

APPROVED BY
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Kaunas University of Technology of
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**KAUNAS UNIVERSITY OF TECHNOLOGY
REGULATIONS ON THE MANAGEMENT AND TRANSFER OF
INTELLECTUAL PROPERTY**

**CHAPTER I
GENERAL PROVISIONS**

1. The Regulations on the Management and Transfer of Intellectual Property (hereinafter – Regulations) of Kaunas University of Technology (hereinafter – University) stipulate the University's principles and procedures of the management and transfer of intellectual property related to the ownership of the intellectual property rights, its development, use, disposal and distribution of the income received for the transfer of intellectual property among the authors.

2. The Regulations are prepared in accordance with the Statute of the University, the Law on Science and Studies of the Republic of Lithuania, the Patent Law of the Republic of Lithuania, the Law on Copyrights and Related Rights of the Republic of Lithuania, the Law on Designs of the Republic of Lithuania, the Law on the Legal Protection of Topographies of Semiconductor Products of the Republic of Lithuania, the Law on Trademarks of the Republic of Lithuania, the Recommendations for the Lithuanian Research and Educational Institutions on the Rights Arising from the Results of Intellectual Activities approved by the order of the Minister of Education and Science of the Republic of Lithuania No. ISAK-2462 "On Approval of the Recommendations for the Lithuanian Research and Educational Institutions on the Rights Arising from the Results of Intellectual Activities" of 1 December 2009, Directive 2004/48/EC of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights (29 April 2004) and other legislation.

3. The Regulations are applicable to all the University's employees, students and other persons involved in the University's R&D&I activities (projects) or other activities conducted by the University based on the contracts or other grounds unless interinstitutional contracts or agreements stipulate otherwise.

4. All the issues and procedures of the management, protection, use, disposal of intellectual property and distribution of the income for its use at the University are coordinated and administered by the National Innovations and Entrepreneurship Centre of the University (hereinafter – NIVC).

5. The main definitions used in the Regulations:

Spin-off – a new company established for the commercialisation of the intellectual property created at the University in case:

1) The University transfers or licences its intellectual property to such a newly-established company for remuneration; and/or

2) The University is one of the company's shareholders.

Author – an employee or student of the University who has created an intellectual property object.

Co-authors – the persons who create an intellectual property object as a result of their joint creative work, irrespective whether that object is an integral whole or consists of the parts that may have individual meaning. The person who has provided material, technical or organisational help in the creation of an intellectual property object is not considered a co-author.

Employees – the persons working for the University under their employment contracts.

Know-how – certain special practical knowledge that has a direct impact on the results of the process and is particularly valuable because it is not known by the third parties. A production, commercial and technological secret and other information can be considered know-how.

Intellectual property – copyrights and moral rights to intellectual property objects: works of literature, art and other copyright works, industrial property objects (inventions, industrial design, trademarks, names of legal entities, domain names, topographies of semiconductor products, varieties of plants and other objects stipulated by the legislation), software, databases (*sui generis*), know-how examples, commercial secrets, knowledge, technologies, etc.

Protection of intellectual property – the entirety of actions and means required for their performance, aiming to restore the violated intellectual property, to acknowledge and protect it from the threatening and repeated further violations of the rights, to eliminate any actions violating the rights, as well as compensate the damage caused by the violation. The specific means and tools for the protection of intellectual property are stipulated by the international and European Union legislation regulating the protection of intellectual property, as well as the law of the Republic of Lithuania and other countries that will protect the intellectual property owned by the University.

Transfer or commercialisation of intellectual property – transfer of the University's intellectual property to the third parties in any form aiming for social benefits to the society and/or economic benefits to the University. The transfer of intellectual property can include several stages of the outsourced R&D&I activities: development of intellectual property in cooperation with the partners of R&D&I activities (projects); transferring of intellectual property for remuneration by licencing; establishment of a spin-off, start-up, etc.

Supervision of intellectual property – the entirety of the actions required for proper and efficient management, use and disposal of intellectual property.

Form of the legal protection of intellectual property – patent of an invention, registration of a design, trademark, topography of semiconductor product, creation of a copyright object that is documented by making copyright contracts, making of non-disclosure agreements and other forms.

Conflict of interests – a situation when functions or obligations of the University's employee or student performed in the area of development, transfer or commercialisation of intellectual property objects at the University are directly or indirectly related to the private interests of that person.

Commercial secret – confidential information holding a certain or potential commercial (production) value due to the fact that it is unknown to the third parties and it cannot be easily available due to the reasonable attempts of the owner of this information (or the person the owner has entrusted with this information) to protect its secrecy.

Non-disclosure agreement – a contract that obliges the parties to only use confidential information for the purposes stipulated by the agreement, ensuring that confidential information will not be disclosed and available to the unauthorised third parties, except for the cases stipulated by the legislation.

Licence – permission providing a right to use an intellectual property object in the manner and under the provisions specified in the contract.

Physical material – material related to intellectual property objects, for examples, engineering drawings, prototype devices, equipment, chemical or biological materials, etc.

Research and experimental development (socio-cultural) activities (hereinafter – R&D&I) – systemic creative cognitive activities related to nature, human, culture and society, and the use of their results.

Partners of R&D&I activities (projects) – natural persons and/or legal entities cooperating with the University and participating in direct or indirect R&D&I activities (projects); holding the rights and obligations defined by the contracts.

Start-up – a new company established for the commercialisation of intellectual property objects; at least one of the company's founders (as a natural person) has made a contract on the services of business incubation with the University.

