

## INTELLECTUAL PROPERTY MANAGEMENT REGULATIONS OF LATVIA UNIVERSITY OF LIFE SCIENCES AND TECHNOLOGIES

### I General provisions

1. Intellectual Property Management Regulations of Latvia University of Life Sciences and Technologies (hereinafter – LBTU) (hereinafter – the Regulations) establish the procedures for the disclosure of newly created Intellectual Property at LBTU, decision making regarding its protection, and the exercise and commercial utilisation of proprietary rights, including the distribution of revenue between the University and the creators. The Regulations define the principles, responsibilities, and processes governing the management and commercialisation of Intellectual Property at LBTU.
2. Terms used in the Regulations:
  - 2.1. **Employee** – a natural person who has entered into an employment contract, service agreement, copyright royalty agreement, or any other contractual relationship with LBTU, or who utilises LBTU’s resources.
  - 2.2. **Intellectual Property** – works protected under the Copyright Law, including related rights, *sui generis* database rights, and industrial property rights such as patents, designs, trademarks, topographies of semiconductor products, geographical indications, plant varieties, as well as know-how.
  - 2.3. **Commercialization** – activities involving the transfer of knowledge and technology whereby LBTU, as the holder of proprietary rights to Intellectual Property, enters into agreements for the use (e.g., license agreements) or transfer (e.g., assignment agreements) of such rights.
  - 2.4. **Commission** – the Intellectual Property Management Commission established by order of the LBTU Rector, responsible for making decisions related to the protection, exploitation, and waiver of LBTU’s Intellectual Property rights, taking into account the University’s interests.
  - 2.5. **License Agreement** – an agreement under which LBTU grants a third party the right to use specific Intellectual Property, specifying the scope and conditions of use, remuneration, and the terms and procedure for its payment.
  - 2.6. **Licensee** – a party granted a license to use Intellectual Property under the terms stipulated in a License Agreement.
  - 2.7. **Assignment Agreement** – an agreement under which LBTU transfers ownership of Intellectual Property rights to a third party (assignee) in exchange for compensation, whereby all proprietary rights are assigned to the new owner.
  - 2.8. **Collaboration Partner** – any natural or legal person other than LBTU, its Employees, and Students, as well as supervisory institutions, capital companies, and foundations.
  - 2.9. **Student** – a person enrolled in a study program at LBTU.
  - 2.10. **Know-How** – confidential practical information derived from experience and experimentation that is (a) not generally known or readily accessible (confidential), (b) significant and useful

for the manufacture or development of contractual products or processes (substantial), and (c) sufficiently documented to enable verification of its confidentiality and relevance. Know-how encompasses technological competencies, technical skills, unpatented specific knowledge, techniques, experience, and technology, and is protected under the Trade Secret Protection Law.

3. Intellectual Property management at LBTU shall be carried out in accordance with the LBTU Intellectual Property Management Policy and in compliance with all applicable internal regulations and external legal frameworks governing intellectual property.
4. The procedures set forth in the Regulations apply to Intellectual Property created by:
  - 4.1. An Employee within the scope of their contract with LBTU and in the execution of tasks specified in their job description, or a Student within the framework of academic activities conducted at LBTU, unless otherwise stipulated by applicable legislation, contractual agreements with the Employee or Student, or agreements with Cooperation Partners.
  - 4.2. An Employee and/or Student through the use of financial, material, or human resources managed by LBTU or obtained through LBTU, unless otherwise stipulated in specific contractual arrangements.
  - 4.3. A Cooperation Partner utilising financial, material, or human resources managed by LBTU or obtained through LBTU, for example, a student from another higher education institution participating in the creation of Intellectual Property within the framework of LBTU's Student Innovation Program. Prior to commencing any collaborative activity with a Cooperation Partner, a written agreement must be concluded, explicitly defining the ownership, licensing, assignment, or preemption rights related to any resulting Intellectual Property.
5. The designated administrative unit responsible for the implementation of the Regulations is Technology and Knowledge Transfer Department (hereinafter – TEPEK). TEPEK provides advisory support to Employees and Students on matters related to the ownership, disclosure, protection, exploitation, and overall management of Intellectual Property at LBTU.

