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Methodology of the technology transfer in the form of a start-up and a spin-off at UTB Zlín



Institutional Quality and Science Strategy Development at UTB Zlín

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1. Methodology of establishing start-up and spin-off companies at UTB Zlín

This methodology is based on an analysis of the most important legal and economic aspects of the issue, such as the external and internal legislative framework, financing the preparation and operation of the spin-off, public support and legal relations, and the choice of the legal form of the company. On these bases, conceptual procedures are proposed for the preparation and elaboration of documents for the establishment of a spin-off company (spin-off company) based on the result of science and research with commercial potential, created or co-created at UTB Zlín.

The procedures are designed in direct connection with the provisions of the internal regulations of UTB Rules for the Establishment of Legal Entities and for Monetary and Non-Monetary Contributions to These and Other Legal Entities by Tomas Bata University in Zlín. The aim of the methodology presented here is to avoid many predictable pitfalls and to facilitate and guide the preparation of the final proposal for the establishment of a spin-off company at UTB or a proposal for the entry of UTB into an already established company with the aim of commercialising the science and research result created here.

The document is intended for UTB managers, academic and scientific staff and other employees, but also for representatives of companies involved in joint research with UTB or preparing to implement the results of this research in practice. The establishment of spin-off companies with UTB's participation can be a way to achieve real use of UTB's intellectual property alongside other possible forms of commercialisation

The methodology regulates a process involving three basic stages that need to be gradually mastered before the actual establishment of a UTB spin-off company. Each of these phases sets out the necessary aspects to be addressed. The methodology guides the interested party - the proposer - from the initial submission of the proposal through its elaboration in the form of an initiation proposal to the third, output phase, where all the necessary documents for the actual establishment of the spin-off company are already included. Within the framework of these steps, the competencies and interactions of individual departments across UTB are defined, including the role of the Technology Transfer Centre.

The methodology for establishing UTB spin-off companies is divided according to UTB's equity participation into a procedure for 100% UTB equity participation and a procedure for cases with lower UTB equity participation and equity participation of another entity. The third part of the methodology describes the process of preparing UTB's entry into an already established company.

Due to the specificity of research activities carried out under the grant titles, the next - additional part of the methodology focuses on the area of spin-offs established as outputs of projects. The final part contains conditions and methodological recommendations concerning new companies established independently, most often by a UTB employee in connection with the results of UTB research and development (spin-start) or without using UTB intellectual property (start-up).

Interpretation of terms

a) General terminology

Application sector - the term application sector (or application sphere) refers to all entities in which research and development knowledge is used, such as business corporations, non-profit organizations or the public sector.

The author is the natural person who created the work. In the case of an ensemble work as a whole, also the natural person who creatively selected or arranged it. The copyright in a work which has been created by the joint creative activity of two or more authors until the completion of the work as a single work (**work of joint authors**) belongs to all the joint authors jointly and severally. It is not detrimental to the creation of a work of joint authors if the results of the creative activity of the individual joint authors can be distinguished in the work, provided that they are not capable of separate use.

A work of authorship is a literary work, other artistic work and a scientific work that is the unique result of the creative activity of the author and is expressed in any objectively perceptible form, including electronic form (whether permanent or temporary), regardless of its scope, purpose or meaning. Works of authorship include, for example, verbal, musical, dramatic and musical-dramatic, choreographic and pantomimic, photographic, audiovisual, visual, architectural, applied art and cartographic works, as well as a computer program, a work resulting from the creative processing of another work (including translation into another language), a compilation or a database.

Angel Investor (also **Business Angel**) is a designation for a person who invests capital independently as an individual in companies or projects with high growth potential. Very often this involves investing in new start-up businesses. It is **private capital**.

A commissioned work is a work made on the basis of a purchase order or contract for work.

Intellectual property is property of an intangible nature, which is the result of the human thought process and which is also separable from the person. A specific type of intellectual property is industrial property, the second group being copyright and related rights.

Confidential information is information about the economic or financial situation of an entity that has not yet been made public and the disclosure of which to third parties could cause damage to the entity. Information contained in a business plan is also considered confidential information, including information subject to other legal protection, such as in the area of data protection (GDPR).

Commercialisation - the term commercialisation of research is understood as the whole process from the identification of research knowledge with possible commercial potential to its use in practice.

Commercial exploitation is the use of intellectual property for the purpose of obtaining a pecuniary benefit, including the marketing of a product in a particular territory, and is conditional on the transfer of intellectual property, licensing, joint ownership and exploitation with a partner, or the contribution of the result as an input to a collaboration with a partner.

Know-how is a body of unpatented manufacturing, technical, commercial and other essential and identified experience and knowledge that is neither known nor generally available.

A license is an authorization to use a right in protected intellectual property.

Unprotected knowledge is subject to internal registration at UTB and includes the following categories:

A semi-work verifying the original results of research and development carried out by the author or a team of which the author was a member. These are test and validation facilities used to verify properties, activities, failure rates and other monitored parameters before putting (e.g. a technology or system) into operation for maximum or planned performance. The necessary condition is the novelty and uniqueness of the design to be verified - the entire production process (technology) and machinery; existing or already functional plants where only partial technological or system elements, including control elements, are replaced, extended or improved cannot be considered as semi-operational.

Verified technology is similar to semi-production with the difference that the novelty lies only in the production process (technology). The condition is testing (verification) of the technology, supported by a verification protocol and subsequent application in production. Such a term may, for example, refer to a result that is the subject of a contract for the exploitation of the result concluded between the author of the result (the recipient or other participant) and the user of the result.

The prototype implements the original results of research and development carried out by the author or a team of which the author was a member. It is a more complex industrial product, made as a single piece to verify the characteristics of the design in practice or on a test bench before the introduction of serial or mass production. Only a product whose development was the aim of an applied research, experimental development and innovation project or other applied R&D&I activity may be considered as such a result.

A functional sample is similar to a prototype, except that the development or production of a functional sample is not immediately followed by serial or mass production. It is, for example, the design, development and subsequent production of a unique instrument or laboratory device. However, only a product or apparatus whose development was the aim of an applied research, experimental development and innovation project or other applied R&D&I activity can be considered as such a result.

The certified methodology implements the original results of research and development carried out by the author or a team of which the author was a member. It is a result where the author of the result develops a methodology (the necessary condition is the novelty of the procedures) that has been approved by the relevant state administration authority and recommended for use in practice.

The software implements the original research and development results that were carried out by the author or a team of which the author was a member. It is a result where the software has been demonstrably created in connection with the research activity and its author (creator) is/are persons involved in the research activity at the beneficiary (or another participant) and which can be freely used in accordance with the licensing conditions of the

creator and in accordance with Section 16 of Act No 121/2000 Coll. (Copyright Act) as amended. This does not include software which the beneficiary has developed for its own use only and which is used only by the beneficiary or another participant, or which is intended solely and exclusively for the use of the provider (i.e. unless its development is required by law)

Trade secrets consist of competitively significant, identifiable, measurable and normally unavailable in the relevant business circles facts that are related to the company and whose owner ensures their confidentiality in an appropriate manner in his interest.

A trade mark is a statutory protection conferring the exclusive right to use a sign, in particular words, including personal names, colours, drawings, letters, numerals, the shape of a product or its packaging or sounds, provided that the sign is capable of (a) distinguishing the goods or services of one person from those of another person and (b) being expressed in a trade mark register (hereinafter referred to as the "Register") in a manner which enables the competent authorities and the public to identify clearly and precisely the subject matter of the protection afforded to the proprietor of the trade mark.

A patent is a legal protection of an invention that grants the patent owner the exclusive right to exploit the invention industrially. The patent owner has the exclusive right to exploit the protected invention, to grant consent to exploitation to others (e.g. by licence) and to transfer the patent to another person. The invention covered by the patent may not be manufactured, offered for sale or used by a third party for industrial/commercial purposes without the consent of the owner.

A business plan is a document that serves to present the overall concept of a specific business, or a specific **business plan**, summarizing the facts, key success factors and everything that needs to be done to achieve it. It is a **long-term business strategy**, which is always considered a trade secret.

A company invention is an invention created by an employee to perform a task arising out of an employment, membership or other similar employment relationship with an employer

Industrial property is a set of rights to intangible goods that are industrially (economically) exploitable and are the result of creative activity. These include rights to inventions protected by patents, technical solutions protected by utility models, designs protected by industrial designs, topographies of semiconductor products, plant varieties, biotechnological inventions, and rights to improvement designs. Industrial property also includes rights in designations deriving from a trademark or appellation of origin.

An industrial design is a legal protection of a design which grants the owner of the industrial design the exclusive right to use the design solution in an industrial context; an industrial design protects the appearance of a product or part thereof consisting of the lines, contours, colours, shape, structure or materials of the product itself (or its decoration).

The originator of an invention or design is the one who created it by his own creative work.

The Register of Information on Results (hereinafter referred to as "RIV") is one of the parts of the Information System (IS) that collects and provides information on research, development and innovation supported from public budgets in the Czech Republic and the only authorized,

complete and binding source of this information, operated pursuant to Section 30 of Act No. 130/2002 Coll., on Support for Research, Experimental Development and Innovation from Public Funds and on Amendments to Certain Related Acts. The Council for Research, Development and Innovation is the administrator and operator of the IS.

The Register of Artistic Outputs (hereinafter referred to as "RUV") is a register of the results of creative artistic activities of employees and students of public universities of the Czech Republic, which serves to verify the evaluation of artistic outputs. The administrator and operator of the RUV is the Council of the Register of Artistic Outputs.

A spin-off company (spin-off) is an entity that separates from its parent company and has its own legal personality. It acquires intellectual property from the parent organisation and transforms it into new products or services. According to the legal analysis of the issue of spin-off companies in the Czech Republic, which was created within the framework of the innovation strategy Czech Republic: Country For The Future, it is a legal entity (regardless of the legal form and designation - spin-off, spin-out, start-up) established by a research organisation (university, public research institution or other) for the purpose of transferring knowledge created by them.

Start-up is a term used to describe a newly emerging project or start-up company often still in the phase of creating a business plan. Very often, it is a business entity, typically described as a newly established or start-up company, which is developing rapidly and has a high potential for economic growth based on an established business concept using innovative technologies.

A school work of authorship is a work created by a student (including ČŽV participants) to fulfil the student's obligations arising from his/her legal relationship with the educational establishment. A specific status among school works is given to final theses, which are bachelor's, diploma or dissertation theses.

Technology transfer (knowledge transfer) is a complex process of transferring R&D results into economic and social practice with the aim of commercial exploitation. The main parts of this process are the protection of intellectual property and the subsequent commercialisation of the results

Venture capital, sometimes referred to as **development capital** or **venture capital**, is capital that is usually used to finance innovative projects or to finance the development of start-up companies. It is not credit financing, but the investor usually receives **an equity stake** in the company in return for his investment. Investors also often use a form of convertible bond - that is, a loan that converts into an equity stake at the end of the term.

A utility model is a form of protection for technical solutions that are novel, go beyond mere technical skill and are capable of industrial application. It is a more time and cost-effective form of protection than a patent

An invention is a technical solution that is new, is the result of inventive activity, is industrially exploitable and can be protected by a patent or utility model. Discoveries, scientific theories and mathematical methods, aesthetic creations, plans, rules and methods for the exercise of intellectual activity, computer programs or the communication of information are not considered inventions. A patent may not be granted for varieties of plants and breeds of animals,

biological methods of cultivating plants and breeding animals, methods of surgical or therapeutic treatment, diagnostic methods used on the human or animal body and inventions the use of which would be contrary to public policy or good morals.

For the purposes of this methodology, **the result** is the output of the creative intellectual activity of an employee performing an employment task or a student performing a study obligation.

An employee work of authorship is a work created by the author or authors to fulfil his or her obligations under the employment relationship with the employer

Improvement proposal - a technical, production or operational improvement (also a solution to occupational health and safety and environmental problems), with which the improver has the right to dispose.

b) Specific terminology related to the methodology

The UTB Technology Transfer Centre is an organizational unit of UTB that provides activities related to the protection of the results of creative activities created (co-created) at UTB and activities related to the commercialization of research and development results and the transfer of knowledge into practice.

Proposed person - a person proposed by UTB for the position of a statutory body, member of the supervisory board or board of a legal entity established by UTB or a legal entity in which UTB has a participation or acquires a participation.

For the purposes of this Methodology, **a proponent** is defined as a UTB employee, an established body or department authorized to submit a proposal to initiate the preparation (initiative) for the establishment of a legal entity or to enter an already established legal entity as a form of commercialization of UTB intellectual property.