Students – persons who have made learning agreements with the University or included in the University's register of students or unclassified students, including the persons studying under the exchange programmes.

CHAPTER II PRINCIPLES AND STRATEGIC PROVISIONS

6. The creation, management, use, disposal of intellectual property objects and their transfer to the third parties is a strategic direction of the University. The University encourages its employees and students to create intellectual property objects and aims to provide favourable conditions for them to get the information on the management, use, disposal, transfer and protection of intellectual property.

7. The University implements the principles of the open access to R&D&I results and guarantees wide dissemination of R&D&I results without the violation of the protection mechanisms of intellectual property.

8. The management, use and disposal of intellectual property at the University are based on the following principles:

8.1. Distribution of rights and obligations; it means that the authors and partners of R&D&I activities (projects) can acquire intellectual property; at the same time they acquire the obligations related to the use of intellectual property;

8.2. Rationality; it means that the commercialisation of R&D&I activities (projects) is performed taking into consideration the varying needs, requirements and legitimate interests of the University and partners of R&D&I activities (projects);

8.3. Use and benefits; it means that the University and partners of R&D&I activities (projects) aim to create the conditions of the commercialisation of intellectual property objects enabling the maximum use of the achieved R&D&I results;

8.4. Effectiveness; it means that the intellectual property is used, managed and disposed of aiming for the optimum balance between the benefits to the society and economic benefits to the University with regards to the interests of the authors of intellectual property, University, partners of R&D&I activities (projects), other third parties and end-users;

8.5. Autonomy; it means that the University and partners of R&D&I activities (projects) have a right and prerogative to agree on the distribution of the ownership and economic benefits of intellectual property arising from the results of intellectual activities;

8.6. Cooperation; it means that the University and partners of R&D&I activities (projects) have to respect each other's interests and give all the help to each other for the proper implementation of R&D&I activities (projects).

CHAPTER III INTELLECTUAL PROPERTY RIGHTS

9. **The University** owns all the property rights to the intellectual property objects and related physical material created by its **employees** in the maximum scope stipulated by the law in the unlimited territory unless the contracts stipulate otherwise, as long as they are created:

| 9.1. | 9.2. | 9.3. | 9.4. |
|--|---|---|--|
| While an employee is performing his/her duties or job functions stipulated by the employment contracts, staff regulations, descriptions of job positions or other internal documents of the University; and/or | While an employee is implementing the University's R&D&I activities (projects) and/or participating in the University's R&D&I activities (projects); and/or | While an employee is performing the University's legitimate assignments and/or assigned tasks; and/or | While an employee has used the University's resources. |

10. **The University** owns all the property rights to the intellectual property objects and related physical material created by its **students** in the maximum scope stipulated by the law in the unlimited territory unless the contracts stipulate otherwise, and they are created during the studies at the University:

| 10.1. | 10.2. | 10.3. |
|--|--|--|
| While a student participates in the University's R&D&I activities (projects); and/or | While a student has received direct financing from the University, scholarship or remuneration for the creation of an intellectual property object; and/or | While a student has significantly used the University's resources. |

11. **The following is considered a significant use of the University's resources:** the use of the University's research laboratories, technical measures, services, financial and/or human resources, intellectual property objects without which the creation of an intellectual property object by the student would be impossible or significantly complicated. The use of the measures available to all the students (University's computers, classrooms, library and/or everyday administration services provided by the University's employees) is not considered a significant use. Likewise, the scholarships awarded to the students for high study results are not considered a significant use,

except, if a scholarship is awarded for the specific research results achieved while the University implements R&D&I activities (projects), or a scholarship is awarded for the creation of an intellectual property object. Each case of the use is examined individually taking into consideration significant circumstances and specifics of the situation.

12. The University can make a separate agreement with an author defining the period after which the University's property rights to an intellectual property object are transferred to the author.

13. In case of a dispute regarding the existence of the conditions specified in paragraphs 9-10 of the Regulations, the presence or absence of the conditions has to be proven by the person stating that fact.

14. The employee and student can only publish the confidential information on the intellectual property objects which are owned by the University after the receipt of the written consent of his/her direct manager or supervisor, except for the exceptions stipulated by the legislation.

15. The moral rights to intellectual property objects belong to their authors.

16. The University has a right to agree with the third parties regarding the granting of the right (for remuneration or free of charge) to use intellectual property objects or transfer of such a right to the University under the procedure stipulated by the law. The agreement has to include a provision that after the period of time during which the property rights to an intellectual property object are granted or transferred to the University, the University has a priority right to extend an agreement on the same conditions or on the different conditions proposed by the contractual party.

17. At the proposal of the author, the author's property rights to intellectual property objects can be transferred to the University under a separate agreement.

18. The University's employees, students and other persons who want to use the intellectual property objects owned by the University for commercial purposes have to obtain a respective written authorisation: employees – authorisation of their direct manager; students – authorisation of their research project manager; other persons – authorisation of NIVC.

19. The University has to be indicated in the affiliation of the publications of employees and students prepared under the conditions specified in paragraph 9 or 10 of the Regulations.

20. The University has to be indicated as an applicant and an owner in the registration certificates of the intellectual property objects created by employees and students that are owned by the University (patents, design, trademark, etc. applications and obtained registration certificates).

21. The original intellectual property objects that are owned by the University (if they are possessed by the University) are stored at the respective University's structural divisions where they have been created.

22. The University supports and promotes open access to intellectual property objects insofar as this is not incompatible with the legislation of the Republic of Lithuania and internal legislation of the University. The principles, procedure, obligations and responsibilities of open access to scientific publications and data are regulated by the University's Regulations on the Open Access to Scientific Publications and Data.

