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PART ONE INTRODUCTION

Article 1 Basic provisions

- (1) The establishment of legal entities by Tomas Bata University in Zlín (hereinafter referred to as "TBU") as well as TBU's monetary or non-monetary investments in these and other legal entities are governed by the Act No. 111/1998 Coll., on Higher Education Institutions and on Alterations and Amendments to Other Acts (hereinafter referred to as the "Higher Education Act") and by the internal regulation of TBU "Rules for Establishment of Legal Entities and for Monetary and Non-Monetary Investment by TBU in These and Other Legal Entities" (hereinafter referred to as the "Rules").
- (2) The aim of this Rector's Directive is to set up the rules, requirements and a uniform procedure for the preparation of a proposal for the establishment or co-establishment of a legal entity or for the establishment of participation in a legal entity (hereinafter referred to as "Proposal") as a method for commercialization of intellectual property owned by TBU, and that by establishing of spin-offs, and to specify the formal content of the Proposal to be submitted to the Bursar for further action in accordance with the Rules (Articles 3 and 5 of the Rules). The intent to establish a spin-off company at TBU is considered a project in accordance with the Rules (Article 3, Paragraph 1).

Article 2
Definition of selected basic terms

- (1) Research commercialization is the process starting in the moment of identification of research knowledge which has commercial potential and ending with practical application of such research knowledge.
- (2) Commercial application is a manner of use of intellectual property for the purpose of obtaining of economic benefit, carried out including the introduction of the product to the market on a particular territory and conditional on the transfer of intellectual property, on the granting of a licence, joint ownership and on the use in cooperation with a partner or on the provision of a result as a seed capital to the cooperation with a partner.
- (3) A spin-off where TBU has a capital share of 100% is a legal entity established by TBU for the purpose of using and developing intellectual property owned by TBU, with the result of such action being a product or service applicable on the market. TBU has a capital share of 100% in such a spin-off.
- (4) A spin-off where TBU has a partial share of the capital is a legal entity co-founded by TBU in cooperation with another legal entity or a natural person for the purpose of using and developing intellectual property owned by TBU, with the result of such action being a product or service applicable on the market. TBU has a capital share of less than 100% in such a spin-off. For the purposes of this internal regulation, an existing legal entity where TBU participates in order to commercialize intellectual property owned by TBU, or, if applicable, a legal entity where TBU applies/commercializes intellectual property owned by TBU is also considered a spin-off.

PART TWO
INITIATION OF THE ESTABLISHMENT (CO-ESTABLISHMENT) OF A SPIN-OFF
OR OF THE ESTABLISHMENT OF PARTICIPATION IN ANOTHER LEGAL
ENTITY FOR THE PURPOSE OF COMMERCIALIZATION OF INTELLECTUAL
PROPERTY OWNED BY TBU

Article 3
Suggestion for the establishment (co-establishment) of a spin-off or establishment of
participation in another legal entity for the purpose of commercialization of intellectual
property owned by TBU

- (1) A suggestion for the establishment (co-establishment) of a spin-off or for the establishment of participation in another legal entity for the purpose of commercialization of intellectual property owned by TBU (hereinafter referred to as “Suggestion”), shall be submitted by:
 - a) a TBU employee (employees), or
 - b) a TBU student (students) or

- c) Rector, Vice-Rector for R&D and Creative Activities, Dean of a TBU Faculty or Head/Director of a TBU component part by a written recommendation delivered to the Technology Transfer Office (hereinafter referred to as “TTC”), or
 - d) the Committee for Protection of Intellectual Property by adopting the relevant resolution delivered to the TTC, or
 - e) the Commercialization Council by adopting the relevant resolution delivered to the TTC,
 - f) the TTC on its own initiative, or
 - g) an external entity – another legal entity or natural person
- (hereinafter referred to as the “Proposer”).
- (2) The Suggestion shall contain:
- a) Identification and contact details of the Proposer
 - b) Specification of intellectual property and/or know-how owned by TBU
 - c) Other basic information on the proposal for commercialization of the intellectual property specified
 - d) Proposed form of commercialization
- (3) After receiving the Suggestion, the TTC shall assess and, if necessary, add:
- a) Reasons for detailed processing of the Suggestion submitted by the Proposer
 - b) Legal situation regarding the matter of the specified intellectual property or know-how owned by TBU
 - c) Availability of the specified intellectual property or know-how for the purposes proposed
 - d) Initial amount necessary for the valuation of the intellectual property or know-how (in accordance with the valuation as set in the property register of TBU) and estimated costs of the valuation carried out by an independent expert
 - e) Estimated costs necessary for the preparation of the legal documents required for the proposal to establish (co-establish) a legal entity or to establish participation in another legal entity.
- (4) Based on the expert assessment of the Suggestion, the TTC shall prepare, in cooperation with the Proposer or with a person authorized by the Proposer, a Proposal for Initiation of Establishment (Co-Establishment) of a Spin-Off or a Proposal for Establishment of Participation in Another Legal Entity (hereinafter referred to as the “Initiation Proposal”).
- (5) The Initiation Proposal shall contain:
- a) Identification of the Proposer in accordance with Paragraph 1 of this Article,
 - b) Specification of the intellectual property and/or know-how owned by TBU and the availability thereof
 - c) A list of documents necessary for the preparation of the Proposal in accordance with Article 5 of the Rector’s Directive, including the information on estimated costs of the documents’ acquisition
 - d) A time schedule of steps necessary to be taken in order to prepare the Proposal
 - e) A proposed solution regarding legal relations with the legal entity being established (co-