## **II Disclosure of created Intellectual Property**

6. An Employee and/or Student shall notify in writing within 2 (two) weeks from the date of creation of any new invention, know-how, industrial design, trademark, topography of semiconductor products, software, or other Intellectual Property that may have potential commercial value, by completing and submitting an Intellectual Property Disclosure Form in accordance with Annex 1 of the Regulations (hereinafter – **the IP Disclosure Form**).
7. The Employee shall submit the IP Disclosure Form for endorsement by the head of their respective structural unit. The Student shall coordinate the IP Disclosure Form with the academic supervisor of the relevant study course. If the Intellectual Property was created within the scope of a research or innovation project, the Employee and/or Student shall also obtain confirmation from the principal investigator or project supervisor responsible for that project.
8. The completed, signed, and duly endorsed IP Disclosure Form shall be submitted by the Employee and/or Student to TEPEK either electronically via email at **tepek@lbtu.lv** or in person at **Rīgas iela 22B, Jelgava**.
9. Prior to submitting the IP Disclosure Form, the Employee and/or Student shall carry out a preliminary search to assess the following:
  - 9.1. **For inventions and know-how** – whether the invention is novel, i.e., has not been previously disclosed in any form (e.g., through publication, public presentation, patent application, granted

patent, or other means). The novelty assessment shall include a prior art search using reliable patent information sources, such as:

- the Patent Office of the Republic of Latvia patent database (including full texts of Latvian patent applications, granted patents, and translations of European patent claims),
- **Espacenet** – a database maintained by the European Patent Office providing access to patent documents from around the world,
- **Patentscope** – a database of international patent applications (PCT) maintained by the World Intellectual Property Organization (WIPO).

9.2. **For industrial designs** – whether an identical or similar design has already been registered and is in force. The prior rights search shall be conducted using the following databases:

- the **Patent Office of the Republic of Latvia** design database, and
- **DesignView** – an international design search tool that provides access to registered design data from over 140 intellectual property offices worldwide.

9.3. **For trademarks** – whether an identical or confusingly similar trademark is already registered or pending registration for identical or similar goods and/or services. The trademark clearance search shall be conducted using the following resources:

- the **Latvian Patent Office's** trademark database, which contains information on national trademark applications and registrations, and
- **TMview** – a search tool managed by the European Union Intellectual Property Office (EUIPO), providing access to trademark data from EU and many other national IP offices worldwide.

10. If the Intellectual Property has been jointly created by two (2) or more Employees and/or Students, a single, jointly completed IP Disclosure Form shall be submitted to TEPEK, indicating each Employee's and/or Student's contribution to the creation of the Intellectual Property.
11. TEPEK shall have the right to request additional information from the Employee and/or Student regarding the created Intellectual Property and the circumstances of its development, as well as to verify and clarify the information provided in the IP Disclosure Form.
12. TEPEK reserves the right to reject the IP Disclosure Form until the Employee and/or Student has supplemented and/or clarified the submitted information in accordance with TEPEK's instructions and requirements.

### **III Decision making on the protection of Intellectual Property**

13. Upon receipt of the IP Disclosure Form, TEPEK conducts a thorough assessment of the ownership and exploitation rights related to the disclosed Intellectual Property, based on the terms of relevant agreements concluded between LBTU and the Employee and/or Student, agreements with Cooperation Partners, applicable funding instrument conditions, and any other relevant documentation.
14. If the resources of a Cooperation Partner have been used in the creation of the Intellectual Property, LBTU shall enter into an agreement with the Cooperation Partner to define the ownership, allocation, and management of joint Intellectual Property rights, unless such an agreement has already been concluded. The distribution of ownership rights shall be determined proportionally, based on the respective intellectual, financial, material, or other contributions of LBTU and the Cooperation Partner to the development of the Intellectual Property. The negotiation and conclusion of such agreements are coordinated by TEPEK.