CHAPTER IV

MANAGEMENT OF THE PROPERTY RIGHTS TO INTELLECTUAL PROPERTY OBJECTS IN JOINT R&D&I ACTIVITIES (PROJECTS)

23. When the University implements joint R&D&I activities (projects) with the partners of R&D&I activities (projects), the owner of the property rights to the created intellectual property objects is determined by a separate written agreement, taking into consideration the following conditions:

| Subparag raph | Conditions of the creation of intellectual property | Owner of the property rights |
|---------------|---|--|
| 23.1. | During the implementation of R&D&I activities (projects), the prevailing research component is the creation of intellectual property using the previously created intellectual property, material base, etc. owned by the University. | University. The partner of R&D&I activities (project) is granted a licence to use the created intellectual property objects in the agreed area. If a licence is granted for a fee, the licence fee is established by a contract in advance (a recommended licence fee is 3-6% of the sales of the product that will be produced and/or sold on the basis of this licence). The licence can be non-exclusive or exclusive; there may be an option for the partner of R&D&I activities (project) to negotiate the transfer of the property rights to the created intellectual property object. |
| 23.2. | Applied research , technological development works are implemented under a precise technical task provided by the partner of R&D&I activities (project), and partner of R&D&I activities (project) bears all the costs of the performed works. | The partner of R&D&I activities (project); the provisions for the transfer of the property rights to the created intellectual property object to the partner of R&D&I activities (project) are agreed in advance in the contract made with the University. In such a case, the University aims to reserve the right to use the created intellectual property objects in research and academic activities, including the right to reproduce the results and publish them in scientific papers and otherwise publicise. When the University reserves the right to use the created intellectual property objects in research and academic activities, it must be guaranteed that the requirements of the partner of R&D&I activities (project) related to confidentiality and protection of intellectual property are not violated. |
| 23.3. | The partner of R&D&I activities (project) and the University jointly participate in the creation of intellectual property and bear the costs. | Each partner , when each partner individually creates the results of intellectual activities during the implementation of R&D&I activities (project); and/or The University and partner jointly , when the partner and the University jointly create intellectual property objects during the implementation of R&D&I activities (project), and these objects become their partial property; its shares are determined in proportion to the contribution of the partners of R&D&I activities (project) in its creation. In such cases, the University has to aim to determine the precise scope of its property rights to the created intellectual property |

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| | | object and agree whether a partner of R&D&I activities (project) can individually implement his/her rights to the intellectual property object or if the partner requires the knowledge or consent of another partner, and the provisions for such an action. |
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24. While making contracts with partners of R&D&I activities (projects), the University's employees have to aim for the social benefits to the society and/or economic benefits to the University.

CHAPTER V

ADMINISTRATION, SUPERVISION AND DEFENCE OF INTELLECTUAL PROPERTY

25. During the validity period of the property rights to intellectual property objects the University administers, supervises and defends the University's property rights to intellectual property objects under the procedure stipulated by the law, as well as resolved other issues related to the University's intellectual property. If violations are caused by the actions of the University or legitimate users (for example, licensees), the University or legitimate users are responsible for such violations under the procedure stipulated by their contracts. When the University and partners of R&D&I activities (projects) are co-owners of intellectual property objects, their administration, supervision and defence are defined by their contracts.

26. The data of R&D&I activities (projects), physical material and other information related to intellectual property objects shall be collected and stored under the procedure set out by the University.

27. If an author learns about a possible violation of the University's intellectual property rights, the author has to notify NIVC employees responsible for the protection management of intellectual property immediately.

28. If the University decides to take the actions for the protection and defence of intellectual property rights against the third parties, the author has to cooperate with the University and provide the University with all the available information required for the performance of these actions.

29. The author is responsible for the originality of the intellectual property and has to guarantee that intellectual property objects are created without a violation of any property rights and/or personal moral rights of the third parties. In case the facts of plagiarism of intellectual property, violation of any property rights and/or personal moral rights, or other rights of the third parties are identified, the author shall be held responsible under the procedure set out by the University; if such a case causes tangible loss to the University, the author has to compensate the University's loss under the procedure stipulated by the legislation.

30. In case the author owns the property rights to an intellectual property object or the University has waived its property rights to an intellectual property object and transferred them to the author, the author is responsible for the implementation of the rights to an intellectual property object and defends them individually.

31. The author is always responsible for the supervision and defence of the copyrights.

32. While implementing R&D&I activities (project), the author has to comply with the requirements of the legislation regulating the legal protection of personal data.

33. While implementing R&D&I activities (project) that include biomedical research, the author has to begin, conduct and end the research following the requirements of the Law on the Ethics of Biomedical Research and other national, European Union and international legislation.

34. Any disputes between the University, employees, students and/or third parties regarding the management, use, disposal and transfer of intellectual property are resolved under the procedure stipulated by the legislation of the Republic of Lithuania.