established), or with the legal entity where TBU wishes to establish participation, including legal relations related to intellectual property.

- (6) In the event that, during the expert assessment of the Suggestion carried out in accordance with Paragraph 3, the TTC concludes that it is not possible to further process the Suggestion for one of the reasons listed below:
- a) In the case of the specified intellectual property, its legal protection has not been finalized, or
 - b) the use of the intellectual property is limited by another legal relationship, or
 - c) other forms of internal use or commercialization are economically more convenient for TBU in the case of the intellectual property specified,
- the TTC shall provide this information to the Proposer in writing, stating the obstacles in terms of intellectual property rights, where appropriate, also recommending another form of its use or commercialization. At the same time, this information shall be given to the TBU Rector by the TTC along with the relevant expert opinion. The expert opinion must contain a description of the legal reasons restricting the use of the specified intellectual property related to the form of commercialization proposed in the Suggestion, or a description of the relevant economic reasons if the TTC recommends another form of commercialization.

Article 4

Assessment of the Initiation Proposal

- (1) The Initiation Proposal shall be submitted by the TTC to the Committee for Protection of Intellectual Property along with an expert assessment prepared in cooperation with other specialized departments at TBU.
- (2) After the Initiation Proposal has been submitted, the Committee for Protection of Intellectual Property shall assess its completeness and, if necessary, request:
 - a) that the TTC should submit additional information in the defined extent, and/or
 - b) that another specialized department of TBU should give its opinion or provide additional information in the specified extent, and/or
 - c) that an external company should assess the Initiation Proposal.
- (3) The Committee for Protection of Intellectual Property shall give its opinion on the Initiation Proposal and submit the entire documentation to the Rector for decision. If the Initiation Proposal is approved, the Rector shall also decide on the determination of a source of funding for the costs associated with the preparation of the Proposal, either on the use of financial resources of the Innovation Fund or on the funding to be provided by the relevant Faculty/component part. The Rector shall inform the TTC of these facts, the TTC shall forward the information on the approval of the Initiation Proposal to the Proposer.
- (4) If the Initiation Proposal is not approved, the TTC shall also receive the Rector's opinion and forward it to the Proposer.
- (5) Coordination of the preparation of the Proposal for the Establishment of a Legal Entity

shall be ensured by the TTC, with the ongoing support by the Proposer. At the same time, the TTC shall actively cooperate with other specialized departments at TBU in individual aspects of the Proposal according to the professional competences of the departments, in particular as regards legal services, financial management, etc., with the aim of effective use of internal capacities.

Article 5

Elaboration of a Proposal for the Establishment (Co-Establishment) of a Spin-Off or for the Establishment of Participation in Another Legal Entity for the purpose of commercialization of intellectual property owned by TBU

- (1) The specific requirements to be included in the Proposal for the Establishment (Co-Establishment) of a Spin-Off as a Legal Entity, in addition to the requirements arising from the Rules, are the following:
 - a) Proposal of the legal form and contractual relations between TBU and the legal entity being established (co-established)
 - b) Proposal of bodies to represent the legal entity
 - c) Specification of the subject of activity of the legal entity being established
 - d) Amount and form of financial investment made by TBU (monetary, non-monetary or a combination thereof)
 - e) Budget outlook for the first three financial years
 - f) Risk analysis and risk treatment
 - g) Proposal of the founding document/foundation charter with the data necessary for inclusion in a public register

- (2) The specific requirements to be included in the Proposal for Establishment of Participation in Another Legal Entity, in addition to the requirements arising from the Rules, are the following:
 - a) Proposal for an update of the structure and composition of the bodies of this legal entity
 - b) Amount and form of financial investment made by TBU (monetary, non-monetary or a combination thereof)
 - c) Analysis of the legal and economic consequences of all aspects of TBU's participation in another legal entity
 - d) Budget outlook for the first three financial years
 - e) Risk analysis and risk treatment
 - f) Proposal for amendments to the founding document/foundation charter with the data necessary for inclusion in a public register

- (3) The prepared Proposal shall be submitted by the TTC to the Bursar of TBU in accordance with the Rules.

- (4) Next steps to be taken are listed in the Rules.