15. Within one (1) month from the receipt of the IP Disclosure Form, TEPEK shall convene a meeting of **the Commission, which shall decide whether to proceed with filing an application** for the grant of a patent, registration of a design, trademark, or semiconductor topography, or to assert or exploit the proprietary rights to the Intellectual Property in any other form on behalf of LBTU. The Commission shall also determine the most appropriate form of intellectual property protection, including the recommended type of registration, the relevant jurisdiction(s) for filing, or alternative legal protection strategies – such as assigning confidential status to know-how and implementing secure storage measures for know-how documentation in accordance with the Law on the Protection of Trade Secrets.
16. The Commission's decision to proceed with filing an application for the registration of Intellectual Property rights shall be based on an assessment of the eligibility of the Intellectual Property for legal protection (e.g., compliance with patentability or registrability criteria), the availability of LBTU's allocated budget for intellectual property protection, and the anticipated potential for commercialisation and technology transfer.
17. The Commission reserves the right to engage subject-matter experts or external advisors to support the evaluation and decision-making process related to the Intellectual Property.
18. If the Commission decides to exercise the proprietary rights to the Intellectual Property and proceed with the filing of a registration application, TEPEK, in cooperation with the Employee and/or Student, shall prepare and file the necessary documentation with the relevant Intellectual Property Office within one (1) month from the date of the Commission's decision.
19. No later than three (3) months from the date of receipt of the IP Disclosure Form, TEPEK shall communicate the Commission's decision to the Employee and/or Student regarding LBTU's intention to exercise or not to exercise the proprietary rights to the Intellectual Property. If the Commission decides not to exercise the proprietary rights, such rights shall be transferred to the Employee and/or Student, who shall have the right to commercialise the Intellectual Property either independently or in cooperation with LBTU.
20. Following the registration of the Intellectual Property rights, the Commission shall decide on the maintenance of the registration and other matters related to the protection of the Intellectual Property. The registration shall be maintained for at least the duration specified in the applicable funding instrument regulations or for as long as a License Agreement remains in force, if the Intellectual Property has been licensed to a third party.
21. If the Commission decides not to continue the maintenance of the Intellectual Property rights registration, LBTU shall offer the creators of the Intellectual Property the opportunity to assume ownership of these rights.

#### **IV Exploitation of Intellectual Property economic rights**

22. LBTU may commercialise its proprietary rights to Intellectual Property by entering into License Agreements for the use of the Intellectual Property or Assignment Agreements for the transfer of Intellectual Property ownership to third parties.
23. The subject matter of a License Agreement or an Assignment Agreement shall be **a registered or documented object of Intellectual Property rights**. The subject of a License Agreement may include a copyright-protected work, such as a description of know-how or technology, prototype photographs, drawings, software, as well as industrial property rights objects, such as a published patent application, a granted patent, a trademark registration, a design registration, or a plant variety
24. LBTU licenses or assigns its Intellectual Property through **an open public auction**.