Trade secrets consist of competitively significant, identifiable, measurable and normally unavailable in the relevant business circles facts that are related to the company and whose owner ensures their confidentiality in an appropriate manner in his interest. Thus, UTB's trade secrets include, in particular, the following: **know-how**, which can be characterized as a collection of organizational, managerial, economic, business, marketing, scientific, research and other knowledge and experience, as well as facts of a developmental, manufacturing, technical or commercial nature relating to UTB or its organizational units, such as. research, development or technical development projects, except for those research, development or technical development projects that are publicly funded; business plan, business or production plan, business or advertising strategy or other plans; pricing principles, including pricing and budgeting; principles of licensing policy in matters of industrial or other intellectual property rights, as well as principles of other contractual policy; principles of security policy for the protection of property and persons, as well as personal data; applications for industrial property objects, including annexes and other related documentation before their submission to the Industrial Property Office of the Czech Republic, or, as the case may be, to the Industrial Property Office of the Czech Republic. the Office with similar competence abroad.

Spin-off with 100% ownership of UTB - a legal entity established by UTB to use and develop UTB's intellectual property into a marketable product or service

Spin-off with UTB equity participation - a legal entity co-founded by UTB with another legal or natural person for the purpose of using and developing UTB intellectual property into a marketable product or service. UTB has an ownership stake in such a spin-off (in the range of 1% to 99%). The same is also used for a legal entity that UTB enters for the purpose of commercialising its intellectual property.

For the purposes of this methodology, a **spin-start** is an independent entrepreneurial activity (as a self-employed person or incorporated legal entity) created mostly by the originator of the intellectual property or another UTB employee to exploit and develop UTB intellectual property into a marketable product or service. Intellectual property is granted to this entity through a licence agreement or transfer. UTB has ownership interest in such a company, nor does it have representation in the company's bodies

1.1 Methods of commercialization at UTB

The standard methods of commercialization of intellectual property used at UTB are:

- a) the provision of use rights to intellectual property through licensing,
- b) transfer of intellectual property rights to the commercialisation partner,
- c) other forms of technology transfer, such as joint research.

A new methodology is being set up to allow the extension of these methods to:

establishing spin-off companies or joining an already established legal entity (company) in order to apply and use UTB intellectual property.

Annex 1 summarises the key information that will play a role in preparing for the establishment of a legal entity

The reason for choosing commercialisation through spin-offs may be:

- Overcoming barriers to licensing or transfer when a result with commercial potential is not something that companies want to pursue in the current market due to the high level of risk with respect to investment intensity or time to return on investment.
- Transferring the risk of licensing policy to a more flexible entity in order to maximise collaboration with the application community and thereby facilitate the commercialisation of intellectual property.
- Transferring the risk of business, including the risk of liability for obligations and potential damages that might arise from business relationships, outside of academia.
- Motivating ambitious R&D staff and involving them directly in the benefits derived from and exploitation of intellectual property
- Acquiring a partner or an offer from a partner who has the financial, technical, spatial, knowledge (market knowledge, market position or market contacts) or professional human capacity to maximise turnover and revenue from the IP.
- Marketing purposes.

1.2 Legislative framework

The legal environment for the establishment or co-founding of a new company by a public university, as well as for the entry of a public university into an existing company, consists of an external framework, given by the legislative norms applicable in this respect in the Czech Republic, and internal regulations related to the issue and valid at UTB Zlín. Gradually, more attention will be paid to the key documents from both groups and other related regulations will be presented

1.2.a) External legislation

Among the legislative norms in force in the Czech Republic, the following law applies to the establishment of spin-off companies by public universities:

Act No. 111/1998 Coll., on Higher Education Institutions and on Amendments and Additions to Other Acts (hereinafter referred to as the "Higher Education Act")

§ Section 1 states that in the economic development of society, universities nurture innovation and contribute to development at the national and regional level in cooperation with the public administration and the corporate sector. As an example, the establishment of a spin-off company can help economic development and regional cooperation better than selling a licence abroad.

§ Section 20 speaks of supplementary activities that a public HEI carries out for remuneration and that are related to its educational and creative activities in a way that serves to make efficient use of human resources and property

§ Section 20 also stipulates that a public HEI is not entitled to assume liability for the monetary debt of another person or to contribute immovable property acquired from state ownership to a commercial company.

The terms and conditions of monetary and non-monetary contributions to legal entities may be further regulated by the internal regulations of the public university in accordance with the law. At UTB, this is the internal regulation Rules for the establishment of legal entities and for monetary and non-monetary contributions to these and other legal entities by Tomas Bata University in Zlín.

The Higher Education Act further stipulates (Section 15, [Annex 2](#)) that all acts related to the disposal of movable property under specified conditions or immovable property in the form of its acquisition, transfer, establishment of an easement or other property or pre-emption right must have the prior written consent of the Board of Trustees. The consent of the Board of Trustees must precede these legal actions and must be given in writing. In addition, the Board of Trustees is required by the Higher Education Act to notify the Ministry of Education, Youth and Sports of the Czech Republic (hereinafter referred to as the "MoEYS") within seven days of the issuance of this consent. Thus, three legal conditions must be met, the Board of Trustees must.

- to give its consent to legal actions so as to precede their implementation in time,

- the consent given must be in writing,
- fulfil the obligation to notify the Ministry of Education and Science within the seven-day period specified for this purpose.

Failure to meet one of the three conditions would render these legal actions null and void.
([Annex 2](#))

General legal and economic framework:

The issue of spin-offs is also covered in some respects by other legislation - by way of enumeration

- **Act No. 130/2002 Coll., on the Support of Research and Development from Public Funds and on Amendments to Certain Related Acts (Act on Support of Research and Development)**
- **Act No. 586/1992 Coll., on Income Taxes**
- **Act No. 280/2009 Coll., Tax Code**
- **Act No. 563/1991 Coll., on Accounting**
- **Act No. 358/1992 Coll., on notaries and their activities (Notarial Code)**
- **Act No. 89/2012 Coll., Civil Code**
- **Act 90/2012 Coll., on Commercial Companies and Cooperatives (Act on Commercial Corporations)**
- **Act No. 151/1997 Coll., on the Valuation of Property and on Amendments to Certain Acts (Property Valuation Act)**
- **Act No. 143/2001 Coll., on Protection of Competition and on Amendments to Certain Acts (Act on Protection of Competition)**
- **Act No. 256/2004 Coll., on capital market business**
- **Act No. 304/2013 Coll. on public registers of legal and natural persons**
- **Act No. 455/1991 Coll., on Trade Enterprise (Trade Licensing Act)**
- **Act No. 262/2006 Coll., Labour Code**
- **Decree No. 15/2004 Coll., on the regulation of certain relations in the field of public support and on the amendment of the Act on support for research and development**
- **Decree No 465/2009 Coll., on data recorded in the central register of small-scale aid.**

Intellectual property:

- **Act No. 527/1990 Coll., on Inventions and Improvements**
- **Act No. 478/1992 Coll., on utility**

- **Act No. 207/2000 Coll., on the Protection of Industrial Designs and amending Act No. 527/1990 Coll., on Inventions, Industrial Designs and Improvement Proposals, as amended**
- **Act No. 441/2003 Coll., on trademarks and amending Act No. 6/2002 Coll., on courts, judges, judges and the state administration of courts and amending certain other acts (Act on courts and judges), as amended, (Act on trademarks**
- **Act No. 121/2000 Coll., on Copyright, on Rights Related to Copyright and on Amendments to Certain Acts (Copyright Act)**

1.2.b) Internal regulations of UTB in Zlín

The legal aspects of establishing spin-off companies at UTB Zlín are mainly related to the following internal norms:

- The establishment of legal entities at UTB in accordance with the Higher Education Act is regulated by the internal regulation "Rules for the Establishment of Legal Entities and for Monetary and Non-Monetary Contributions to These and Other Legal Entities by Tomas Bata University in Zlín" dated 4 April 2017.
- The handling of intellectual property rights at Tomas Bata University in Zlín is regulated by Rector's Directive 34/2019 "Application and Protection of Intellectual Property Rights Arising in Connection with the Creative Activities of Employees and Students of UTB in Zlín"

The economic and organisational aspects of setting up spin-off companies concern in particular the following internal norms:

- The commercialization of UTB results is regulated by Rector's Directives 26/2019 "Procedure and Rules for Commercialization of UTB Results" and 15/2017 "Establishment of the Commercialization Council"
- The flow of funds from technology transfer is regulated by Rector's Directive 19/2015 "Internal Fund for Support of Innovative Activities".
- Rector's Directive 21/2019 regulates the "Composition of the Advisory Boards of UTB in Zlín"
- Rector's Directive 23/2019 regulates the "Evaluation and Management of the Development of Teaching, Creative, Management and Other Activities of Academic and Scientific Staff of UTB"

1.3 Spin-off financing

The financing of spin-offs must be divided into two levels from the perspective of UTB as a founder/co-founder or an acceding partner in an already established legal entity:

- a) Financing the **establishment or co-founding** of a legal entity or the **entry into** an already established legal entity (establishment/access costs, contributions to the company)
- b) **Operational** financing of

1.3.a) Cost of incorporation/access, company deposits

The property of the University is movable and immovable property, rights and other property values. The rector or the bodies or persons provided for by law, in particular the Higher Education Act and the statutes of the college, decide on the disposal of such property. The College is obliged to use the property for the performance of tasks in educational and scientific, research, development, artistic or other creative activities. In accordance with the Higher Education Act, a higher education institution may carry out so-called complementary activities. In supplementary activities, a higher education institution carries out, for remuneration, activities related to its educational and scientific, research, development, artistic or other creative activities or activities serving to make more efficient use of human resources and property.

In accordance with the applicable legislation and the Rules, UTB is not entitled to contribute to a legal entity being established or a legal entity in which it acquires a participation any immovable property acquired into the ownership of public universities from the ownership of the state, any contribution provided pursuant to Section 18(3) of the Higher Education Act and any subsidy provided pursuant to Section 18(5) of the Higher Education Act.

The Higher Education Act further stipulates (§ 20) that a public higher education institution is not entitled to assume liability for the monetary debt of another person or to contribute immovable property acquired from state ownership to a commercial company. The conditions of monetary and non-monetary contributions to legal entities must be regulated by the internal regulations of the public university in accordance with the Higher Education Act. At UTB, this is the internal regulation Rules for the Establishment of Legal Entities and for Monetary and Non-Monetary Contributions to These and Other Legal Entities by Tomas Bata University in Zlín (hereinafter referred to as "the Rules").

UTB may not take legal actions leading to the establishment of legal entities or to monetary or non-monetary contributions to these and other legal entities if its management would be burdened by losses from the management of these legal entities or from UTB's participation in these legal entities. In exceptional cases, based on the Rector's proposal and after approval by the Academic Senate of UTB, partial financing of a legal entity may be included in the UTB budget.

In such cases, however, it is always necessary to carry out a legal analysis and to check whether this is prohibited public support (see Chapter 4).

To finance the costs related to the preparation and establishment of spin-off companies (co-founding or access to an already established company), it is proposed to use the Internal Fund for the Support of Innovative Activities (hereinafter referred to as the "Innovation Fund"), which was established at UTB by Rector's Directive SR/19/2015 for the purpose of supporting innovative activities at UTB in order to provide a transparent record of financial flows for the transfer of the results of UTB's research, development, innovation and other creative activities into practice and to secure the proceeds from commercialization in accordance with Act No. 130/2002 Coll, on research support and the Community Framework for State Aid for Research, Development and Innovation C(201) 3282/2 as amended.

Property or usage rights may pass to the spin-off:

- a) by contributing to a legal entity being established or to an already established legal entity that UTB is joining,
- b) by contract (in the case of intellectual property):
 - by granting use rights to the result in the form of a licence,
 - by transfer (sale).

RELATED DOCUMENTS:

- License Agreement

- Intellectual Property Rights Transfer Agreement

- Non-monetary contribution in the form of intellectual property

A contribution to a legal entity is a monetary expression of the value of the object of the contribution to the share capital of the business corporation. The object of a contribution is a thing which a shareholder or prospective shareholder (hereinafter referred to as the "depositor") undertakes to contribute to a corporation for the purpose of acquiring or increasing a participation in it (hereinafter referred to as the "contribution obligation"). A non-monetary contribution may be property whose economic value is ascertainable and which can be economically used by the corporation in relation to the object of the business. **The Companies Act** provides for a wide range of items that may be used as a deposit. The only limitation is that it must be valued in money. Deposits consisting of commitments to perform works or to provide services are prohibited.

In the event that the contribution to the legal entity being established (or to the legal entity to which UTB is acceding) is to be made in a form other than cash, it is necessary to carry out a valuation of this non-cash contribution. The valuation shall be carried out by an expert selected from a list of experts, who shall draw up an expert's report stating:

- a) Identification (description) of the non-monetary contribution,
- b) The valuation method used,
- c) The amount at which the non-cash contribution is valued, in money,
- d) Justification of how the expert arrived at the valuation.

The remuneration and reimbursement of costs shall be borne by the resulting company

The valuation of the in-kind contribution must be stated in the founding document. The valuation report is then deposited in the collection of documents and is available for inspection in the commercial register.