CHAPTER VI CONFIDENTIAL INFORMATION

35. The following information created in the University's R&D&I activities (projects) and/or related to the University's intellectual property is considered confidential information:

35.1. Research information before the publishing (empirical data, conceptual provisions, diagrams, schemes, intermediate results, generalisations, software, prototype drawings);

35.2. Registration form for the notification of the created invention or another intellectual property object with descriptions;

35.3. Contracts on the performance of the outsourced R&D&I activities (projects) and service provision, project contracts, contracts on the participation in tenders, negotiation protocols, letters of intent, technical tasks, estimates, reports, except for the cases when these documents cannot be considered confidential information under the legislation or the contracts made by the University;

35.4. Proposals of R&D&I activities (projects);

35.5. Applications for patents, industrial design, other intellectual property objects before their publication;

35.6. Licencing agreements, contracts on the transfer of the property rights to intellectual property objects, copyright contracts, publishing contracts, contracts on the use of the co-owned intellectual property;

35.7. Other information specified as confidential in the contracts made by the University or other documents.

36. The employees and students have no right to disclose or transfer the confidential information indicated in paragraph 36 of the Regulations to the third persons without a written consent of their direct manager or research project manager, except for the following cases:

36.1. If research is conducted under the contracts on R&D&I activities (projects) financed by local or foreign business entities. In this case, confidential information can be disclosed only to the partner of R&D&I activities (project) under the procedure and conditions stipulated by the contract;

36.2. If research is conducted while implementing international programmes and the projects financed by the funds that have specific requirements stipulated for the publication of the research results;

36.3. If an employee or student decides to publish the confidential information specified in subparagraph 35.1 of the Regulations or to use it in the conference presentations. In this case, the confidential information specified in subparagraph 35.1 of the Regulations is only disclosed in the scope required for the publication. Before the publication of the research information, the author has to coordinate the scope of the information to be published with the direct manager of the University's employee conducting the research activities or the University's research project manager supervising the student.

37. A direct manager or research project manager, or another person responsible for the disposal and protection of the confidential information indicated in paragraph 35 of the Regulations has to introduce the confidentiality requirements to each employee, student and/or third party conducting R&D&I activities at the University before they begin using the confidential information indicated in paragraph 35 of the Regulations. In individual cases, non-disclosure agreements or contracts are made with employees, students and/or third parties.

38. The person using the confidential information is responsible for its protection. The person working with specific computer and having access to the confidential information has to take all the measures to make sure this information is not accessible or cannot be otherwise disclosed to any third parties unauthorised to get acquainted with this confidential information. The person is responsible for the unauthorised disclosure of the confidential information under the procedure stipulated by the legislation or under the non-disclosure agreement made with that person.

39. The University's employees and students who use confidential information must not reveal it to any third parties unauthorised to receive or get acquainted with this information. At the end of the employment contract between the University and employee or the student's and/or unclassified student's learning agreement, the employee or student cannot disclose or disseminate this confidential information; the employee or student cannot retain any original documents of confidential information, their copies in any form. The obligations of the employee at the end of the employment relationship and the student at the end of the study relationship related to the non-disclosure of the confidential information are valid for 5 (five years), but until that confidential information becomes public at the latest.

40. The University's employees and students exchange the confidential information indicated in paragraph 35 of the Regulations among themselves and with third parties on a need-to-know basis.

41. Before the beginning of the cooperation with partners of R&D&I activities (projects), it is recommended to sign a **non-disclosure agreement** (see **Appendix 1**) or a non-disclosure agreement proposed by a partner of R&D&I activities (project) and agreed upon between the responsible employees of the University; this agreement should stipulate inter alia the information which is considered confidential, the retention period of the confidential information, the obligation of non-disclosure of the confidential information and responsibility for the violation of such an obligation. The retention period of the confidential information has to be set out taking into consideration the specifics of R&D&I results created in each specific case, the possibilities of patents, commercialisation and/or the importance of research publication.

42. The employees responsible for the execution of the contracts of R&D&I activities (projects) with partners of R&D&I activities (projects) are responsible for the compliance with confidentiality obligations.

CHAPTER VII

NOTIFICATION OF THE CREATION OF INTELLECTUAL PROPERTY OBJECTS AND THEIR EVALUATION PROCESS

43. The University's employee or student who has created an invention or another intellectual property object (except for the scientific publications without any potential for commercialisation) has to notify about his/her creation in writing immediately but within 5 (five) working days from the creation of the intellectual property object at the latest under the procedure stipulated by

paragraph 4 of NIVC Regulations. **The scheme for notification of the created intellectual property object and its evaluation procedure** is provided in **Appendix 2** to the Regulations.

44. The notification on the creation of the invention or another intellectual property object submitted by the University's employee or student is registered manually or electronically by completing a printed **registration form for notification of the created invention or another intellectual property object** (hereinafter – Form) (see **Appendix 3**); the Form is submitted to NIVC or completed electronically in the University's electronic registration system of intellectual property objects at the address <https://ideja.ktu.lt/> (in Lithuanian) or <https://idea.ktu.lt/> (in English). The signed copy of the completed electronic Form has to be submitted to NIVC within 7 (seven) working days after the submission of the Form in the electronic system at the latest. The evaluation of the Form only begins after the receipt of the signed printed Form or a copy thereof.

45. The University's employee or student has to guarantee that the output material of the intellectual property specified in paragraph 43 of the Regulations – measurement data, laboratory entries, etc. – that allows determining the circumstances of the creation of the intellectual property object – is stored under the procedure approved by the University.

46. The employee's direct manager or the student's supervisor has to guarantee timely submission of the information specified in paragraph 43 of the Regulations to NIVC.

47. The processes of the evaluation of intellectual property management and transfer (hereinafter – Evaluation) of the intellectual property objects, when the University is notified about their creation under the procedure specified in paragraphs 43-44 of the Regulations, are organised and administered by NIVC. The Evaluation is conducted in accordance with the stage evaluation process for the selection of intellectual property objects including the stages of notification of the creation of the invention or another intellectual property object, its primary evaluation, development of the concept and final evaluation. A detailed **process for evaluation of the created invention or another intellectual property object** is provided in **appendix 4** to the Regulations.

