS faculties, and the patent representative determined by CITT.
- (4) On the basis of his or her consideration and taking into account the demands of the specific subject of the Notification, the Chairman of the Evaluation Committee shall appoint a professional consultant from amongst experts.

- (5) All permanent members and professional consultants that make up the Evaluation Committee must sign a declaration on confidentiality and shall be bound, without a time restriction, to the obligation of confidentiality on all facts that they discussed or were made aware of as part of the Evaluation Committee activities.
- (6) The Evaluation Committee is convened by its Chairman. In the invitation to the Evaluation Committee meeting must be specified the facts that shall be subject of the Evaluation Committee meeting, as well as the composition of the Evaluation Committee for a specific case (and potential appointing of professional consultants). To the invitation must be attached a copy of a Notification or improvement proposal offer which are to be discussed by the Evaluation Committee. The invitation to the Evaluation Committee meeting must be delivered to all of the permanent members and professional consultants at least 1 week before the date of the Evaluation Committee meeting.
- (7) The result of the Evaluation Committee meeting about individual Notifications for the Rector must be an opinion containing an express proposal for exercising or non-exercising a right to the subject of the Notification, and such a proposal must contain the following:
- a) For a proposal for exercising a right to the subject of the Notification, a proposal for a legal protection method (utility model or patent for technical solutions, an industrial design for dealing with the external appearance of products or a combination thereof, or a proposal for keeping secret a technical solution that is to become a CULS trade secret), and a preliminary proposal for territorial scope of protection (international application, European patent application, individual country application or a combination of these options, or only national protection in the Czech Republic).
 - b) For a proposal for exercising a right to the subject of the Notification, a proposal for the reasonable remuneration for an employee or more CULS employees as the originators.
 - c) Other potential proposals, for example relating to the method and focus of commercialization or type and methods of publication.
- (8) The result of the Evaluation Committee meeting on individual offers of improvement proposals for the CULS Rector must be a statement containing:
- a) proper justification of whether the Evaluation Committee recommends an improvement proposal offer to be accepted by CULS, and in such a case a draft of a contract on accepting an improvement proposal offer and proposal for the reasonable remuneration for a CULS employee as the innovator, or
 - b) proper justification of whether the Evaluation Committee recommends an improvement proposal offer be rejected by CULS.
- (16) The Evaluation Committee shall decide via a vote on the wording of the opinion to the Notification or statement to an improvement proposal offer. The Evaluation Committee shall have a quorum if the Evaluation Committee meeting is attended by at least three permanent members. Each permanent member has one vote. If a simple majority was not achieved via a vote, the vote of the Chairman of the Evaluation Committee shall be decisive.
- (17) In the event of disagreement with the wording of the opinion of the Evaluation Committee to the Notification or statement regarding the improvement proposal offer, each permanent member or professional consultant of the Evaluation Committee shall be entitled to the reasons

for their disagreement to be briefly recorded in writing and become part of the wording of the opinion to the Notification or statement regarding the improvement proposal offer of the Evaluation Committee.

- (18) All of the permanent members and professional consultants present at an Evaluation Committee meeting shall sign the minutes from the Evaluation Committee meeting.
- (19) If the subject of the Notification has at least one co-originator who is not in an employment or other labour relationship with CULS, the Evaluation Committee shall be obliged act only on the wording of the opinion to the Notification in the scope that corresponds to the share of the originator, who is in an employment or other labour relationship with CULS, and when preparing the wording of the opinion, the Evaluation Committee shall be obliged to take into consideration the wording of the contract between CULS and the co-originator.

Article 6

Reasonable Remuneration for the Subject of the Notification

- (1) If the Rector decided in accordance with this Directive to exercise the right to the subject of the Notification pursuant to Article 1, section 1 of this Directive, the CULS employee as the originator shall be entitled toward CULS to a reasonable remuneration.
- (2) For the amount of the reasonable remuneration for the technical and economic importance of the subject of the Notification, the benefit achieved via its potential utilization or another use is decisive. The material share of CULS in the creation of the subject of the Notification and the scope of work tasks of the CULS employee as the originator are taken into account.
- (3) The Rector proposes the reasonable remuneration to the Evaluation Committee for approval.
- (4) To determine the specific amount of reasonable remuneration, the Evaluation Committee is obliged to proceed in specific cases as follows: the basic amount of the reasonable remuneration is 3,000 CZK. This basic amount is modified by the following coefficients:

Statutory criteria:	Coefficient	Amount
Technical and economic significance of the subject of the Notification	0.1	
Small	1	
Medium	3	
Large		
Benefit achieved via the possible use of the subject of the Notification or other exercising	0.4	
Small	1	
Medium	3	
Large		
Material share of CULS in the creation of the subject of the Notification	2	
Small	1	
Medium	0.1	
Large		

Total		
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The basis of the reasonable remuneration is the sum of the three amounts determined above.