If UTB establishes a legal entity, it is also the administrator of the deposit within the meaning of Section 18 of the Business Corporations Act, unless otherwise agreed by the founders. If the UTB acts on behalf of the legal entity being established before its formation, it shall limit its actions to legal actions that are directly related to the establishment of the legal entity.

RELATED DOCUMENTS

- Copy of the protection document if the non-monetary contribution to the company to be established is to be a right to protected industrial property

- Technical description of the know-how, if the non-monetary contribution to the company to be established is to be unprotected commercially exploitable knowledge

1.3.b) Operational financing of spin-offs

The financial management and economics of spin-offs is the same as that of other companies, involving complex management of financial resources, from raising capital and other forms of financial resources, through their distribution to the management of free financial resources.

If further funding is needed for an already established spin-off, this is possible from UTB through the following routes:

- a) a cash or in-kind contribution to increase the share capital of the spin-off,
- b) by providing a cash or non-cash contribution outside the share capital of the spin-off,
- c) by providing a financial loan,
- d) the award and use of a consideration (service).

In all of these cases, UTB must have a legal analysis prepared and check whether the aid is prohibited public aid (see Chapter 4).

All of these cases of securing operational financing for spin-offs must be done on market terms and must be described in the Related Party Report.

1.4 Public support

Public aid means any aid granted in any form by the State or through public funds. Unlawful public aid is aid which distorts or threatens to distort equal conditions of competition by favouring certain undertakings or the production of certain goods or by affecting trade between Member States.

The signs of unlawful public aid (to the private sector) are therefore:

1. the aid favours certain undertakings or certain business sectors and is selective,
2. trade between Member States is affected,
3. competition is distorted or threatened.

Such public support is **generally prohibited**. It can only be granted if we can find a **legal title** to legally grant it, for example:

- a) providing aid in the form of *de minimis* aid,
- b) regional aid or public service compensation in accordance with the relevant rules.

If public aid is incompatible with the internal market, the beneficiary runs the risk of **having to repay the aid, including interest**. In addition, the granting of illegal public aid may lead to the possible **nullity of concluded contracts**.

The main legal recommendations on public aid point out that legislation is not an obstacle to the establishment of spin-off companies. In principle, a university has two options for setting up a relationship with a spin-off company:

- a) Neutral relationship setup, where the spin-off company does not receive any advantage (financial or non-financial) from the university.
- b) Support for a spin-off company in one of the compatible public aid schemes or in a scheme not involving public aid (e.g. a deposit in the so-called "private investor" scheme or a rent rebate in the de minimis aid scheme, etc.)

RELATED DOCUMENT

- Legal analysis of the facts relevant in the case of unlawful State aid

1.5 Legal relations between UTB and an employee who is involved in a spin-off with UTB equity participation or in a Spin-Start, unless his/her employment relationship at UTB ends

In cases where an employee is concurrently engaged in the activities of a spin-off (or spin-start) company, the protection of the employer's legitimate interests must be addressed. In such cases, the approach must be based on whether the employee is involved in another legal entity at the initiative of UTB and in its interest or on the basis of his or her own activity and in his or her own interest, and the form of his or her involvement. This issue applies to all employees, regardless of the legal basis for their employment relationship - whether it is an employment relationship based on an employment contract or the performance of work under one of the agreements on work performed outside the employment relationship (employment agreement or performance agreement). However, it must be a basic employment relationship.

This issue is primarily addressed during the employment relationship by Act No. 262/2006 Coll., the Labour Code (hereinafter referred to as the "Labour Code"), by setting the conditions for the performance of other gainful activity, if it would be identical to the employer's activity in the provisions of Section 304 through the institute of mandatory prior consent of the employer. The employer's consent must precede the commencement of such activity and must be in writing. However, the restriction does not apply to the pursuit of scientific, pedagogical, journalistic, literary and artistic activities.

Gainful activity means any activity permitted by law which is carried out for the purpose of obtaining pecuniary gain. This includes not only an employment relationship with another employer - here, the spin-off or start-up company in question, but also self-employment, usually on the basis of a trade licence, membership in the statutory bodies of commercial corporations, etc. However, the legislation of the Labour Code does not apply to the status of a shareholder in a limited liability company, if the employee merely exercises his rights and obligations arising from his capital participation in the company. Even if the company has the same object of business as the employer, the activity of a partner in the general meeting (or in voting on decisions outside the general meeting) cannot be considered as a gainful activity which is

identical to the object of the employer. The object of the activity of a shareholder is not the object of the company's activity, but only the exercise of his property rights. Similarly, in the case of a public limited company, a distinction must be made between the proprietary nature of the shareholder's rights, which do not directly entail participation in the operation and management of the company. The mere status of a shareholder in a public limited company does not constitute a gainful activity. It must be an active activity in which the employee himself participates, i.e. not merely the ownership of property.

If the employer withdraws its consent, the withdrawal must also be in writing. The employer must state the reasons for the change in its decision. The employee shall then be obliged to cease such activity without undue delay.

Parallel to the employee's employment relationship, another legal relationship may arise for another legal entity in connection with the commercialization of UTB intellectual property - the following legal relationships may arise:

- The concurrence of an employment relationship with UTB and a business relationship with another legal entity, whereby the position is held:

- member of the statutory body,
- member of the controlling body.

The legal regulation of the rights and obligations between a commercial corporation and a member of its elected body is set out in Sections 59 et seq. and 194 et seq. of Act No. 90/2012 Coll., on Commercial Companies and Cooperatives (the Commercial Corporations Act). **The contract of office is negotiated in writing and is approved by the general meeting of the company or by the sole shareholder when exercising the powers of the general meeting.**

- Concurrence of an employment relationship with UTB and an employment relationship with another legal entity (unless it concerns the performance of scientific, pedagogical, journalistic, literary or artistic activities

The solution in all these cases differs depending on whether the concurrence was initiated by UTB (A) or by the employee's own activity (B).

1.5.A Concurrence at the initiative of and in the interest of UTB

a) Exercise of functions as a member of a body in the interest of UTB

The filling of positions on the statutory bodies of legal entities in which UTB participates and persons acting on behalf of UTB in this matter are governed by the "Rules for the Establishment of Legal Entities and for Monetary and Non-Monetary Contributions to These and Other Legal Entities by Tomas Bata University in Zlín" (hereinafter referred to as the "Rules").

The proposal for the staffing of the statutory body of a legal entity established by UTB is proposed by and approved by the Rector. If the competent body of a legal entity established by UTB or of a legal entity in which UTB has a participation or is to acquire a participation votes on the staffing of its statutory body, supervisory board or council, the Rector

shall decide for which of the proposed persons should be voted on behalf of UTB. The Rector shall inform the Academic Senate of UTB at its next meeting about the staffing of the statutory body of the legal entity being established or the legal entity in which UTB is to acquire a participation.

The person or persons proposed by UTB to the statutory body, supervisory board or board of a legal entity established by UTB or a legal entity in which UTB has a participation or acquires a participation (hereinafter referred to as the "proposed person") may only be a person or persons who are in an employment relationship with UTB (i.e. not under one of the agreements for work performed outside the employment relationship).

When selecting the proposed persons, the professional focus and credibility of these persons is taken into account in relation to the subject of activity of the legal entity to whose statutory body of the supervisory board or boards these persons are proposed.

Proposed persons shall express their consent to potential membership in the statutory body or supervisory board of a legal entity established by UTB or a legal entity in which UTB has a participation or acquires a participation in writing. The written consent shall include a declaration in which the proposed persons undertake to protect the rights, legitimate interests and good name of UTB in the bodies to which they are nominated and to maintain confidentiality throughout their term of office, even if they terminate their employment with UTB during their term of office.

For the future registration of a member of the statutory body or controlling body in the Commercial Register, it is necessary to provide the registration court with **the consent of this person to the registration in the Commercial Register** and an affidavit of **eligibility** and fulfillment of **all legal conditions** for the performance of the function. This is a declaration by the person that he or she is:

- Self-empowered
- impeccable
- over 18 years of age
- meets the statutory conditions for serving as a member of the company's governing body

The employee who is to become a member of the statutory body further declares that in the last 3 years no insolvency proceedings have been instituted against his/her property or the property of any other company in which he/she has acted or is acting as a statutory body, and no proceedings have been instituted against his/her person for the exclusion of a member of the statutory body of a commercial corporation from holding office.

The employee will enter into a performance contract with the newly established legal entity or legal entity that UTB is to join in accordance with applicable law. **The function of an executive officer, member of the board of directors or supervisory body is not dependent work** under the Labour Code; the performance of these functions is a commercial relationship. The rights and obligations between the member of the body and the legal entity are primarily governed by the provisions of Act No. 89/2012 Coll., the Civil Code (hereinafter referred to as the "Civil Code"), Section 2430 et seq. on the order, unless Act No. 90/2012 Coll., the Business

Corporations Act (hereinafter referred to as the "Business Corporations Act"), Section 59 et seq. or the contract of office provides otherwise.

If the employee as the originator has an ownership interest in the spin-off company, this does not affect his or her right to additional remuneration in accordance with Rector's Directive 34/2019 "Application and Protection of Intellectual Property Rights Arising in Connection with the Creative Activities of Employees and Students of UTB ve Zlíně".

RELATED DOCUMENTS:

A written proposal from UTB for membership in the statutory or supervisory body of the legal entity being established or the legal entity into which UTB is entering, including:

a proposal of the terms and conditions of the position, which may be formulated as a preliminary precautionary consent to work for the legal entity, and a proposal of a declaration in which the proposed persons undertake to protect the rights, legitimate interests and good name of UTB in the bodies to which they are nominated and to maintain confidentiality throughout their term of office, even if they terminate their employment with UTB in the course of their term of office.

Written consent of the employee to membership in a body of a legal entity being established or a legal entity in which UTB has a participation or will acquire a participation, including a statement in which the proposed persons undertake to protect the rights, legitimate interests and good name of UTB in the bodies to which they are proposed and to maintain confidentiality throughout the performance of their duties, even if they terminate their employment relationship with UTB during the performance of their duties.

Affidavit of the employee and his consent to the entry in the public register.

~~Contract for the performance of the duties of a member of the body~~

Closer to the documents:

The consent of the employee, prepared by the UTB Legal Department, must be obtained at the time when the proposal to establish a legal entity is submitted to the Bursar in accordance with the Rules.

In the case of a positive decision by the Bursar, the consent of the employee and his/her affidavit is necessary for the application for registration in the public register. At this stage, these documents should be drawn up by the person authorised by the Rector to prepare the establishment of the legal entity (e.g. the proposed first managing director of a limited liability company) or to prepare the entry into another legal entity.

At this stage, the documents should be executed by a person authorised by the Rector to prepare the establishment of the legal entity (e.g. the proposed first managing director of a limited liability company) or to prepare the entry into another legal entity.

b) Performance of work activities on the basis of an employment relationship of a UTB employee with another legal entity

In cases where UTB is interested in having an employee perform activities for a specified period of time for a spin-off or for a legal entity that UTB has joined, it would be a good idea, for reasons of legal certainty, to conclude an agreement with the employee that regulates mutual rights and obligations (innominate contract). This agreement would also provide for the consent of UTB as the employer to this activity if it is wholly or partly identical to that of the employer (application of Section 304 of the Labour Code).

RELATED DOCUMENTS:

- Agreement on the regulation of mutual rights and obligations between the employee and UTB in relation to his/her performance of activities for another legal entity, including, if necessary, the employer's consent in accordance with the provisions of Section 304 of the Labour Code

Closer to the documents:

If the concurrence is at the suggestion and in the interest of UTB, the agreement will be prepared by the Legal Department in collaboration with the Human Resources Department, Human Resources on a case-by-case basis.

1.5. B Concurrence based on the employee's own activity, in his/her own interest

UTB will examine whether the specific case involves the performance of an activity that is identical in whole or in part to the subject of UTB's activities as an employer, with the following conclusion:

- if this is not the case, the employee cannot be prevented from such activities, but it is necessary to monitor whether the protected interests of UTB are being violated,
- if that's the case, then:

- Invite the employee to address the situation and request the employer's consent to perform such activity and bring it into legal compliance (initiating a request for the employer's written consent in accordance with the provisions of Section 304 of the Labour Code),
- call on the employee to stop violating the obligations arising from the legal regulations applicable to the work performed by the employee . If the employee fails to cease activity, there is scope for termination of employment for these reasons, taking into account the specific case

RELATED DOCUMENTS:

- Calling on the employer to cease the employee's unlawful conduct when the employee's performance of his/her activities is wholly or partially identical to the subject of UTB's activities as an employer, including a warning about violations of the employee's obligations under legal regulations related to his/her work.

1.6 Legal Forms for Establishing Spin-off Companies or Entering an Established Company as a Commercialization of Intellectual Property UTB

Legal forms possible for spin-offs from the perspective of UTB

Analysis of options:

The Higher Education Act does not allow public universities to become a partner in a public partnership or a general partner in a limited partnership. The rules are further modified in Article 1 - Basic Provisions, paragraph 2, to provide that UTB may establish or co-found:

- limited liability company
- Cooperative
- Institute
- Association
- school legal entity.