48. All the stages of the evaluation of the invention or another intellectual property object created at the University are conducted by the permanent NIVC Work Group for Intellectual Property Management and Transfer (hereinafter – Work Group) which evaluates the possibilities of protection, management and commercialisation of the intellectual property. The composition of the Work Group (at least 3 (three) members) is approved by the decree of the Vice-Rector for Research and Innovation of the University upon the proposal of the head of NIVC. The Work Group consists of the head of NIVC, employees of NIVC responsible for the management of the intellectual property, transfer of technologies and development of new business. At the decision of the head of the Work Group, the authors, heads or employees of the University's structural divisions, research and business experts may be invited to the meetings of the Work Group in a consultative role.

49. Unless an agreement with an author or confidentiality provisions stipulate otherwise, the members of the Work Group cannot disclose the information provided in the Form to the third parties; the Form becomes a commercial secret of the University.

50. The author indicated in the application has to cooperate with the work Group while it conducts the stages of the evaluation of an intellectual property object and provide all the information to achieve the most effective result of the intellectual property evaluation.

51. while ensuring the confidentiality of the information provided in the Form, the members of the Work Group have a right to apply to the other employees and/or third parties of the University for consultations regarding the following issues: the possibility and expediency of the use and/or acquisition of property rights to the intellectual property object specified in the Form;

selection of the form and scope of legal protection; possibilities of practical application of the intellectual property object specified in the Form; evaluation of the market for the intellectual property object specified in the Form and/or prototype created on the basis of that object; sources of financing required for the creation of the intellectual property object specified in the Form; other issues related to the transfer of intellectual property. NIVC can buy the services required for the preparation of the recommendation of the Work Group under the procedure stipulated by the law.

52. The meetings of the Work Group are organised and its decisions are made under the following procedure:

52.1. The form of the activities of the Work Group is meetings organised when needed, but at least once per 3 (three) months;

52.2. The organisation of the activities of the Work Group is performed and decisions regarding the convening and date of the meeting are made by the head of the Work Group or his/her deputy member of the Work Group. The Head of the Work Group can organise the meeting remotely, using the means of communication (with the help of video conference or other electronic means) taking the required precautions for the insurance of the confidentiality requirements;

52.3. All the members of the Work Group and the experts present at the Work Group's meeting have to sign a **confidentiality obligation** (see **Appendix 5**), except for the University's employees who have made non-disclosure agreements with the University;

52.4. The meeting of the Work Group is legitimate if at least 2/3 of the Work Group's members participate in the meeting. The decisions made during the meeting are only recommendations; they are made in an open voting procedure by a simple majority. In case of an equal number of votes of the members of the Work Group, the head of the Work Group has the casting vote;

52.5. The key documents proving the activities of the Work Group are meeting protocols and activity report prepared and submitted at the end of each calendar year;

52.6. After the assessment of the information collected during the evaluation of the Form, the Work Group provides a **written recommendation** regarding the possibilities for protection, management and commercialisation of the invention or another intellectual property object to the University's Vice-Rector for Research and Innovation;

52.7. The Work Group can provide the following recommendations to the University's Vice-Rector for Research and Innovation:

52.7.1. To initiate the registration of protection of an intellectual property object or apply other forms of protection;

52.7.2. To initiate the establishment of a spin-off;

52.7.3. To propose to licence or transfer property rights to an intellectual property object to the third party for remuneration;

52.7.4. To initiate R&D&I activities (projects), to make contracts on R&D&I activities (projects) or other contracts;

52.7.5. Other recommendations.

52.8. After the assessment of the information collected during the evaluation of the Form, the Work Group can do the following:

52.8.1. Initiate a repeated evaluation of an intellectual property object if the Work Group lacks data to make decision regarding the protection and commercialisation of an intellectual property object;

52.8.2. Refuse to begin the process of the protection of rights to and commercialisation of an intellectual property object if it is determined that an intellectual property object has no commercial potential or for other reasons. In this case, if the property rights to an intellectual property object are owned by the University, the author may be proposed to take over the property rights to an intellectual property object. In this case an agreement on the transfer of rights has to be signed with the author; it shall contain the provision stating that in case the author makes a licencing agreement or agreement on the transfer of rights with the third party with regards to the created intellectual property object, the author has to pay the agreed licencing or transfer of rights fee to the University;

52.8.3. Waive the University's rights to the evaluated intellectual property object;

52.9. While making decision regarding the management, commercialisation of intellectual property objects and form of protection of intellectual property, the work Group takes into consideration the following criteria:

52.9.1. Financial – monetary benefits that will potentially be generated for the University and the author while commercialising an intellectual property object so that these funds could be inter alia reinvested for the further development and expansion of the University's innovation process, as well as cover the costs required for the management and protection of an intellectual property object;

52.9.2. Economic – such impact on the local and international economy as provided additional work places, generated additional value, positive impact on other business entities and other economic benefits;

52.9.3. Social – benefits to the society, significant problems solved with the help of the intellectual property object, increase of the number of people whose quality of life will be directly improved, contribution to the general scientific progress of the society and creation of the innovation-friendly cultural environment;

52.9.4. Communication – impact on the University's reputation, image and visibility;

52.9.5. Other criteria relevant in specific cases;

52.10. The Work Group has to assess and prepare a recommendation within 3 (three) months from the date of the receipt of the Form at the latest unless this deadline is extended by the Work Group with the author's consent due to the need to receive and assess additional material on the created intellectual property object without the violation of the term stipulated by paragraph 53 of the Regulations;

52.11. The head of the Work Group provides written recommendations to the University's Vice-Rector of Research and Innovation within 3 (three) working days from the meeting of the Work Group at the latest. After the receipt of the recommendations of the Work Group, the University's Vice-Rector for Research and Innovation makes a decision regarding the protection, management and commercialisation of the intellectual property objects specified in the Form (s) assessed by the Work Group and submits it to NIVC for execution.