- (5) If there are more CULS employees as the originators, the basis of the reasonable remuneration is divided according to the joint written declaration of all of the CULS employees about their share in creative activities leading to the creation of the subject of the Notification. If no such declaration is available, it shall be considered that the shares of all of the CULS employees are identical.
- (6) The basis of the reasonable remuneration determined pursuant to paragraph 4 of this Article of the Directive is then corrected for each CULS employee by the scope of his or her work tasks. The basis of the reasonable remuneration for each CULS employee shall be multiplied by a coefficient of 2 in cases wherein the work tasks of the CULS employee are not related at all to the subject of the Notification, by a coefficient of 1 if the work tasks of the CULS employee is, up to a point, related to the subject of the Notification, and by a coefficient of 0.5 if the subject of the Notification is significantly related to the work tasks of the CULS employee.
- (7) The reasonable remuneration for the exercising a right to the subject of the Notification shall be payable within two months from the decision of the Rector about the exercising of this right, and CITT is responsible for administrative securing of the payment.
- (8) The reasonable remuneration is primarily paid from the funds of the license fund.
- (9) If the already-paid reasonable remuneration becomes apparently disproportionate to the benefit achieved by later utilization of another use of the subject of the Notification (e.g. by granting a profitable license or by transferring the subject of the Notification, or by the spin-off of the profits from joint ventures to which the subject of the Notification was contributed as an intangible asset of CULS), the CULS employee as the originator shall be entitled to additional settlement.
- (10) The amount of the additional settlement depends of the amount of the net revenues from the achieved benefit. The net revenue is the amount representing the difference between the financial amount acquired by CULS and the direct costs of commercialization filed by CITT. The amounts used to secure the legal protection of the subject of the Notification, the legal services directly related to the actual benefit (e.g. consultations related to a license contract or contract on the transfer of the subject of the Notification), business and marketing analyses and directly related research are considered such direct costs. The calculation of the amount of additional settlement is shown in the following table:

Net revenues	CULS employee	CULS worksite employee	CULS License Fund
Up to 1 million CZK	80%	10%	10%
More than 1 million CZK	70%	20%	10%

- (11) The amount determined as the additional settlement for the CULS employee shall be due within two months from the date when the amount as benefit from later utilization or another use of the subject of the Notification was credited to the CULS account, and CITT shall be responsible for the administrative securing its payment.

Article 7

Joint Development and Custom Research

- (1) In the event of joint resolving of science-research, development and similar projects (hereinafter the “project”) with other legal entities or individuals, a mechanism which will unequivocally regulate at least the following relationships and facts related to the potential origin of intellectual property must be contractually agreed in writing and in advance:
- a) determination of conditions for the utilization of the subjects of intellectual property of CULS and other legal entities and individuals for the purposes of the project.
 - b) determination of exclusivity in exercising the rights by CULS pursuant to this Directive to the subject of intellectual property, which was within the project created only by the creative activities of CULS employees.
 - c) determination of conditions for the utilization of the subjects of intellectual property created within the solution of the project by the joint creative activities of CULS employees and other legal entities and individuals, in particular the determination of who and under what conditions will secure the industrial protection, how its costs will be paid, who will decide about the utilization of these subjects of intellectual property, who will approve the license contracts and may have the authorization to transfer these right to a third party, and who will secure the optimal commercialization of the aforementioned subjects of intellectual property.
- (2) The head of the relevant CULS worksite that accedes to the joint solution of the project with other legal entities or individuals shall be responsible for negotiating the relevant contract provisions pursuant paragraph 1 of this Article, using the professional support of specialized CULS worksites (CITT and the legal department).

Article 8

Securing Legal Protection and other Handling of the Subjects of Intellectual Property

- (1) If the Rector decides that legal protection to the subject of the Notification is to be secured, CITT secures all of the related activities, including the appointment of the appropriate patent representative after an agreement with the head of the CULS worksite of the employee as the originator, and the timely payment of the administrative, maintenance or renewal fees.
- (2) The CULS employee shall be obliged to provide to CITT, the patent representative or other CULS worksites efficient assistance within the securing of the industrial protection, handling of the acquired rights and commercialization of these solutions.

- (3) Before the annual maintenance fees are paid, CITT shall discuss the justification of extending the industrial protection with the head of the relevant CULS worksite of the employee as the originator, and shall propose the extension or non-extension and the method of financing the maintenance fees to the Rector. The implicit funds for the financing the maintenance fees are the funds of the relevant CULS worksite of the employee.
- (4) If CULS decides not to further maintain the legal protection of the subject of the Notification in its name and at its cost, it shall offer the possibility to transfer these rights to the CULS employee who is the originator so that this employee has further legal protection of the subject of the Notification in his or her name and his or her costs, has the possibility to maintain it and handle the subjects of the Notification.
- (5) CITT provides to CULS employees professional assistance in the commercialization of the subjects of intellectual property.
- (6) All contracts and other contractual documents (e.g. option contracts, license contracts, contracts on transfer of right to intellectual property, contracts on ordered development and research contracts on grants and similar contracts with other legal entities) concerning the commercialization of individual rights to intellectual property that belongs to CULS are filed and evaluated from a commercialization point of view by CITT.
- (7) A CULS employee who requests the conclusion of a contract pursuant to paragraph 6 of this Article shall be obliged to submit the draft of such contract in electronic (editable) form to CITT. CITT shall be obliged to submit these contracts to the CULS legal department for evaluation and securing a signature on the part of CULS.

Article 9

Transitional and Closing Provisions

- (1) The Pro-Rector for Strategy and Information Systems shall be obliged to secure the checking of adherence to individual provision of this Directive.
- (2) Failure to adhere to the obligations arising from this Directive shall be considered a breach of obligations arising from the labour relationship between the CULS and the CULS employee, including the possible consequences arising from the breach of these obligations.
- (3) The proceedings on the subjects of the rights to intellectual property commenced before the effect of this Directive, but not yet finalized, shall proceed pursuant to this Directive, unless expressly stated otherwise. The acts carried out before the effect of this Directive remain valid.
- (4) This Directive shall become valid and effective on the date it is announced.
- (5) This Directive cancels Rector's Directive No. 2/2011 on the protection and implementation of the rights to intellectual property at CULS, and the Decision of the Rector No. 7/2011 which determined the amount of remuneration from the utilization of the right of industrial ownership.