(The legal form of a joint-stock company is excluded according to the Rules of UTB).

The same applies to legal entities in which UTB may participate and which it has not established (these are legal entities in which UTB may join).

UTB may establish, participate in the establishment of as one of several founders, or participate in legal entities whose subject of activity is related to educational and scientific, research, development, innovative, artistic or other creative activities of UTB or activities serving to make more efficient use of UTB's human resources and property.

Since this methodology deals with the establishment of spin-offs as one of the forms of commercialisation of intellectual property, only the legal form of a limited liability company will be elaborated in detail. The methodology is based on the assumption that spin-offs will be established primarily for the purpose of commercialisation/exploitation of UTB intellectual property. A cooperative can also be seen as a legal form suitable for business, but under certain specifics, based directly on its statutory definition under the Companies Act. A cooperative is

a community of an unincorporated number of persons which is formed for the purpose of mutual support of its members or third parties, or for the purpose of doing business, and must have at least 3 members. The differences between cooperatives and companies are mainly the possibility of original acquisition of membership without amendment of the constituent document, the equality of votes of the members when voting, e.g. on amendments to the articles of association, and variable share capital (share capital)

The other permitted forms are not very suitable for this purpose as they are special purpose legal entities (school legal entities) or legal entities belonging to the non-profit sector where the primary main activity is not business or profit making.

RECOMMENDATIONS:

The optimal option in terms of preparation of incorporation documents is cooperation and subsequent registration with a notary.

RELATED DOCUMENTS:

- Proposal for the establishment of a legal entity as a summary document according to defined scopes**
- Draft constituent document with the information required for registration in the public register**
- Draft amendment to the constituent document with the information required for entry in the public register in the event of accession**

Closer to the documents:

Necessary information in the incorporation document of a limited liability company are:

- a) company name (name),
- b) the address of the municipality (indicating the municipality is sufficient),
- c) the object of the business or activity,
- d) identification of the partners by name and residence
- e) determination of the type of shares of each shareholder and the rights and obligations associated with them, if the founding act allows for the creation of different types of shares,
- f) the amount of the deposit or deposits attributable to the share or shares,
- g) the amount of the share capital,
- h) the number of managing directors (at least one) and the manner in which they act for the company,
- i) the designation of the custodian or custodians of the deposit by name and residence
- j) the founders' deposit obligation, including the time limit for its fulfilment
- k) an indication of who the founders designate as the managing director or managing directors, or members of other bodies of the company to be elected by the general meeting pursuant to the Commercial Corporations Act

- l) in the case of a non-cash contribution, its description, its valuation, the amount to be credited to the issue price, the designation of the expert who carried out the valuation of the non-cash contribution.

List of documents for registration in the public

The documentation for registration shall be prepared by the person or persons authorised to do so in the instrument of incorporation. In the case of a limited liability company, this is the first managing director or managing directors

Necessary attachments to the proposal for the first registration of the limited liability company, which must be submitted in the original or in a certified copy, are:

1.6 Memorandum of Association (if there is only one founder) or Memorandum of Association (if there are more founders) in the form of a notarial deed

2.6 a decision on the location of the registered office with a specific address of the company's registered office

3.6 a document certifying the legal reason for the use of the premises in which the is located

- the legal reason for the use of the premises does not need to be documented if this fact can be ascertained from a public administration information system or a part thereof which is a public record, register or list (e.g. the Land Registry);
- a written declaration by the owner of the property where the premises are located that he/she agrees to the location of the person's registered office is sufficient to prove the legal reason for the use of the premises; the declaration must not be older than 3 months and the signatures on it must be officially authorized.

4.6 authorization to

- an extract from the trade register or other business authorisation if the subject of the business is not a trade

5.6 confirmation of the bank on the fulfilment of the deposit obligation (deposit of the share capital)

6.6 affidavit of the managing director or managing directors, including consent to entry in the Commercial Register with officially certified

- a declaration of legal capacity, a declaration that the managing director meets the conditions for the operation of the trade and that he or she has not suffered any event that is an obstacle to the operation of the trade,
- a declaration by the managing director that he/she agrees to be appointed as managing director of the company

7.6 affidavit of the deposit manager with officially certified signature

8.6 power of attorney with a certified signature of the petitioner, if the petitioner authorises another person to file the petition in the Commercial Register.

1.7 Procedures for setting up a spin-off at UTB

The methodology separately addresses the procedures and conditions at UTB for:

Establishment of a spin-off company (with 100% ownership of UTB or with a lower ownership of UTB and a share of another entity - so-called co-founding of a spin-off)

OR

joining an already established company to commercialize UTB intellectual property

BOTH

- on the initiative of UTB or

- *at the initiative of an employee or an external person (natural or legal).*

The methodology also deals with issues specific to ***the establishment of a legal entity as an output of the UTB project with the use of UTB intellectual property***

- while in matters not directly mentioned, the relevant scheme of procedure according to UTB's shareholding and other relevant facts mentioned above also applies here.

The comprehensive concept of the methodology also includes guidelines, conditions and recommendations for

independent entrepreneurial activity of a UTB employee, student or graduate

using/exploiting UTB intellectual property (Spin-start)

without using UTB intellectual property (Start-up).

PROCEDURE FOR THE INITIATION AND PREPARATION OF THE ESTABLISHMENT OF A SPIN-OFF WITH 100 % OWNERSHIP OF UTB

The procedure involves three basic stages:

- (1) Submission of the **Initiative for the establishment of a spin-off with 100% ownership of UTB,**
- (2) Creation of a **Proposal for the initiation of a spin-off with 100% ownership of UTB,**
- (3) Preparation of the **Proposal for the establishment of a spin-off with 100% ownership of UTB.**

This procedure takes into account the complexity and costliness of the complex preparation of the necessary documents for the establishment of a spin-off and allows for a streamlined process starting from the submission of the initial Proposal - a set of information with minimal input costs - through its completion in the form of an Initiation Proposal - already including an estimate of additional costs - to the preparation of a full-fledged Proposal for the establishment of a spin-off - if decided in this sense - and its submission for further proceedings in accordance with the applicable internal regulations (Rules).

More details on the individual phases:

Submission of a Complaint:

The initiative for the establishment of a spin-off (hereinafter referred to as the "Initiative") shall be initiated by the proponent, which is

- the Rector/Provost for Creative Activities/Dean of the Faculty/Director of the Unit, or
- the IP Commission by its resolution/recommendation supported by the minutes of the meeting, or
- The Commercialisation Board, by its resolution/recommendation as recorded in the minutes of the meeting

(hereinafter collectively referred to as the "Appellant").

The complaint may also be submitted by an employee/group of employees or by an external body - another natural or legal person. Upon receipt, the CTT will evaluate the Complaint; if the Complaint is not assessed as realistic, the CTT will communicate this information to the person who made the Complaint. In such a case, the person or entity concerned has the right to address the Complaint directly to the Rector of UTB

The proposal shall be submitted in writing to the CTT and must contain a specification of the protected result of science and research (hereinafter referred to as "R&D") and/or know-how created by UTB and other basic information on the proposal for commercialization of the defined intellectual property in this form.

Assessment of the Initiative:

The CTT will review and, if necessary, complete the Submission upon receipt:

- the legal status of the identified intellectual property, including know-how,
- its availability for the proposed purposes,
- the input amount for the valuation of the intellectual property (in accordance with the valuation in the UTB property) and an estimate of the cost of the valuation by an expert,
- estimation of the cost of preparing the necessary legal documents for the proposal to establish a legal entity in accordance with applicable legislation and UTB internal regulations and standards

Preparation of the Initiation Proposal:

The proposal for the initiation of the spin-off (hereinafter referred to as the "Initiation Proposal") shall be prepared by CTT on the basis of a professional assessment of the Initiative in direct cooperation with the Proposer or its delegated person.

The initiation proposal includes:

- identification of the claimant,
- identification of the protected R&D result or know-how and its availability,
- an input amount for negotiating the value of the R&D result / know-how,

- a list of documents necessary for the preparation of the proposal for the establishment of a legal entity, including an estimate of the cost of their acquisition in accordance with applicable legislation and the internal regulations of UTB (Rules),
- a schedule of steps necessary for the preparation of a proposal for the establishment of a spin-off with 100% ownership of UTB,
- proposing solutions to legal relations, including intellectual property legal relations

Assessment of the Initiation Proposal:

The Rector will evaluate the Initiation Proposal submitted by the CTT (or directly by a UTB employee), requesting, if necessary

- a supplement by the CTT within a defined scope, and/or
- a statement or addendum from another UTB department within the specified scope, and/or
- external assessment of the Initiation Proposal.

On the basis of the evaluation of the Proposal of Initiation, the Rector decides to reject the proposal or decides to initiate the preparation of a **Proposal for the establishment of a legal entity** within the meaning of the Higher Education Act and the Rules. At the same time, the Rector shall decide on the allocation of funds for the costs related to the preparation of the Proposal for the establishment of a legal entity, including the costs of the establishment of the legal entity itself, including the amount of the financial contribution

Preparation of the Proposal for the establishment of a spin-off with 100% ownership of UTB:

Coordination of the preparation of the Proposal for the establishment of a legal entity is provided by the CTT with ongoing support from the Proponent or its delegated person. The CTT actively cooperates with other departments at UTB on individual points according to the subject matter jurisdiction, especially with regard to legal services, economic matters, etc. The aim of the cooperation is to make efficient use of internal capacities and, if necessary, to justify the arrangement of external services.

The proposal for the establishment of a legal entity shall contain the following elements (requirements resulting from the Rules are indicated in bold):

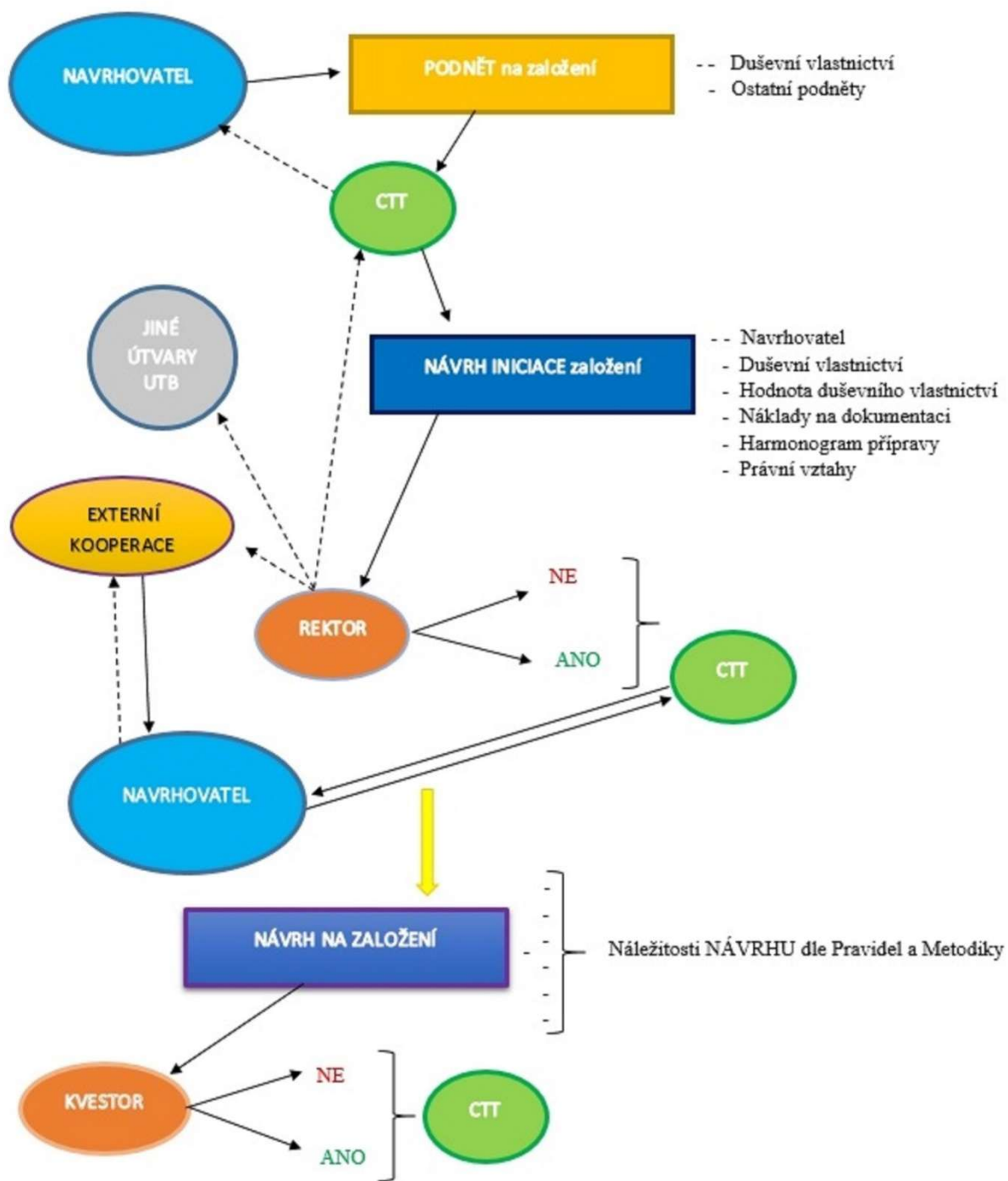
- a) **specification of the reasons and purpose for the establishment of the legal entity,**
- b) **the pursued objective and purpose of the legal entity being established,**
- c) a proposal of the legal form, a **legal analysis of the steps necessary to establish a legal entity** and a proposal of contractual relations between UTB and the future legal entity,
- d) proposal of the bodies of the legal entity,
- e) **a proposal for the staffing of the statutory body or, if applicable, the supervisory board, if established, within the meaning of Article 4 of the Rules,**
- f) specification of the subject of activity of the legal entity to be established
- g) the amount and form of the contribution (in cash, in kind or a combination thereof), in the **case of a contribution in kind, further:**