53. NIVC has to notify the author regarding this decision and provide a possibility to get acquainted with the recommendation of the Work Group within 5 (five) working days from the date of receipt of the decision of the University's Vice-Rector for Research and Innovation. The information is provided in writing unless agreed otherwise in advance.

54. The recommendations of the Work Group and the decision of the University's Vice-Rector for Research and Innovation are not required if the University's contract on R&D&I activities (projects) contains the University's obligation to register the protection of intellectual property in the responsible institutions and all the costs of the registration of the protection of an intellectual

property object are covered by the University's structural division performing R&D&I activities (projects) and/or using the funds specified in the contracts, or covered by the third parties under the separate agreements with the University.

CHAPTER VIII LEGAL PROTECTION OF INDUSTRIAL PROPERTY OBJECTS

55. The process of the registration of the patent applications and other applications of industrial property objects at the University is coordinated and administered by NIVC.

56. The University aims to legally protect (i.e., register and/or patent under the procedure stipulated by the legislation) only the commercially viable industrial property objects and when such a manner of protection is the most appropriate for the protection and commercialisation of industrial property. The information related to an invention or another industrial property object cannot be published or otherwise publicised until the date of the publication of the application of patent or another industrial property object by the responsible institutions.

57. The author has to actively cooperate with the University and provide NIVC with all the information required for the registration of an industrial property object.

58. The applications of the patents or other industrial property objects owned by the University are prepared by and the University is represented in the process of the registration of industrial property objects by the trustees. NIVC initiates the process of the buying of services from the trustees, coordinates the communication with the trustees, preparation and submission of applications as well as timely payment of the maintenance fees for patents and/or other industrial property objects.

59. All the state taxes to be paid for the registration, maintenance, extension of the registration as well as other state taxes for the industrial property objects owned by the University are paid by the University unless stipulated otherwise by contracts or agreements.

60. If the University waives its right to obtain a patent of the invention or fails to notify the author who has created the invention about the intention to use this right within 4 (four) months from the date of the notification on the creation of the intellectual property object, the right to obtain a patent is transferred to the author who has created the invention.

61. The registration documents of industrial property objects (issue of patents, trademark, industrial design registration certificates, etc.), contracts on licencing (including know-how) or transfer of the rights, as well as other contracts are registered and stored under the procedure set out by the University.

62. The intellectual property objects are registered as intangible assets in the accounting in accordance with 13 Public Sector Accounting and Financial Report Standard "Intangible Assets", approved by the order No. 1K-238 of the Minister of Finance of the Republic of Lithuania of 16 July 2008. The value of the intellectual property as intangible assets and related physical material is determined under the procedure set out by the University.

CHAPTER IX TRANSFER OF THE RIGHTS TO INTELLECTUAL PROPERTY OBJECTS

63. While commercialising the intellectual property objects, the University aims for the social benefits for society and/or economic benefits for the University.

64. All the processes of the commercialisation of intellectual property objects at the University are coordinated and administered by NIVC.

65. The intellectual property objects can be commercialised in the following methods:

65.1. Making and executing contracts with the third parties;

65.2. Transferring and/or licencing of the property rights to intellectual property;

65.3. Participating in the activities of spin-offs and start-ups;

65.4. Other established methods.

66. While making contracts on R&D&I activities (projects) for the performance of R&D&I activities (projects), the decision regarding the implementation of intellectual property rights has to be agreed in advance with NIVC employee responsible for the management of intellectual property; the forms and conditions of the commercialisation of the intellectual property object which property rights are co-owned by the University and another partner of R&D&I activities (projects) are stipulated by the contract on the joint use of the intellectual property object made between the University and another partner of R&D&I activities (projects).

67. The University can be paid for the provided rights to use intellectual property objects under the contracts by one-off or regular monetary remuneration (i.e., licence fee) and/or the University can acquire part of the shares of the company established for the commercialisation of the intellectual property object. A specific amount of the remuneration depends on the value of the intellectual property object, transfer deadline, scope and other conditions; it is determined in each case individually during negotiations with partners of R&D&I activities (projects) or other third parties.

68. The decision regarding the best way of the commercialisation of an intellectual property object is made by the Work Group taking into consideration the following:

68.1. The University's costs allocated for the administration of the specific intellectual property object (legal protection, maintenance, accounting, etc.) and the specified period;

68.2. The University's investment in the development and commercialisation of that intellectual property object;

68.3. The possibilities, competence and knowledge of the University employees in terms of the individual development and commercialisation of the intellectual property object;

68.4. The period it will take for the University to receive financial returns for the commercialisation of the intellectual property object;

68.5. The specifics of the intellectual property object and its commercialisation;

68.6. The expected term of use of the intellectual property object, i.e., whether this object will remain relevant and/or useful for a long time, or not;

68.7. The maximum commercial potential of the intellectual property object;

68.8. The situation, conditions and prospects of the market of the potential commercialisation of the intellectual property object;

68.9. The territory of possible commercialisation of this intellectual property object;

68.10. The number of possible partners;

68.11. The risk of the possibly unsuccessful commercialisation of the intellectual property object;

68.12. Other important circumstances.

69. While making decision whether a person is a suitable partner for the transfer of the rights to intellectual property objects, the Work Group assesses the following aspects related to that person:

