
Directive S2024-03

10 May 2024

Directive on the establishment of spin-off companies

Preamble

One of the tasks of the Institute of Organic Chemistry and Biochemistry of the Czech Academy of Sciences (hereafter “IOCB”) is to protect and develop the intellectual property created at IOCB. To facilitate the commercialization of results arising from its intellectual property, IOCB established IOCB TECH, s.r.o. (hereafter “IOCB TECH”). The commercialization of IOCB intellectual property takes place on the basis of a license granted either to a party without any equity participation of IOCB or to a spin-off company established for the purpose of developing of the given subject of intellectual property.

1. Subject of the directive

- a. On 1 December 2009, IOCB TECH and IOCB concluded the Agreement on Cooperation in the Commercialization of Intellectual Property (Smlouva o spolupráci v oblasti využití duševního vlastnictví), as amended by Addendum No. 1 of 30 June 2010 and Addendum No. 2 of 17 December 2020, which constitutes the FULL TEXT of the Agreement on Cooperation in the Commercialization of Intellectual Property concluded between IOCB TECH and IOCB on 1 December 2009, as amended by Addendum No. 1 of 30 June 2010 (hereafter the “Agreement on Cooperation”).
- b. This directive serves to outline the rules for the commercialization of IOCB intellectual property through the establishment of a spin-off company and to ensure transparency in that process. Per this directive, establishment of a spin-off company in instances where a company already exists shall mean the entry of IOCB TECH or a company wholly (100%) owned by IOCB TECH into the existing company. For the purposes of this directive, the term “spin-off company” denotes a legal entity established for the purpose of commercializing intellectual property created at IOCB, regardless of the legal form in which IOCB TECH, or a company wholly (100%) owned by IOCB TECH, acquires a share.
- c. A spin-off company may be granted the rights to IOCB intellectual property by means of an exclusive or nonexclusive license to such intellectual property under customary commercial conditions.
- d. This directive regulates only the area of commercialization pertaining to the establishment of spin-off companies, whereby it supplements IOCB Directive S2020-03 of 18 December 2020 (Intellectual Property Protection and Confidentiality of Information) , IOCB Directive S2021-02 of 1 August 2021 (Methodology for assessing commercial aspects of transactions and the basis for the establishment of an internal Commission for Commercialization), and IOCB Directive S2024-01 of 21 March 2024 (Rules governing conflicts of interest).

2. Roles and authorities in the establishment of a spin-off company

- a. IOCB employees are required to present the results of their research to IOCB TECH in accordance with IOCB Directive S2020-03 of 18 December 2020 (Intellectual Property Protection and Confidentiality of Information).
- b. Of the intellectual property subjects that may be industrially, commercially, or scientifically exploitable (hereafter “Projects”), IOCB TECH primarily seeks and analyses the market potential of those Projects that may be suitable for commercialization through the establishment of a spin-off company. IOCB TECH will decide on the establishment of a spin-off company based on the degree of interest from the originators of a given Project and the findings of the aforesaid market analysis.
- c. In the event of a decision to establish a spin-off company, IOCB TECH is, based on the Agreement on Cooperation, authorized to negotiate with the spin-off company on behalf of IOCB under market conditions for the granting of a license to the IOCB intellectual property that is to be commercialized through the spin-off company.

3. Procedure for establishing a spin-off company

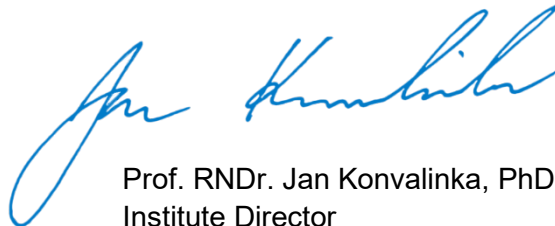
- a. In agreement with the originators of the Project, IOCB TECH will inform IOCB of the intention to establish a spin-off company at least two months in advance. At the same time, IOCB TECH will provide IOCB with information about the Project, a draft of the proposed license agreement, and the contact details of the founders of the spin-off company. Moreover, IOCB TECH will, if possible at this stage, provide IOCB with information about the proposed ownership structure, planned appointments to the spin-off company’s statutory bodies, and other information about the spin-off company.
- b. Any IOCB employee who acquires a share in a spin-off company is obliged to cooperate with IOCB TECH to the fullest extent.
- c. The procedure specified by IOCB TECH for the establishment of a spin-off company is attached to this directive as Addendum No. 1.

4. Distribution of shares in a spin-off company

- a. Shares in the spin-off company will be distributed primarily as follows:
 - i. 10% IOCB TECH, or a 100% IOCB TECH-owned company;
 - ii. 90% founding IOCB employees, or external collaborators and other founders, including investors or other persons supporting the Project prior to the establishment of the spin-off company.
- b. Detailed terms and conditions for the distribution of shares in the spin-off company and other arrangements will be the subject of an agreement between IOCB TECH and the spin-off company.

5. Final provisions

- a. Any and all information obtained by employees or representatives of IOCB or IOCB TECH pertaining to projects and/or the establishment of spin-off companies is strictly confidential, and these persons are obliged to maintain confidentiality.

A handwritten signature in blue ink, appearing to read 'Jan Konvalinka', is positioned above the printed name and title.

Prof. RNDr. Jan Konvalinka, PhD.
Institute Director

Addendum No. 1: Procedure specified by IOCB TECH for the establishment of a spin-off company

IOCB TECH has developed a procedure for establishing a spin-off company, which is described in more detail below.

IOCB TECH may, on its own responsibility, entrust its daughter company i&i Prague, s.r.o. (hereafter “i&i Prague”), with preparation of the documents necessary for the establishment of a spin-off company and relating to the spin-off company and may, also on its own responsibility, authorize i&i Prague to establish a spin-off company and enter into it. In this case, i&i Prague bears all costs associated with the establishment of the spin-off company and the disposition with shares (acquisition of shares, transfer of shares, changes in distribution, etc.).

In agreement with the originators of the Project, IOCB TECH will inform i&i Prague of the intention to establish a spin-off company at least two months in advance. At the same time, IOCB TECH will provide i&i Prague with information about the Project, a draft of the proposed license agreement, and the contact details of the founders of the spin-off company

The procedure of i&i Prague for establishing a spin-off company is governed by the Collaboration Framework Agreement of 8 November 2023 concluded between i&i Prague and IOCB TECH, or by specific arrangements between i&i Prague and the spin-off company.

Also in Addendum No. 1, IOCB TECH has included a roadmap illustrating the IOCB TECH procedure for commercialization of IOCB intellectual property.