- **specifications of the contribution in kind,**
- **the reasons for this proposal,**
- **a report prepared by an independent expert,**
- **a copy of the protection document, if the in-kind contribution is to be a right to protected intellectual property, or a technical description of the to be contributed**
- h) **the opening balance sheet of the legal entity to be established and the budget outlook for the first three financial years**
- i) **risk analysis and treatment**
- j) **specification of the material and immaterial benefits that UTB may gain from the activities of the legal entity being established, analysis of the legal and economic consequences of all aspects of UTB's participation**
- k) **determination of the manner in which the economic result of the legal entity being established will be distributed**
- l) **business model,**
- m) **a draft of the constituent document or deed of incorporation with the information required for registration in the public register (commercial register).**

Assessment and decision on the Proposal to establish a spin-off with 100% ownership of UTB:

The CTT, in cooperation with the Proposer, submits the draft proposal for the establishment of a spin-off with 100% ownership participation of UTB to the Bursar of UTB in accordance with the Rules. Further procedure is governed by the Rules.

The basic data for the submission of a Proposal for the implementation of a research and development result by establishing a spin-off company at UTB is summarized in Annex 3.



Flowchart of the process of initiating and preparing the establishment of a spin-off with 100% ownership of UTB

PROCEDURE OF INITIATION AND PREPARATION OF SPIN-OFF WITH PROPERTY PARTICIPATION OF UTB AND WITH PROPERTY PARTICIPATION OF ANOTHER LEGAL OR INDIVIDUAL PERSON

The procedure involves three basic stages:

- (1) submission of the **Initiative for the establishment of a spin-off with UTB's equity participation**,
- (2) Creation of a **Proposal for the initiation of the establishment of a spin-off with the participation of UTB**,
- (3) Preparation of the **Proposal for the establishment of a spin-off with UTB's equity participation**.

More details on the individual phases:

Submission of a Complaint:

The initiative for the establishment of a spin-off (hereinafter referred to as the "Initiative") shall be initiated by the proponent, which is

- the Rector/Provost for Creative Activities/Dean of the Faculty/Director of the Unit, or
- the IP Commission by its resolution/recommendation supported by the minutes of the meeting, or
- The Commercialisation Board, by its resolution/recommendation as recorded in the minutes of the meeting

(hereinafter collectively referred to as "the Appellant").

The complaint may also be submitted by an employee/group of employees or by an external body - another natural or legal person. Upon receipt, the CTT will evaluate the Complaint; if the Complaint is not assessed as realistic, the CTT will communicate this information to the person who made the Complaint. In such a case, the person or entity concerned has the right to address the Complaint directly to the Rector of UTB

The proposal shall be submitted in writing to the CTT and must contain a specification of the protected result of science and research (hereinafter referred to as "R & D") and/or know-how created by UTB and other basic information on the proposal to commercialize the defined intellectual property in this form, in particular:

- identification of the co-founding entity (legal or natural person, which may also be an employee(s) of UTB) (hereinafter referred to as the "co-founding entity"),
- a brief description of the contribution of the other entity to the potential spin-off.

Assessment of the Initiative:

Upon receipt of the Complaint, the CTT will assess the completeness of the above information and supplement it if necessary:

- the legal status of the identified intellectual property, including know-how,
- its availability for the proposed purposes,
- the input amount for the valuation of the intellectual property (in accordance with the valuation in the UTB property) and an estimate of the cost of the valuation by an expert,

- estimation of the cost of preparing the necessary legal documents for the proposal to establish a legal entity in accordance with applicable legislation and UTB internal regulations and standards

Preparation of the Initiation Proposal:

The proposal for the initiation of a spin-off with equity participation of UTB (hereinafter referred to as the "Initiation Proposal") will be prepared by the CTT on the basis of a professional assessment of the Initiative in direct cooperation with the Proposer or its authorized person.

The initiation proposal in this case includes:

- identification of the Claimant
- identification of the co-founding entity - a legal entity (must be consistent with public register data) or a natural person, which may also be an employee(s) of UTB
- a brief description of the contribution of the co-founding entity to the potential spin-off with UTB equity participation,
- identification of the protected intellectual property or know-how and its availability,
- an entry amount for negotiations on the value of intellectual property / know-how,
- a list of documents necessary for the preparation of a proposal for the establishment of a spin-off with UTB's equity participation, including an estimate of the cost of their acquisition in accordance with applicable legislation and UTB's internal regulations (Rules)
- a schedule of steps necessary for the preparation of a proposal for the establishment of a spin-off with UTB equity participation,
- proposing solutions to legal relations, including intellectual property legal relations.

The data is therefore analogous to the Proposal of Initiation for 100% equity participation of UTB, however, the basic facts concerning the co-founder entity are added here.

Assessment of the Initiation Proposal:

The Rector will evaluate the Initiation Proposal submitted by the CTT (or directly by a UTB employee), requesting, if necessary

- a supplement by the CTT within a defined scope, and/or
- a statement or supplement from another UTB department within the specified scope, and/or
- external assessment of the Initiation Proposal.

On the basis of the evaluation of the Proposal of Initiation, the Rector decides to reject the proposal or decides to initiate the preparation of a **Proposal for the establishment of a legal entity** within the meaning of the Higher Education Act and the Rules. At the same time, the Rector shall decide on the allocation of funds for the costs related to the preparation of the Proposal for the establishment of a legal entity, including the costs of the establishment of the legal entity itself, including the amount of the financial contribution

Preparation of the Proposal for the establishment of a spin-off with the participation of UTB:

If the Proposal for the co-founding of a legal entity is initiated by UTB, the CTT coordinates the preparation of the Proposal for the co-founding of a legal entity with the ongoing support of the Proposer or its designee and the co-founder. In doing so, the CTT actively cooperates with other departments at UTB on individual points of competence, especially with regard to

legal services, economic matters, etc. The aim of this cooperation is to make efficient use of internal capacities and, if necessary, to justify the arrangement of external services.

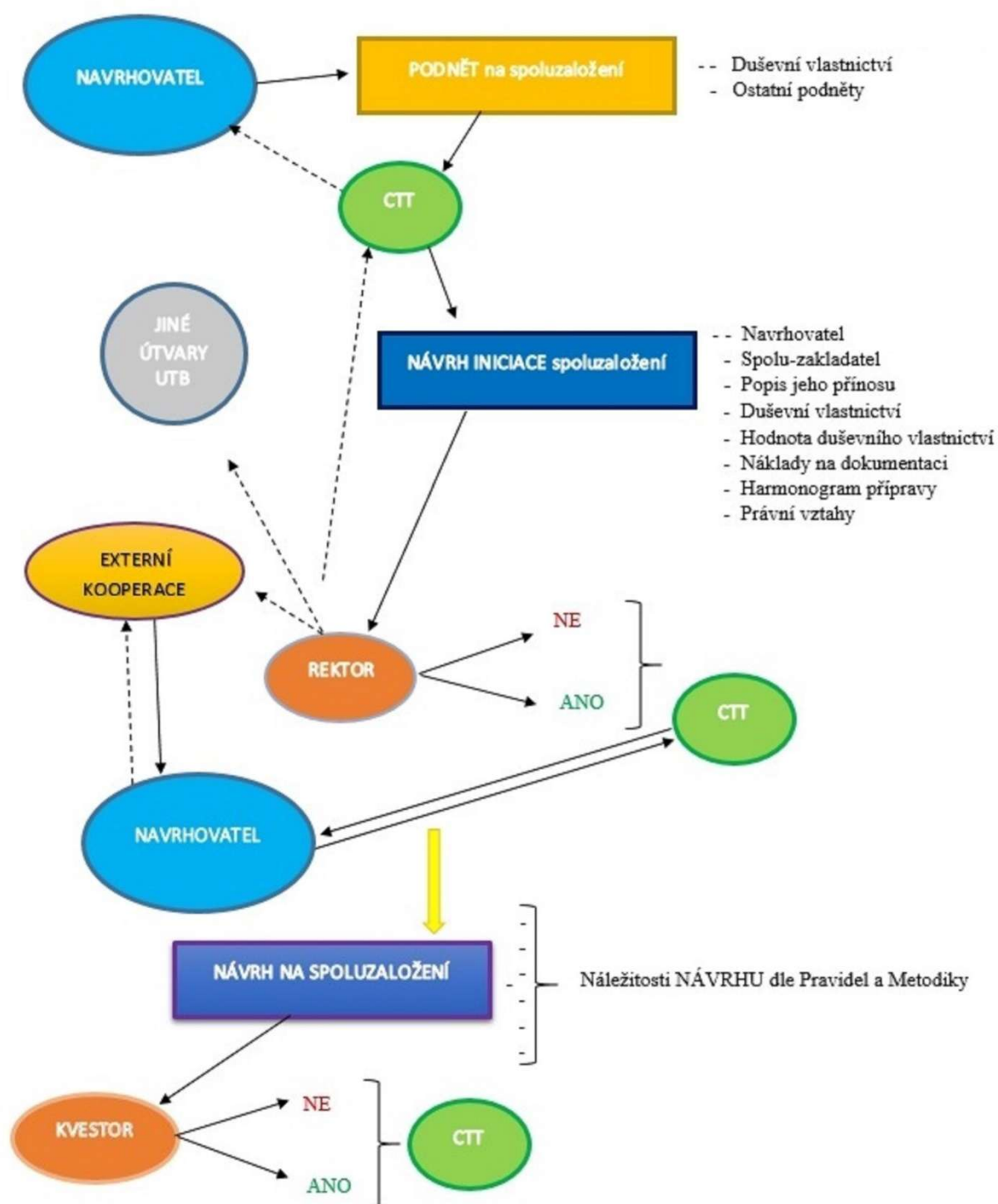
If the Proposer is an external entity, the Proposer shall coordinate the preparation of the Proposal in close cooperation with the CTT.

The proposal for the co-founding of a legal entity shall contain the following elements (requirements resulting from the Rules are indicated in bold):

- a) **(a) a specification of the reasons and purpose for the establishment of the legal entity**, including an assessment of the contribution of the other entity in the joint legal entity,
- b) **the pursued objective and purpose of the legal entity being established**,
- c) a proposal of the legal form, a **legal analysis of the steps necessary to establish a legal entity** and a proposal of contractual relations between UTB and the future legal entity,
- d) the proposal of the bodies and the distribution of the participation shares of the individual co-founders
- e) **a proposal for the staffing of the statutory body or, if applicable, the supervisory board, if established, within the meaning of Article 4 of the Rules**,
- f) specification of the subject of activity of the legal entity to be established,
- g) the proposed amount of the spin-off's share capital, the amount and form of the contribution (cash, non-cash or a combination thereof), **in the case of a non-cash contribution, further:**
 - **specifications of the contribution in kind**,
 - **the reasons for this proposal**,
 - **an opinion prepared by an independent expert**,
 - **a copy of the protection document, if the in-kind contribution is to be a right to protected intellectual property, or a technical description of the know-how to be contributed**
- (h) the opening balance sheet of the legal entity to be established and the budget outlook for the first three financial years**,
- h) risk analysis and treatment,
- i) **specification of the material and immaterial benefits that UTB may gain from the activities of the legal entity being established, analysis of the legal and economic consequences of all aspects of UTB's participation**,
- j) **determination of the manner in which the economic result of the legal entity being established will be distributed**,
- k) business model,
- l) a draft constituent document or memorandum of association with the information required for entry in the public register (commercial register)

Assessment and Decision on the Proposal for the Establishment of a Spin-off with Equity Participation of UTB:

The CTT, in cooperation with the Proposer, submits the proposal for the establishment of a spin-off with UTB's equity participation containing the above-mentioned elements to the Bursar of UTB in accordance with the Rules. Further procedure is governed by the Rules



Flowchart of the procedure for initiating and preparing the establishment of a spin-off with the participation of UTB and with the participation of another legal or natural person

JOINING AN ALREADY ESTABLISHED COMPANY TO COMMERCIALIZE UTB INTELLECTUAL PROPERTY

The procedure involves three basic stages:

- (1) filing a **Petition to join an already established company - a legal entity**,
- (2) creation of the **Proposal for initiation of entry into an already established legal entity**,
- (3) preparation of the **Proposal for entry into an already established legal entity**.

