

**RECTOR'S DECISION No. 26/2014**

**Rewarding the inventors of inventions, utility designs and other forms of industrial property and handling of profits from commercialization**

**Article 1**

**Purpose of the decision**

This decision follows up on the appropriate provisions of generally binding legal regulations and on the provision of *Directive 3/2012 on the protection and commercialization of industrial property of Mendel University in Brno* (of 31 March 2012, ref. no. 11803/2012-980), specifically part III, article 10, and adjusts the handling of income from commercialization and associated remuneration for the inventors of inventions, utility designs and some other forms of industrial property created as employee works and/or as the results of creative activities at Mendel University in Brno. The decision stipulates notably the value of the one-time remuneration provided to the inventors, the manner of distributing earnings arising from the commercialization of industrial property between the author (inventor) and Mendel University in Brno, the manner of the payment and remuneration to authors (inventors) and – in addition to motivating university employees – also serves to protect and commercialize the results of creative activities while also protecting the justified interests of employees of Mendel University in Brno by specifying an adequate remuneration for the contributions of their creative work for the university.

**Article 2**

**Author's Entitlement to Remuneration**

1. An author who, within their work tasks arising from their employment at Mendel University in Brno and/or as per *Directive 3/2012 on the protection and commercialization of industrial property of Mendel University in Brno*, created a subject covered by industrial property rights, is entitled to receive an adequate reward in the scope specified in this decision.
2. If the subject of industrial property rights as per the previous sentence was created by a collective of authors, then for the purposes of calculating the reward the author is considered to be this collective. Within the collective, the reward is then distributed in line with how much each of the collaborators contributed to the creation of the subject of industrial property rights, and otherwise evenly between the members of the collective.
3. Mendel University in Brno will conclude an agreement with the author(s) on the provision of the remuneration for the application of rights on the subject of industrial property rights (hereinafter the agreement). This agreement is concluded between the author(s) and the rector or another person explicitly designated by the rector. The preparation of the agreement and negotiations concerning the offer for the conclusion of the agreement are carried out by the Technology Transfer Center of Mendel University in Brno (hereinafter TTC MENDELU).

**Article 3**

**One-time Remuneration of the Author**

1. The author of the subject of the industrial property rights for which Mendel University in Brno wishes to apply its rights is entitled to a one-time remuneration. The remuneration is calculated as follows – specifically, the author is always entitled to:
  - a) a remuneration of CZK 50,000 (in words: fifty thousand Czech Crowns) if Mendel University in Brno submits a registration for the invention to any national or regional patent office, with the exception of offices under paragraph 3.1 b), and the office awards the patent, whereas the entitlement to

remuneration arises only once in case of the award of multiple patents that apply to a single subject of industrial property rights,

b) a remuneration of CZK 100,000 (in words: one hundred thousand Czech Crowns) for a European patent, a USPTO patent or Japanese patent awarded to the benefit of Mendel University in Brno, whereas the entitlement to remuneration arises per each awarded European, USPTO or Japanese patent.

2. The entitlement to one-time remuneration only applies to subjects of industrial property rights which were properly announced to CCT MENDELU, for which the rights of MENDELU were properly applied and which have had a proper submission for legal protection to the respective office and where this has led to the awarding of a patent. In case of an employee's subject of industrial property rights which extends or supplements another reported item, there is no entitlement to remuneration.
3. The decisive moment for considering the entitlement to remuneration is the day of the delivery of the patent award at MENDELU. If as of this date the author(s) do not meet some of the stipulated conditions, there is no entitlement to remuneration and their remuneration is voided.
4. The remuneration is paid to the authors via a bonus to their salaries and as such is subject to health insurance and social security deductions. Remuneration as per par. 1 a) and 1 b) for the author is hence increased by the legally stipulated health insurance and social security fees.
5. The remuneration is paid to the authors based on the shares stipulated in the agreement on managing the results of research of in the invention report form (in case of 100% ownership by MENDELU). If any of the authors does not meet the conditions for the payment of remuneration, they will not receive a share from the amount awarded to the author collective and the other authors will receive the remuneration in its original amount.
6. When calculating the remuneration awarded to the authors, the remuneration is rounded to whole Czech crowns.
7. If the patent is co-owned by a different scientific-research organization, i.e., an institution in the list of public research institutions (RWI)<sup>1</sup> of the Czech Ministry of Education, Youth and Sports, the remuneration is reduced based on the authorship ratios of the patent owners. The remuneration is hence calculated by the following formula:

$$o_p = (o_a \times a) \times p_a$$

where:  $o_p$ ... author's remuneration,  
 $o_a$ ... remuneration as per article 3, par. 1a of this decision,  
 $a$  .....MENDELU's share of ownership of the patent,  
 $p_a$ ... the authorship share/contribution towards MENDELU.

If the co-owner of the patent is an entity that is not listed in the RWI, the value  $a$  is equal to 100 %. An analogous procedure is used to calculate the remuneration for European patents (article 3, par. 1.b)).

8. One-time remuneration is paid to authors once per year, within the scope of the official ceremonial announcement of remunerated authors. The announcement is carried out by TTC MENDELU under the auspices of the vice-rector for research and development. The payment of remuneration for the previous year is based on the list of authors created on 31 October and will always be carried out before the end of the 4th quarter of the same year.
9. The source for the payment of one-time remuneration is the institutional support for long-term conceptual development of the university.

#### **Article 4** **Remuneration for Use**

1. If MENDELU concludes, with the knowledge of the TTC, a licensing agreement as a provider of technology whose subject will be the provision of consent for the use of rights for a subject of industrial

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<sup>1</sup> <http://rvvi.msmt.cz>

property rights created as per *Directive 3/2012 on the protection and commercialization of industrial property of Mendel University in Brno*, or if this subject of rights is used in other ways, the net profit of MENDELU arising from the provision of the license or other use of this subject will be divided between the university and the author, whereas the latter in this case is entitled to an adequate remuneration for the use of the given subject of industrial property rights (hereinafter the remuneration for use), based on the criteria specified below.

**2.**

<b>Division of Profit and Remuneration for Use</b>			
Net profit of MENDELU (CZK)	Rate (in percentage points) of remuneration from the net profit awarded to the author <sup>2</sup>	Rate (in percentage points) of remuneration from the net profit awarded to the worksite (faculty or university institute)	Rate (in percentage points) of remuneration from the net profit for the financing of other activities in the scope of protection and commercialization (TTC MENDELU)
up to and including CZK 100,000	40 %	30 %	30 %
from CZK 100,000 up to and including CZK 500,000	50 %	25 %	25 %
above CZK 500,000	70 %	20 %	10 %

3. If the subject of industrial property rights extends or supplements another reported subject, the net profit for MENDELU in Brno arising from the use of these items is, for the purposes of determining the ratio of dividing the profits and remuneration for use, summed together.
4. Net profit here refers to the difference between the earning from licenses or from other use and all external costs arising from the marketing of the item, including the protection of the respective industrial property rights (administrative fees, payments to patent representatives, maintenance fees etc.), costs for external services and analyses (e.g., market surveys). Records of the aforementioned costs are kept by TTC MENDELU in collaboration with the author, whereas the total efficient value of these costs is determined by the *Commercialization Council*. Profit and earnings as per this article include neither institutional support nor other forms of public financing.

**Article 5**  
**Joint, Temporary and Final Provisions**

1. The rights and obligations arising from this decision and the appropriate generally binding legal regulations remain unaffected after the termination of the author's employment at the employer.
2. The remuneration for authors of subjects of industrial property rights as well as of improvements to such subjects are governed by the rules that apply at the moment the right for remuneration arose.
3. Matters not explicitly adjusted in this decision will be adequately covered by the provisions of *Directive 3/2012 on the protection and commercialization of industrial property of Mendel University in Brno*
4. This decision cancels Decision 7/2014 of 18 March 2014 (ref. no. 5221/2014-981).
5. This decision enters into effect and validity on the day of its announcement.

  
 prof. RNDr. Ladislav Havel, CSc.  
 rektor

<sup>2</sup> If the remuneration for use is paid to the author as part of their salary, the amount will include the remuneration from the net profit for the author as well as the associated health insurance and social security costs.