25. Any LBTU Employee and/or Student may initiate the licensing or assignment process if a third party has expressed significant interest in acquiring a license or purchasing the Intellectual Property, if there is reason to believe that the Intellectual Property has high commercial exploitation potential, or if other substantiated grounds exist.
26. Identification and engagement of potential licensees or buyers:
  - 26.1. Prior to initiating the licensing or assignment process, the Employee and/or Student shall conduct an initial commercial feasibility assessment with regard to the potential application and exploitation of the technology, identify potential Licensees, establish contact with them, and assess their interest in exploiting the technology. During negotiations, the team of inventors presents the technology and its performance to the prospective company.
  - 26.2. If the disclosure of confidential information is necessary during negotiations, a non-disclosure agreement (NDA) must be concluded with the company prior to such disclosure. In this case, the Employee and/or Student shall inform TEPEK of the need for an NDA. TEPEK prepares and coordinates the execution of the agreement.
27. To initiate the process of licensing or assignment of Intellectual Property rights, the Employee and/or Student shall complete and submit an application to commence the Intellectual Property commercialisation procedure in accordance with Annex 2 of the Regulations (hereinafter – the Commercialisation Form).
28. The Employee shall coordinate the Commercialisation Form with the head of their respective structural unit, and the Student shall coordinate it with the academic supervisor of the relevant study course. If the Intellectual Property was created within the scope of a research or innovation project, the Employee and/or Student shall also obtain confirmation from the scientific leader or project supervisor responsible for that project.
29. The completed, signed, and duly endorsed Commercialisation Form shall be submitted by the Employee and/or Student to TEPEK either electronically via email at **tepek@lbtu.lv** or in person at **Rīgas iela 22B, Jelgava**.
30. Upon receipt of the Commercialisation Form, TEPEK, involving the Employee and/or Student as necessary, shall:
  - 30.1. Evaluate the commercial rationale for proceeding with the licensing or assignment process.
  - 30.2. Perform a due diligence assessment to confirm that LBTU has the legal right to commercialise the respective Intellectual Property.
  - 30.3. Establish a written agreement with the creators to formalise the transfer of intellectual property rights to LBTU, and to document the relative contributions of each individual to the creation of the Intellectual Property.
  - 30.4. Conclude a written agreement with the Cooperation Partners regarding the ownership and allocation of rights to inventions, in cases where Intellectual Property is jointly created by LBTU and the Cooperation Partners, unless such an agreement has already been established.
  - 30.5. Prepare a Rector's order to designate confidentiality (restricted access) status for information if Know-How is intended to be licensed or assigned.
  - 30.6. Organise the assessment of the Intellectual Property in accordance with Section 31.1 of the Regulations.
  - 30.7. In cooperation with LBTU legal advisors, prepare the auction regulations and a draft License Agreement. The initial auction shall be conducted with ascending bids; a repeated auction may provide for descending bids with a sealed price.
  - 30.8. Record the minutes of the Commission meetings.

- 30.9. Publish information about the auction on LBTU's website and other channels to reach the broadest possible target audience. If the Intellectual Property is intended to be offered for licensing to foreign companies, the auction information shall also be published in English, considering the possibility of publishing on international Intellectual Property auction platforms. In such cases, all auction documents shall be prepared in English as well.
- 30.10. Coordinate the signing and management of the License or Assignment Agreement.
- 30.11. Monitor compliance with License and Assignment Agreements, and coordinate the distribution of revenues to Employees and/or Students involved in creating the Intellectual Property.

**31. Valuation of the Intellectual Property:**

- 31.1. The value of the economic rights to the Intellectual Property and the initial auction starting price shall be determined by an independent expert with recognized experience in the valuation of Intellectual Property, who is duly registered in both the Register of Professional Patent Attorneys maintained by the Patent Office and the List of Asset Valuers of the Latvian Register of Enterprises.
- 31.2. The LBTU Resource Accounting Centre (hereinafter – RAC) shall prepare data on the costs incurred in the creation of the Intellectual Property. If the Intellectual Property was created within the framework of a specific project, the Centre for Science and Project Development, together with the scientific leader of the respective project, shall evaluate the cost data provided by RAC and determine the share of costs attributable to the creation of the Intellectual Property. These costs shall be coordinated with the head of the structural unit responsible for the project.
- 31.3. The costs of the Intellectual Property valuation service shall be covered from LBTU's financial resources.
- 32. The Committee shall approve the Intellectual Property auction regulations and the draft License Agreement, and shall decide on announcing the auction and setting the deadline for submission of applications. The Committee shall also open the bids received in the auction, evaluate them, and decide on entering into a License or Assignment Agreement. Unless otherwise specified in the auction regulations, the License or Assignment Agreement shall be concluded with the participant who offers the highest bid.
- 33. The RUC shall record the Intellectual Property object as an intangible asset in accordance with LBTU's Procedure for Accounting of Long-Term Investments.
- 34. Multiple Intellectual Property objects may be combined into a single agreement, provided they complement each other and are necessary for the Licensee or purchaser to make full use of the Intellectual Property.
- 35. A company established by Employees and/or Students may also participate in the public auction to acquire research results or the rights to use them. Such a company must comply with the same conditions that would apply to any other market participant.