More details on the individual phases:

Submission of a Complaint:

The petition for entry into an already established legal entity (hereinafter referred to as the "Petition") is initiated by the petitioner, who is

- the Rector/Provost for Creative Activities/Dean of the Faculty/Director of the Unit, or
- the IP Commission by its resolution/recommendation supported by the minutes of the meeting, or
- Commercialization Board by its resolution/recommendation as supported by the minutes of the meeting (hereinafter collectively referred to as the "Petitioner").

The complaint may also be submitted by an employee/group of employees or by an external body - another natural or legal person. Upon receipt, the CTT will evaluate the Complaint; if the Complaint is not assessed as realistic, the CTT will communicate this information to the person who made the Complaint. In such a case, the person or entity concerned has the right to address the Complaint directly to the Rector of UTB

The proposal shall be submitted in writing to the CTT and must contain a specification of the protected result of science and research (hereinafter referred to as "R&D") and/or know-how created by UTB and other basic information on the proposal for commercialization of the defined intellectual property in this form, in particular:

- identification of the legal entity to which entry is proposed,
- a brief description of the benefits of joining the identified legal entity.

Assessment of the Initiative:

Upon receipt of the Complaint, the CTT will assess the completeness of the above information and supplement it if necessary:

- the legal status of the identified intellectual property, including know-how,

- its availability for the proposed purposes,
- the input amount for the valuation of the intellectual property (in accordance with the valuation in the UTB property) and an estimate of the cost of the valuation by an expert,
- estimation of the cost of preparing the necessary legal documents for the proposal to join a legal entity in accordance with applicable legislation and UTB internal regulations and standards

Preparation of the Initiation Proposal:

The proposal for the initiation of entry into a legal entity (hereinafter referred to as the "Initiation Proposal") shall be prepared by the CTT on the basis of a professional assessment of the Complaint in direct cooperation with the Complainant or a person authorised by the Complainant.

The initiation proposal in this case includes:

- identification of the claimant,
- identification of the legal entity to which entry is proposed - information from the register
- identification of the protected intellectual property or know-how and its availability
- an entry amount for negotiations on the value of intellectual property / know-how,
- a list of documents necessary for the preparation of the proposal to join the legal entity, including
an estimate of the cost of their acquisition in accordance with the legislation in force and internal regulations
UTB (Rules),
- a timetable of the steps necessary for the preparation of a proposal to enter into a legal entity,
- proposing solutions to legal relations, including intellectual property legal relations,
- the consent of the statutory body of the legal entity to which the entry is proposed.

This is therefore analogous to previous Proposals for Incorporation, with the additional facts provided herein relating to the legal entity into which entry is proposed.

Assessment of the Initiation Proposal:

The Rector will evaluate the Initiation Proposal submitted by the CTT (or directly by a UTB employee), requesting, if necessary

- a supplement by the CTT within a defined scope, and/or
- a statement or addendum from another UTB department within the specified scope, and/or
- external assessment of the Initiation Proposal.

On the basis of the evaluation of the Proposal of Initiation, the Rector shall decide to reject the Proposal or decide to initiate the preparation of the **Proposal for entry into a legal entity** within the meaning of the Higher Education Act and the Rules. At the same time, the Rector shall decide on the allocation of funds for the costs related to the preparation of the Proposal for Entry into a legal entity, including the costs of entry into the legal entity itself, including the amount of the financial contribution

Preparation of the Proposal for Entry into a Legal Entity:

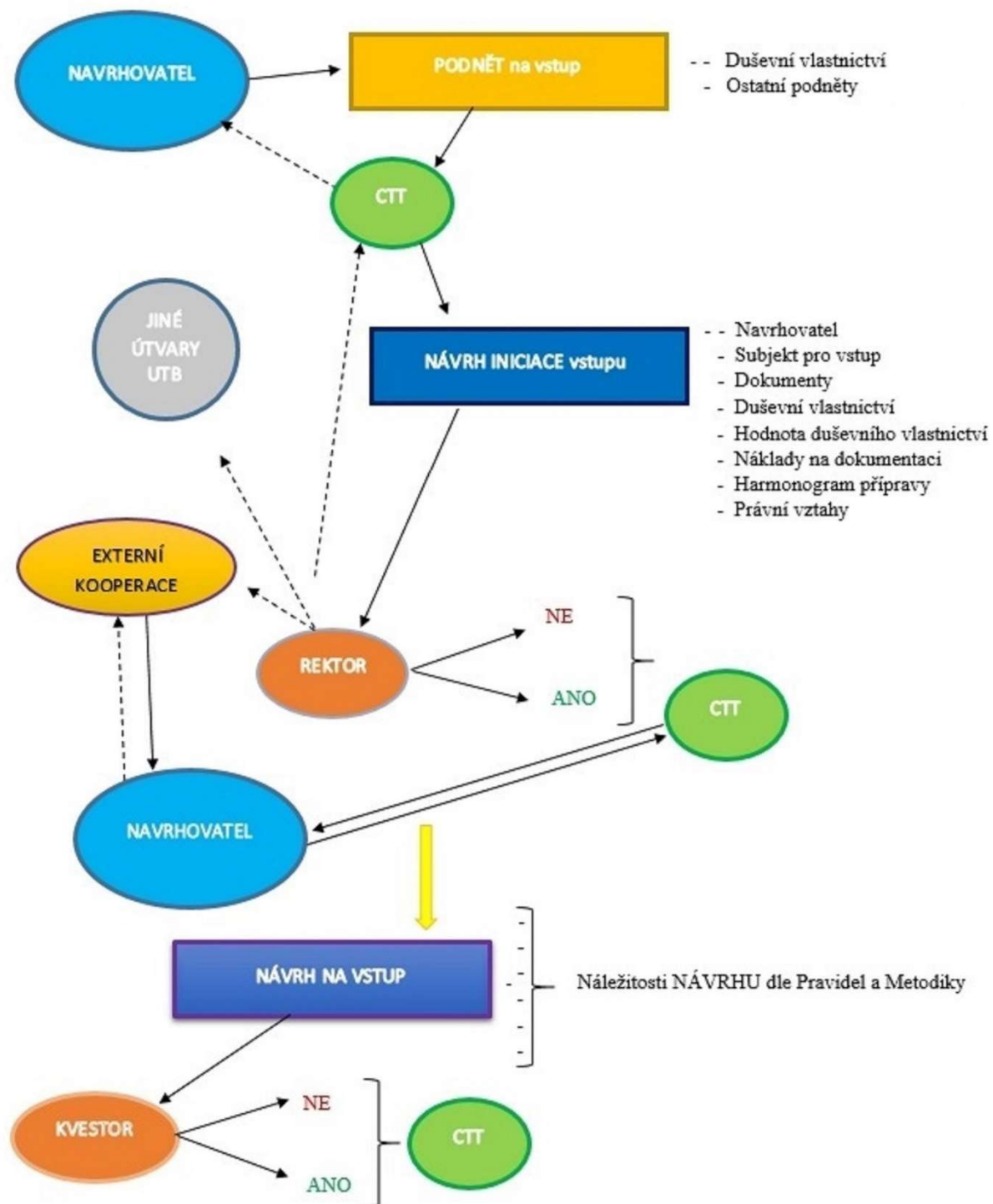
If the Proposal for entry into a legal entity is initiated by UTB, the coordination of the preparation of the Proposal is provided by the CTT with ongoing support from the Proposer or his/her designee. The CTT actively cooperates with other departments at UTB on individual points according to the subject matter jurisdiction, especially with regard to legal services, economic matters, etc. The aim of the cooperation is to make efficient use of internal capacities and, if necessary, to justify the arrangement of external services.

If the Proposer is an external entity, the Proposer shall coordinate the preparation of the Proposal in close cooperation with the CTT.

The application for entry into an already established legal entity shall contain the following requirements (requirements resulting from the Rules are indicated in bold):

- a) **specification of the reasons and purpose for acquiring a participation in the legal entity,**
- b) **the objective pursued and the purpose of joining the legal entity,**
- c) **proposal of the legal form, legal analysis of the steps necessary to acquire participation in a legal entity,**
- d) **an extract of the legal entity from the relevant public register,**
- e) **a proposal to update the composition of the bodies of the legal entity and a proposal for the staffing of the bodies,**
- f) **the amount of the paid-up share capital of the legal entity in which UTB is to acquire an interest,**
- g) **data on the management of the legal entity in which UTB is to acquire an interest, to the extent of the data in the published financial statements or other similar document for the two preceding financial years,**
- h) **the amount and form of the contribution (in cash, in kind or a combination thereof), in the case of a contribution in kind, further:**
 - **specifications of the contribution in kind**
 - **the reasons for this proposal,**
 - **an opinion prepared by an independent expert,**
 - **a copy of the protection document, if the non-monetary contribution is to be a right to protected intellectual property, or a technical description of the know-how contributed**
- i) **specification of the material and immaterial benefits that UTB can obtain from the activities of the legal entity, analysis of the legal and economic consequences of all aspects of UTB's participation,**
- j) **determining the manner in which the profit of the legal entity will be distributed**
- k) **a draft amendment to the constituent document with the information required for entry in the public register (commercial register)**

The CTT, in cooperation with the Proposer, submits a proposal for entry into an already established company to the Bursar of UTB in accordance with the Rules. Further procedure is regulated by the Rules.



Flowchart of the process of initiating and preparing the entry into an already established company for the commercialization of UTB intellectual property

ESTABLISHMENT OF A LEGAL ENTITY AS AN OUTPUT OF AN UTB PROJECT USING UTB INTELLECTUAL PROPERTY

If a project is created at the level of UTB or its units, which includes the establishment of a legal entity using UTB intellectual property, the project must include a Proposal for the establishment of such a legal entity. The project manager is responsible for the complete preparation of the proposal.

If know-how or protected intellectual property of UTB (in-kind contribution, license, transfer) will be used in the case of the establishment of this legal entity, then this proposal must be accompanied by the opinion of the CTT, including:

- a) assessment of the legal status regarding the deposit or use of identified UTB intellectual property, including know-how, and its availability for the proposed purposes,
- b) the input amount for the valuation of intellectual property according to the valuation in the UTB property,
- c) if the proposal for the establishment of a legal entity includes a non-cash contribution in the form of a right to protected intellectual property, the CTT shall provide a copy of the protection document; in the case of know-how, the lead project manager shall provide a technical description of the know-how.

CTT provides advisory and methodological support for the preparation of the project proposal. At the same time, it can provide contacts for the use of support tools for emerging business entities (based on the cooperation agreement primarily to the Technological Innovation Centre s.r.o.) - recommendation of consultations within the established ecosystem.

RELATED DOCUMENTS:

- Proposal for the establishment of a legal entity as an output of the project - summary document according to the defined scope

FURTHER PROCEDURE COMMON TO FACILITATION/ENTRY OF LEGAL PERSONS FOLLOWING THE PROCESS OF THE FACILITATION/ENTRY PROPOSAL UNDER THE HIGHER EDUCATION RULES AND LAW

A proposal to establish a legal entity or to join an already established legal entity shall be submitted to the Quaestor for consideration.

The Bursar may appoint a committee of independent experts to examine the proposal.

The Bursar shall prepare a written opinion on the proposal within one month, in which he or she shall explicitly state whether or not he or she recommends the proposal, including the reasons for his or her opinion, which he or she shall submit to the Rector.

The Rector shall approve or disapprove the proposal.

If the Rector approves the proposal, the proposal is submitted within one month to the Academic Senate of UTB for comment.

The proposal is then submitted to the UTB Board of Trustees for a decision

In the event that the UTB Board of Trustees issues a prior written consent to the proposal pursuant to Section 15(1)(d) of the Act, this fact shall be notified to the Ministry of Education, Youth and Sports within the time limit set forth in Section 15(6) of the Act, i.e. within seven days of the date of its issuance.

OWN ENTREPRENEURIAL ACTIVITY OF AN UTB EMPLOYEE, STUDENT, GRADUATE - USING UTB INTELLECTUAL PROPERTY (SPIN-START)

If a UTB employee, student or graduate is interested in starting his/her own business activity or expanding an existing one related to the use of UTB know-how or protected intellectual property, he/she is obliged to address its use through the CTT and legalize the use of this intellectual property. The employee shall submit an application stating:

- a) identification of the applicant; if it is an existing business activity, an extract from the public register (ARES, commercial register, trade register),
- b) specification of the protected R&D results or know-how of UTB that it is interested in using or acquiring,
- c) other basic information on the project, necessary for the decision on the form of commercialisation.

The CTT will conduct a professional assessment of the application, in particular an assessment of the legal status of the identified protected intellectual property or described know-how of UTB and its availability for the proposed purposes, as well as an input amount for the valuation of the intellectual property.