- 69.1. The results of his/her previous activities and financial stability;
 - 69.2. The experience, competence and knowledge of the commercialisation of intellectual property objects and in other areas relevant for the performance of these activities;
 - 69.3. The reputation;
 - 69.4. The previous experience of cooperation with the University, the results of such cooperation and its contribution to the development of the technology that is planned to be transferred;
 - 69.5. The territory of activities;
 - 69.6. Other important circumstances.
70. All the information disclosed during negotiations regarding the commercialisation of the intellectual property objects owned by the University between the University's employees and/or students and a possible partner of R&D&I activities (projects) or other third parties is confidential, including the very fact of the negotiations. In these cases, non-disclosure agreements have to be made with employees and students participating in the negotiations.
71. The persons who have a right to use the intellectual property objects owned by the University under their licencing agreement cannot transfer this right to other persons under a sub-licencing agreement without a written consent of the University unless the agreement stipulates otherwise.

CHAPTER X

ESTABLISHMENT OF START-UPS AND SPINN-OFFS, AND COORDINATION OF THEIR ACTIVITIES

72. All the processes of the establishment of the University's spin-offs or start-ups and/or participation in their activities at the University are coordinated and administered by NIVC.
73. By supporting and directly participating in the activities of the University's spin-off and/or start-up, the University aims to achieve the following:
- 73.1. To respond to the needs of industrial, business and socio-cultural development with research and experimental development;
 - 73.2. To create new work places for the University's students;
 - 73.3. To promote science-business cooperation.
74. A decision to participate in the activities of a spin-off is made with regards to the following circumstances:
- 74.1. The estimated large potential of the intellectual property object;
 - 74.2. The idea is in a very early stage and its development requires significant investments;
 - 74.3. There is a real possibility of the company's growth and financial returns;
 - 74.4. The employees-founders and/or the company's founders are interested in establishment of such a company in order to effectively use the potential of the intellectual property object owned by the University;
 - 74.5. The employees-founders can successfully develop the idea due to its technological complexity;
 - 74.6. The company's activities are not in direct competition with the services that could be provided by the University via its research and/or consultation activities.
75. The advantages of the participation in the company's activities to the University are assessed in each individual case taking into consideration a detailed assessment of the following

positions: future commercial and technical potential of intellectual property; prospects of the company's growth and added value using the company's mechanism; level of the obligations and resources required for the achievement of commercial success; potential advantages of the use, including the University's reputation and visibility.

76. If the potential for commercialisation of the intellectual property object is noticed in the establishment of a spin-off, the initiators of the establishment of such a company have to submit a business plan of the potential spin-off or start-up to the University's Vice-Rector for Research and Innovation, specifying the goals and tasks of the company, as well as means for their implementation, the draft incorporation agreement or establishment agreement, management form, procedure for the distribution of dividends, responsibilities, etc. A business plan has to be prepared by the initiators of the company's establishment; its preparation is coordinated by NIVC.

77. If the potential for the commercialisation of the intellectual property object is noticed in the establishment of a spin-off and the University becoming a shareholder of such a company, the University's Vice-Rector for Research and Innovation submits a proposal regarding the participation in the activities of the spin-off and its business plan to the Rector of the University. The University's Rector makes a decision regarding the participation in the activities of the spin-off or start-up under the procedure set out by the University.

78. The establishment of the University's spin-off or start-up and its activities are carried out in accordance with the legislation of the Republic of Lithuania and the University's current internal legislation.

79. The University's contribution to the activities of the spin-off or start-up can be monetary or non-monetary (intellectual property, infrastructure, consultations, administration services, etc.).

80. The University can decide to licence the intellectual property object for a spin-off or start-up. The conditions of the licence are stipulated by a separate agreement.

81. The University can provide support to the spin-off or start-up under the procedure for management, use and allocation of the University's funds and the assets owned by the University. The conditions of the support are stipulated by a separate agreement.

82. If the University provides to the spin-off or start-up the right to use the University's equipment and/or premises, as well as provides consultations and other services, the conditions for service provision have to be stipulated by a separate agreement between the University and the company in accordance with the provisions stipulated by the legislation of the Republic of Lithuania and the University's internal legislation.

83. NIVC is responsible for the preparation of the documents related to the establishment of the spin-offs and start-ups, monitoring and coordination of the development of the activities of these companies.

84. The University's employees – authors of the intellectual property object used in the spin-off – can become the founders and/or stakeholders (shareholders) of the company.

85. While establishing a spin-off or start-up and/or participating in the activities of such a company, the University's employees have to avoid the conflict of public and private interests,

CHAPTER XI OWNERSHIP OF PHYSICAL MATERIAL AND THE RIGHT TO USE IT

86. The physical material related to the intellectual property objects owned by the University under the property rights is the property of the University.

87. The University can transfer the physical material owned under the property right to the third parties in accordance with the following provisions:

87.1. Making a contract with the third party regarding the transfer of the physical material;

87.2. A copy of the physical material shall remain at the University, if possible, to avoid the loss of the physical material;

87.3. The recipient of the physical material cannot transfer this material to other persons without a prior written consent of the University.