**V Administration of License Agreement**

- 36. Following the conclusion of the License or Assignment Agreement, TEPEK shall organize the preparation and issuance of the invoice for the license fee or purchase price to the Licensee or purchaser, and shall monitor compliance with the payment deadlines.
- 37. TEPEK shall regularly, but not less than once per year, contact the Licensee to monitor the use of the licensed Intellectual Property rights and the fulfillment of obligations under the License

Agreement. If necessary, TEPEK may propose amendments to the License Agreement or initiate its termination.

## **VI Accounting of revenues and remuneration for the use of Intellectual Property**

38. Upon receipt of license fees or assignment proceeds, TEPEK shall:
  - 38.1. Calculate the distribution of revenues between the Employee and/or Student and LBTU in accordance with Clause 9.2 of the LBTU Intellectual Property Management Policy.
  - 38.2. Notify the Employee and/or Student of the income received from the licensing or assignment of the Intellectual Property.
39. The RAC shall establish a dedicated cost item to account for revenues and expenses associated with the licensing or assignment of Intellectual Property.
40. In cases where LBTU receives revenue from the licensing or assignment of Intellectual Property, the Employee and/or Student whose work contributed to the creation of the Intellectual Property shall be entitled to remuneration. This remuneration shall be paid from their respective revenue share, as determined in accordance with Clause 9.2 of the LBTU Intellectual Property Management Policy.
41. The Employee and/or Student, as the creator of the licensed or sold Intellectual Property, shall retain the right to receive remuneration from revenues generated through licensing or sale, even in the event that the employment relationship with LBTU has ended or the Student has been deregistered from LBTU.

## **VII Conflict of Interest management**

42. An Employee required to make or participate in making decisions under the Regulations concerning the management of LBTU Intellectual Property, such as a member of the Committee or an employee of TEPEK, shall act in the best interests of LBTU and avoid any influence of personal or financial interests on the decision-making process under the Regulations (conflict of interest situation).
43. A conflict of interest situation within the meaning of the Regulations includes any contractual relationships of the Employee making or participating in such decisions regarding LBTU Intellectual Property management with third parties who are or may be interested in the use of LBTU Intellectual Property, as well as the Employee's participation in a commercial company or its governing bodies where such company is or may be interested in the use of LBTU Intellectual Property.
44. An Employee who may influence decisions under the Regulations regarding LBTU Intellectual Property shall disclose any existing or potential conflict of interest to LBTU and shall refrain from decision-making related to LBTU Intellectual Property in respect of which the conflict of interest exists.

## **VIII Final provisions**

45. Documentation related to the registration of Intellectual Property rights and the licensing and assignment processes of Intellectual Property shall be stored by TEPEK. Files concerning Intellectual Property rights registration shall be transferred by TEPEK to the LBTU archives three (3) years after the Committee's decision to discontinue the maintenance of such Intellectual Property rights registration becomes effective.

46. All matters related to Intellectual Property shall be resolved through negotiations. The decision to initiate legal proceedings shall be made by the Rector of LBTU.
47. Intellectual Property owned by LBTU supervisory authorities shall be managed in accordance with the respective institution's internal regulations on Intellectual Property management.
48. The procedures set forth in Sections 2, 3, and 4 of the Regulations shall not apply to plant varieties. Registration, protection, and licensing of plant varieties, including granting rights to use varieties in accordance with applicable laws and regulations, shall be handled by the LBTU structural unit responsible for plant breeding. This unit shall inform TEPEK of submitted applications for plant variety registration, registrations granted, and license agreements concluded. TEPEK shall supervise the execution of license agreements, communicate with licensees regarding information on the use of plant varieties, organize the preparation and issuance of license fee invoices to licensees, and monitor timely payment of invoices.