Based on the expert assessment, the CTT will propose a commercialisation method and prepare a proposal for a legal solution by way of a licence agreement or a rights transfer agreement.

At the same time, the CTT can provide contacts for the use of support tools for emerging business entities (based on a cooperation agreement primarily on the Technological Innovation Centre s.r.o.) - recommendation of consultations within the established ecosystem

OWN ENTREPRENEURIAL ACTIVITY OF AN UTB EMPLOYEE, STUDENT, GRADUATE - WITHOUT USING UTB INTELLECTUAL PROPERTY (START-UP)

CTT can provide contacts for the use of support tools for emerging business entities (based on a cooperation agreement primarily on the Technological Innovation Centre s.r.o.) - recommendation of consultations within the established ecosystem.

1.8 Organisational support for commercialisation through spin-offs

The UTB Centre for Technology Transfer (hereinafter referred to as "CTT") is a specialised UTB workplace for the protection, management and use of intellectual property and related technology transfer, cooperation with the application sphere and methodological support for the establishment of spin-offs.

As part of its activities in the field of intellectual property, CTT continuously identifies applicable research and development (R&D) results with commercialization potential and enters into informative negotiations with those interested in the practical use of these results. According to the results of the initial negotiations, the CTT proposes a way of realistic use of these R&D results in existing business entities, preferably by granting a licence or transferring industrial rights to the R&D result implementer.

If none of these routes of technology transfer finds a suitable industrial partner, it is appropriate to consider for the R&D result with sufficient commercial potential the form of its implementation through the establishment of a new business entity - spin-off, either a company with 100% ownership participation of UTB or with the participation of UTB and another entity (legal or natural person, which may be a person employed by UTB)

The initiation, negotiation and preparation of the establishment of a spin-off company as a new business entity in connection with UTB requires, in addition to expertise and skills in the field of intellectual property, a number of other highly specific activities and experiences, especially in the economic and legal field. Therefore, in the future, it is necessary to expand the structure and possibilities of internal CTT cooperation within UTB so that, in the event of an initiative to establish a spin-off, the internal capacities of both the CTT and the economic and legal departments are used to the greatest extent possible, with effective design of the need for external cooperation if necessary.

This strengthening of the structure and scope of the CTT within UTB will enable the extension of the possibilities of commercialization of UTB R&D results to the form of spin-off - the insertion of new knowledge into a legal entity established by the university, in several model forms. At the same time, it is necessary to create conditions for the proposed activities, both financial and personnel, including the possibility of involving external expertise.

[1.9 Overview of documents in the area of commercialisation through spin-offs with the definition of legal relations addressed here](#)

Legal relations arising for the purposes of commercialisation of intellectual property:

- License Agreement
- Agreement on the transfer of intellectual property rights
- A copy of the protective document if the non-monetary contribution is to be a right to a work of protected intellectual property

Public support solutions

- Legal analysis of whether prohibited public aid is involved

Legal documents addressing UTB employee membership in future spin-offs

- A written proposal from UTB for membership in the statutory or supervisory body of the legal entity being established or the legal entity into which UTB is entering, including:
 - a proposal for the terms and conditions of the UTB employee in this position, which may also be formulated as an agreement to perform activities for this legal entity as a precautionary measure; and
 - a draft declaration in which the proposed persons undertake to protect the rights, legitimate interests and good name of UTB in the bodies to which they are nominated and to maintain confidentiality throughout their term of office, even if they terminate their employment with UTB during their term of office.
- Written consent of the employee to membership in a body of a legal entity being established or a legal entity in which UTB has a participation or will acquire a participation, including a statement in which the proposed persons undertake to protect the rights, legitimate interests and good name of UTB in the bodies to which they are proposed and to maintain confidentiality throughout the performance of their duties, even if they terminate their employment relationship with UTB during the performance of their duties.
- Employee's affidavit and consent to entry in the public register
- Contract for the performance of the functions of a member of the body

Resolution of legal relations in the performance of an activity that is partly or wholly identical to the employer's UTB activity (Section 304 of the Labour Code)

- Agreement on the regulation of mutual rights and obligations between the employee and UTB in the matter of his/her performance of activities for another legal entity at the proposal and in the interest of UTB, including, **if necessary**, the consent of the employer in accordance with the provisions of Section 304 of the Labour Code
- Calling on the employer to cease the employee's unlawful conduct when the employee's performance of his/her activities is wholly or partially identical to the subject of UTB's activities as an employer, including a warning about violations of the employee's obligations under the legal regulations related to the work he/she performs.

Documentation to fulfil the conditions for the establishment of a spin-off in accordance with the Higher Education Act and the Rules

- Proposal for the establishment of a legal entity as a summary document according to defined scopes
- Draft constituent document with the information required for registration in the public register
- Draft amendment to the constituent document with the information required for entry in the public register in the event of accession

2. Draft Rector's Directive: preparation of rules for the establishment and implementation of start-up and spin-off companies at UTB Zlín

PART ONE

INTRODUCTION

This Rector's Directive defines the basic procedures for preparing the establishment and implementation of start-up and spin-off companies at Tomas Bata University in Zlín (hereinafter referred to as "UTB").

Article 1

Basic provisions

- (1) The establishment of legal entities by Tomas Bata University in Zlín (hereinafter referred to as "UTB"), as well as monetary or non-monetary contributions by UTB to these and other legal entities, is regulated by Act No. 111/1998 Coll. On Higher Education Institutions and on Amendments and Additions to Other Acts (hereinafter referred to as the "Higher Education Act") and the internal regulation of UTB "Rules for the Establishment of Legal Entities and for Monetary and Non-Monetary Contributions to These and Other Legal Entities by Tomas Bata University in Zlín" (hereinafter referred to as the "Rules").
- (2) The aim of this Rector's Directive is to set the rules, conditions and a uniform procedure for the preparation of a Proposal for the Establishment of a Legal Entity or the Acquisition of Participation in a Legal Entity (hereinafter referred to as the "Proposal for the Establishment of a Legal Entity") in accordance with Article 3 of the Rules as a way of commercializing UTB's intellectual property by establishing a spin-off and to specify the formal content of the Proposal for the Establishment of a Legal Entity submitted to the Bursar of UTB in accordance with the Rules (Article 3 and Article 5 of the Rules).

Article 2

Definition of selected basic terms

The UTB Technology Transfer Centre is an organizational unit of UTB that provides activities related to the protection of the results of creative activities created (co-created) at UTB and activities related to the commercialization of research and development results and the transfer of knowledge into practice.

Intellectual property is property of an intangible nature, which is the result of the human thought process and which is also separable from the person. Intellectual property means industrial property (see below), copyright and related rights.

Commercialisation of research is the process from the identification of research knowledge with possible commercial potential to its use in practice.

Commercial exploitation is the use of intellectual property for the purpose of obtaining a pecuniary benefit, including the marketing of a product in a particular territory, and is conditional on the transfer of intellectual property, licensing, joint ownership and exploitation with a partner, or the contribution of the result as an input to a collaboration with a partner.

Know-how is a body of unpatented manufacturing, technical, commercial and other essential and identified experience and knowledge that is neither known nor generally available.

A license is an authorization to use a right in protected intellectual property.

For the purposes of this Internal Standard, a proponent is an employee of UTB, an established body or department authorized to submit a proposal to initiate preparation (initiative) for the establishment of a legal entity or to enter an already established legal entity as a form of commercialization of UTB intellectual property.

Non-protected knowledge subject to internal registration at UTB includes the following categories: semi-operation, proven technology, prototype, working sample, certified methodology and software.

Trade secrets consist of competitively significant, identifiable, valuable and normally unavailable in the relevant business circles information that is related to the company and whose owner ensures its confidentiality in an appropriate manner in its interest

Industrial property is a set of rights to intangible goods that are industrially (economically) exploitable and are the result of creative activity. These include rights to inventions protected by patents, technical solutions protected by utility models, designs protected by industrial designs, topographies of semiconductor products, plant varieties, biotechnological inventions, as well as rights to improvement designs. Industrial property also includes rights in designations deriving from a trademark or appellation of origin.

A spin-off company (Spin-off) is an entity that separates from its parent company and has its own legal personality. It acquires intellectual property from the parent organisation and transforms it into new products or services. For the purposes of this Internal Standard, it is a legal entity established/co-established by UTB for the purpose of transferring knowledge created at UTB.

A spin-off with 100% ownership of UTB is a legal entity established by UTB to use and develop UTB's intellectual property into a marketable product or service.

A spin-off with UTB equity participation is a legal entity co-founded by UTB with another legal or natural person for the purpose of using and developing UTB intellectual property into a marketable product or service. For the purposes of this Internal Standard, an existing legal entity that UTB enters for the purpose of commercialising its intellectual property is also considered a spin-off with UTB's participation.

Technology transfer (knowledge transfer) is a complex process of transferring the results of science and research into economic and social practice with the aim of commercial exploitation. The main parts of this process are the protection of intellectual property and the subsequent commercialisation of the results.

PART TWO

PROCEDURE FOR THE INITIATION AND PREPARATION OF THE ESTABLISHMENT OF A SPIN-OFF WITH 100 % PARTICIPATION OF UTB

Article 3

Initiation of a spin-off with 100% UTB equity participation

- (1) **The initiative for the establishment of a spin-off with 100% ownership of UTB** (hereinafter referred to as the "Initiative") will result in:
 - a) the Rector/Provost for Creative Activities/Dean of the Faculty/Director of the unit by written opinion delivered to the Centre for Technology Transfer (hereinafter referred to as "CTT"), or
 - b) The IPR Committee by its resolution/recommendation supported by the minutes of the meeting delivered to the CTT, or
 - c) The Commercialisation Board, by its resolution/recommendation as evidenced by the minutes of the meeting delivered to the CTT (hereinafter referred to as the "Appellant").
- (1) The complaint contains:
 - a) specification of a protected result of science and research (hereinafter referred to as "R&D") and/or know-how created by UTB,
 - b) further background information on the proposal to commercialise the defined intellectual property in this form.
- (2) The CTT will review and, if necessary, complete the Submission upon receipt:
 - the legal status of the identified intellectual property, including know-how,
 - its availability for the proposed purposes,
 - the input amount for the valuation of the intellectual property (in accordance with the valuation in the UTB property) and an estimate of the cost of the valuation by an expert,
 - estimation of the cost of preparing the necessary legal documents for the proposal to establish a legal entity in accordance with applicable legislation and UTB internal regulations and standards.
- (3) On the basis of a professional assessment of the Initiative, the CTT will prepare, in immediate cooperation with the Proposer or its delegated person, a **Proposal for the initiation of a spin-off with 100% equity participation of UTB** (hereinafter referred to as the "Initiation Proposal").
- (4) The initiation proposal includes:
 - the identification of the claimant pursuant to paragraph 1 of this Article,
 - identification of the protected R&D result or know-how and its availability,

- an input amount for negotiating the value of the R&D result / know-how,
 - a list of documents necessary for the preparation of the proposal for the establishment of a legal entity, including an estimate of the cost of their acquisition in accordance with applicable legislation and the internal regulations of UTB (Rules),
 - a schedule of steps necessary for the preparation of a proposal for the establishment of a spin-off with 100% ownership of UTB,
 - proposing solutions to legal relations, including intellectual property legal relations.
- (5) An employee/group of employees or an external entity - another natural or legal person (hereinafter referred to as the "Proponent") may also submit a proposal for the establishment of a spin-off with 100% ownership participation of UTB (hereinafter referred to as the "Proposal"). The proposal submitted to the CTT shall include:
- a) identification and contact details of the Proponent,
 - b) specification of the protected R&D result and/or know-how created by UTB,
 - c) further background information on the proposal to commercialise the defined intellectual property in this form.
- (6) Upon receipt of the Complaint, the CTT will evaluate whether there is a reason to further develop the Complaint. If the Complaint is realistic, then the CTT will prepare an Initiation Proposal, in cooperation with the Proponent.
- (7) If the Submission is not realistic, the CTT will communicate this information to the Proponent. The Proposer has the right, if it is not the Rector of UTB, to address its request directly to the Rector of UTB.

Article 4

(1) Assessment of the Initiation Proposal

- (2) The CTT submits the initiation proposal to the Rector of UTB for a decision on further action.
- (3) The Chancellor will evaluate the submitted Initiation Proposal, requesting, if necessary
- a) a supplement by the CTT within a defined scope, and/or
 - b) a statement or addendum from another UTB department within the specified scope, and/or
 - c) external assessment of the Initiation Proposal.
- (4) On the basis of the evaluation of the Proposal of Initiation, the Rector shall decide to reject the Proposal or to initiate the preparation of **the Proposal for the establishment of a legal entity** within the meaning of the Higher Education Act and the Rules and to allocate funds for the costs related to the preparation of the Proposal for the establishment of a legal entity, including the costs of the establishment of the legal entity itself, including the amount of the monetary contribution.