CHAPTER XII

DISTRIBUTION OF THE INCOME RECEIVED FOR THE COMMERCIALISATION OF INTELLECTUAL PROPERTY

88. The income received during the last financial year from the dividends of the spin-offs or start-ups, for the licencing or transfer of the rights to industrial property objects or other intellectual property objects, for the sale of shares and for other activities of the commercialisation of intellectual property is distributed between the author and the University until 1 July of the current year at the latest under the following procedure unless the contract between the University and the employee (student) stipulates otherwise:

| | |
|---|--|
| Author's share: for promotion of the authors | University's share: for reinvestment in the University's infrastructure, research and experimental development, means of protection of intellectual property objects, etc. |
| 60% | 40% Out of them: 10% to the first level division of the University that the author works for or studies at (for reinvestment in the University's infrastructure, research and experimental development, etc.) |

89. If an intellectual property object is created while the University implements R&D&I activities (projects) and outsourced services or otherwise cooperates with its partners, the distribution of the financial obligations and financial benefits for the commercialisation of the intellectual property object can be stipulated by a separate agreement.

90. The distribution and payment of the income specified in paragraphs 88-89 of the Regulations are coordinated and administered by NIVC.

91. A part of the income is paid in the cases when an employment contract or job description of the University's employee stipulates the creation of industrial property objects, but he/she has not or does not receive the agreed increased remuneration or bonus, or royalties under the royalty agreement.

92. If the author of an intellectual property object receives income from the spin-off or start-up that is using his/her created intellectual property object, dividends, sales of shares, he/she is a shareholder of the spin-off or start-up, it is considered that the author receives remuneration for the use of the intellectual property object and the University does not additionally distribute and pay the income received under paragraph 88 of the Regulations.

93. The part of the co-authors' income is distributed according to their contribution in the creation of the intellectual property object, specified in the application form for the created invention or another intellectual property object or in another agreement. The part of the author's

income is equally distributed among the co-authors if the co-authors have not specified their share of contribution or have agreed otherwise.

94. At the end of the employment contract or learning agreement, the income is not distributed between the author and the University unless the University and the author agree otherwise.

95. The rights and obligations of the University and the employee related to the professional inventions, except for the payment of the royalties, end at the end of the patent's validity term or one year after the termination of the employment relationship.

CHAPTER XIII RESOLUTION OF THE CONFLICTS OF INTEREST

96. A conflict of interests may arise when the interests of the respective employee, student, partner of R&D&I activities (projects) or other third parties directly or indirectly conflict with the interests of the University. A conflict of interests may also arise if a person, any related person or a company that any of these persons is a shareholder of can receive personal benefits due to the decisions made by such a person on behalf of the University.

97. While creating and commercialising the intellectual property objects, the University's employees and students have to follow the legislation of the Republic of Lithuania, the Guidelines for the Adjustment of Public and Private Interests of the University and the Code of Academic Ethics of the University.

98. While cooperating during the processes of the protection, registration, development and commercialisation of intellectual property, the University's employees, students and/or partners of R&D&I activities (projects) have to void the conflicts of interests, not to take actions that contradict the University's key objectives and values, and to ensure the property rights of the University, as the holder of the rights to an intellectual property object.

99. The University's employees and students have to ensure that the rights and other legitimate interests of the University, as the holder of the property rights to an intellectual property object, are not violated in the relationships with the third parties.

100. The employees and students must not use the unpublished confidential information in their professional, research or study activities if it violates the interests of the University.

101. The University's employees and students have no right to individually transfer the rights to their created intellectual property objects owned by the University under the property rights unless stipulated otherwise by the contracts.

102. Aiming to avoid and control the conflicts of interests, the employees and students are recommended to take into consideration the following aspects:

102.1. The primary goal is to determine the connections, services, activities or transactions that could cause a conflict of interests and prevent their occurrence and opt out from solving the issues that cause a conflict;

102.2. In case a conflict of interests has occurred or is likely to occur, an employee or student has to notify his/her direct manager or research project manager about this situation immediately. An employee or student also has to inform his/her direct manager or research project manager immediately in case there are changes in the circumstances of possible or present conflicts. The direct manager or research project manager has to decide whether he/she needs to notify the Rector of the University about the present and/or possible conflicts of interests; the latter has to decide

whether a separate committee has to be assembled for solving of the present and/or possible conflicts of interests.

103. The University's employees and students have to take all measures to avoid a conflict of interests.

104. The employees have to notify and receive the permission of their direct manager and the students have to notify and receive the permission of the research project manager for any tasks or additional works not related to the activities of the University.

105. The issues regarding the conflicts of interests are primarily resolved by the mutual agreement of the University, its employees and students. In case of a failure to solve these issues in a peaceful manner, the issues regarding the conflicts of interests are resolved under the procedure stipulated by the legislation of the Republic of Lithuania.

CHAPTER XIV

NOTIFICATION OF THE EMPLOYEES AND STUDENTS, THEIR TRAINING ON INTELLECTUAL PROPERTY

106. NIVC organises constant notification and regular training of the employees and students on intellectual property, its management, use, disposal and transfer.

107. After the assessment of the specific activities of particular structural divisions of the University, as well as the needs of the employees and students, NIVC sets out specific manners and means of notification and training on intellectual property.

108. The University encourages and provides conditions, according to its financial capacities, for the University's employees and students to acquire knowledge on the management, use, disposal and transfer of intellectual property by participating in the training on intellectual property organised by the third parties.

CHAPTER XV

FINAL PROVISIONS

109. All the issues related to the rights to intellectual property not stipulated by the Regulations are resolved under the procedure stipulated by the legislation of the Republic of Lithuania.

110. The Regulations come into force on the date of their approval.

111. The University's employees and students are responsible for the violation of the Regulations under the procedure stipulated by the legislation of the Republic of Lithuania and the internal legislation of the University.

112. The Regulations can be amended, supplemented or voided by the order of the Rector of the University.