- (5) Coordination of the preparation of the Proposal for the establishment of a legal entity is provided by the CTT with ongoing support from the Proponent or its delegated person. The CTT actively cooperates with other departments at UTB on individual points according to the subject matter competence, especially in terms of legal service, economic area, etc., with the aim of effective use of internal capacities and with the possibility of justifiable recommendation of external cooperation.

Article 5

Preparation of a Proposal for the Establishment of a Spin-off with 100% Ownership Participation of UTB

- (1) Requirements of the Proposal for the establishment of a legal entity (requirements resulting from the Rules are marked in bold):
- a) **specification of the reasons and purpose for the establishment of the legal entity,**
 - b) **the pursued objective and purpose of the legal entity being established,**
 - c) a proposal of the legal form, a **legal analysis of the steps necessary to establish a legal entity** and a proposal of contractual relations between UTB and the future legal entity,
 - d) proposal of the bodies of the legal entity,
 - e) **a proposal for the staffing of the statutory body or, if applicable, the supervisory board, if established, within the meaning of Article 4 of the Rules,**
 - f) specification of the subject of activity of the legal entity to be established,
 - g) the amount and form of the contribution (in cash, in kind or a combination thereof), in the **case of a contribution in kind, further:**
 - **specifications of the contribution in kind,**
 - **the reasons for this proposal,**
 - **a report prepared by an independent expert,**
 - **a copy of the protection document, if the in-kind contribution is to be a right to protected intellectual property, or a technical description of the know-how to be contributed**
 - h) **the opening balance sheet of the legal entity to be established** and the budget outlook for the first three financial years,
 - i) risk analysis and treatment,
 - j) **specification of the material and immaterial benefits that UTB may obtain from the activities of the legal entity being established, analysis of the legal and economic consequences of all aspects of UTB's participation,**
 - k) **determination of the manner in which the economic result of the legal entity being established will be distributed,**
 - l) business model,
 - m) a draft of the constituent document or deed of incorporation with the information required for registration in the public register (commercial register).
- (2) The CTT, in cooperation with the Proposer, submits a proposal for the establishment of a spin-off with 100% ownership participation of UTB to the Bursar of UTB in accordance with the Rules. Further procedure is governed by the Rules.

PART THREE

PROCEDURE FOR INITIATING AND PREPARING SPIN-OFF SETTINGS WITH THE PROPERTY PARTICIPATION OF UTB AND WITH THE PROPERTY PARTICIPATION OF ANOTHER LEGAL OR INDIVIDUAL PERSON

Article 6

Initiation of a spin-off with UTB's equity participation and with the equity participation of another legal or natural person

- (1) The initiative for the establishment of a spin-off with the participation of UTB and with the participation of another legal or natural person (hereinafter referred to as "Initiative II") will result in:
 - a) the Rector/Provost for Creative Activities/Dean of the Faculty/Director of the Unit by written opinion delivered to the CTT, or
 - b) The IPR Commission by its resolution/recommendation supported by the minutes of the meeting delivered to the CTT, or
 - c) The Commercialisation Board by its resolution/recommendation supported by the minutes of the meeting delivered to the CTT. (hereinafter referred to as "Petitioner II").
- (2) Initiative II contains:
 - a) specification of the protected R&D result and/or know-how created by UTB,
 - b) identification of the co-founding entity (legal or natural person, which may also be an employee(s) of UTB) (hereinafter referred to as the "co-founding entity"),
 - c) a brief description of the contribution of the other entity to the potential spin-off,
 - d) other basic information on the plan to establish a spin-off with UTB's equity participation.
- (3) The CTT will review and, if necessary, complete the Submission II upon receipt:
 - the legal status of the identified intellectual property, including know-how,
 - its availability for the proposed purposes,
 - the input amount for the valuation of the intellectual property (in accordance with the valuation in the UTB property) and an estimate of the cost of the valuation by an expert
 - estimation of the cost of preparing the necessary legal documents for the proposal to establish a legal entity in accordance with applicable legislation and UTB internal regulations.
- (4) On the basis of the expert assessment of Initiative II, CTT will prepare a **Proposal for the initiation of a spin-off with equity participation of UTB** (hereinafter also referred to as "Proposal for Initiation II" and "Co-Initiation") in immediate cooperation with Proposer II or its authorized person.
- (5) The initiation II proposal includes:

- identification of the Claimant pursuant to paragraph 1 of this Article,
 - identification of the co-founding entity - a legal entity (must be in accordance with the public register) or a natural person, which may also be an employee(s) of UTB)
 - a brief description of the contribution of the co-founding entity to the potential spin-off with UTB equity participation,
 - identification of the protected intellectual property or know-how and its availability,
 - an entry amount for negotiations on the value of intellectual property / know-how,
 - a list of documents necessary for the preparation of a proposal for the establishment of a spin-off with UTB's equity participation, including an estimate of the cost of their acquisition in accordance with applicable legislation and UTB's internal regulations (Rules),
 - a schedule of steps necessary for the preparation of a proposal for the establishment of a spin-off with UTB equity participation,
 - proposing solutions to legal relations, including intellectual property legal relations.
- (6) An initiative for the establishment of a spin-off with equity participation of UTB (hereinafter referred to as the "Initiative") may also be submitted by an employee/employees or by an external entity - another natural or legal person (hereinafter referred to as the "Proponent"). The Initiative submitted to the CTT shall include:
- a) identification and contact details of the Proponent,
 - b) identification of the co-founding entity (a legal or natural person, which may also be an employee(s) of UTB),
 - c) specification of the protected R&D result and/or know-how created by UTB,
 - d) further background information on the proposal to commercialise the defined intellectual property in this form.
- (7) Upon receipt of the Complaint, the CTT will evaluate whether there is a reason to further develop the Complaint. If the Complaint is realistic, then the CTT will prepare an Initiation Proposal in cooperation with the Proponent.
- (8) If Proposer II is not realistic, the CTT will communicate this information to Proposer II. Proposer II, if it is not the Rector of UTB, has the right to address its request directly to the Rector of UTB.

Article 7

Assessment of the Initiation Proposal II

- (1) The CTT submits the initiation II proposal to the Rector of UTB for a decision on further action.
- (2) The Chancellor will evaluate the submitted Initiation Proposal, requesting, if necessary
 - a supplement by the CTT within a defined scope, and/or

- a statement/complement from another organizational unit of UTB within the specified scope, and/or
 - external assessment of the Initiation Proposal.
- (3) On the basis of the evaluation of the Proposal for Initiation II, the Rector will decide on its rejection or on the commencement of the preparation of the **Proposal for the establishment of a spin-off with the equity participation of UTB** within the meaning of the Rules and on the allocation of funds for the costs related to the preparation of the Proposal for the establishment of a spin-off with the equity participation of UTB, including the costs of the establishment of the spin-off with the equity participation of UTB itself, including the amount of the cash contribution.
- (4) Coordination of the preparation of the proposal for the establishment of a spin-off with equity participation of UTB is ensured by:
- a) CTT, if the Proposal for co-founding a legal entity is initiated by UTB (Article 5(1)), with the continuous cooperation of the Proposer or his/her authorized person and the co-founder. In doing so, the CTT shall actively cooperate with other departments at UTB on individual points of jurisdiction, in particular with regard to legal services, the economic area, etc., with a view to making effective use of internal capacities and with the possibility of reasoned recommendations for external cooperation.
 - b) An external entity, if it is the Proponent under Article 6(6), in close cooperation with the CTT.

Article 8

Preparation of a Proposal for the Establishment of a Spin-off with Equity Participation of UTB

- (1) Requirements for the Proposal for the Establishment of a Spin-off with Equity Participation of UTB (requirements resulting from the Rules are marked in bold):
- a) **a specification of the reasons and purpose for the establishment of the legal entity**, including an assessment of the contribution of the other entity in the joint legal entity,
 - b) **the pursued objective and purpose of the legal entity being established**,
 - c) a proposal of the legal form, a **legal analysis of the steps necessary to establish a legal entity** and a proposal of contractual relations between UTB and the future legal entity,
 - d) the proposal of the bodies and the distribution of the participation shares of the individual co-founders,
 - a) **a proposal for the staffing of the statutory body or, if applicable, the supervisory board, if established, within the meaning of Article 4 of the Rules**,
 - b) specification of the subject of activity of the legal entity to be established,
 - c) the proposed amount of the spin-off's share capital, the amount and form of the contribution (cash, non-cash or a combination thereof), **in the case of a non-cash contribution, further:**
 - **specifications of the contribution in kind**,

- **the reasons for this proposal,**
 - **an opinion prepared by an independent expert,**
 - **a copy of the protection document, if the in-kind contribution is to be a right to protected intellectual property, or a technical description of the know-how to be contributed**
- d) **the opening balance sheet of the legal entity to be established** and the budget outlook for the first three financial years,
- e) risk analysis and treatment,
- f) **specification of the material and immaterial benefits that UTB may gain from the activities of the legal entity being established, analysis of the legal and economic consequences of all aspects of UTB's participation,**
- g) **determination of the manner in which the economic result of the legal entity being established will be distributed,**
- h) business model,
- i) a draft constituent document or memorandum of association with the information required for entry in the public register (commercial register).
- (2) The CTT, in cooperation with the Proposer II, submits a proposal for the establishment of a spin-off with UTB's equity participation to the Bursar of UTB in accordance with the Rules. Further procedure is governed by the Rules.

PART FOUR

JOINING AN ALREADY ESTABLISHED COMPANY TO COMMERCIALIZE UTB INTELLECTUAL PROPERTY

Article 9

Initiation of entry into an already established legal entity

- (1) **The incentive to enter an already established company with the aim of commercializing UTB intellectual property** (hereinafter referred to as "Incentive III") will result in:
- a) the Rector/Provost for Creative Activities/Dean of the Faculty/Director of the Unit by written opinion delivered to the CTT, or
 - b) The IPR Committee by its resolution/recommendation supported by the minutes of the meeting delivered to the CTT, or
 - c) Commercialisation Board by its resolution/recommendation supported by the minutes of the meeting delivered to the CTT.
- ("Appellant III")

- (2) Complaint III contains:
 - a) specification of protected R&D results or know-how of UTB that would be commercialized in this form,
 - b) identification of the legal entity to which entry is proposed,
 - c) a brief description of the benefits of joining the identified legal entity,
 - d) further background information on the proposal to commercialise the defined intellectual property in this form.
- (3) The CTT will review and, if necessary, complete the Submission III upon receipt:
 - the legal status of the identified intellectual property, including know-how,
 - its availability for the proposed purposes,
 - the input amount for the valuation of the intellectual property (in accordance with the valuation in the UTB property) and an estimate of the cost of the valuation by an expert,
 - Estimation of the cost of preparing the necessary legal documents for the proposal to join as a legal entity in accordance with applicable legislation and UTB internal regulations.
- (4) On the basis of the professional assessment of the Complaint III, the CTT shall, in immediate cooperation with the Complainant III or a person authorised by it, prepare a **Proposal for the initiation of entry into an already established legal entity** (hereinafter referred to as "Proposal for Initiation III").
- (5) The draft initiation III includes:
 - the identification of the claimant pursuant to paragraph 1 of this Article,
 - identification of the legal entity to which entry is proposed - information from the public register,
 - identification of the protected intellectual property or know-how and its availability,
 - an entry amount for negotiations on the value of intellectual property / know-how,
 - a list of documents necessary for the preparation of the proposal for entry into a legal entity, including an estimate of the cost of their acquisition in accordance with applicable legislation and the internal regulations of UTB (Rules),
 - a timetable of the steps necessary for the preparation of a proposal to enter into a legal entity,
 - proposing solutions to legal relations, including intellectual property legal relations,
 - the consent of the statutory body of the legal entity to which the entry is proposed.
- (6) An employee/group of employees or an external entity - another natural or legal person (hereinafter referred to as the "Proponent") may also submit a petition for the accession of UTB to an already established legal entity (hereinafter referred to as the "Petitioner"). The petition submitted to the CTT shall include:
 - a) identification and contact details of the Proponent,

- b) identification of the legal entity to which entry is proposed - information from the public register,
 - c) specification of the protected R&D result and/or know-how created by UTB,
 - d) further background information on the proposal to commercialise the defined intellectual property in this form.
- (7) The CTT, upon receipt of Submission III, will assess whether there is a case for further elaboration of Submission III. If Submission III is realistic, then the CTT will prepare an Initiation III Proposal in coordination with the Proponent III.
- (8) If Submission III is not realistic, the CTT will communicate this information to Submitter III. Petitioner III also has the right to address its request directly to the Rector of UTB.

Article 10

Assessment of the initiation proposal III

- (1) The CTT submits the initiation III proposal to the Rector of UTB for a decision on further action.
- (2) The Chancellor will evaluate the submitted Initiation II proposal, requesting, if necessary
- a supplement by the CTT within a defined scope, and/or
 - a statement or supplement from another UTB organizational unit within the specified scope, and/or
 - external assessment of the Initiation Proposal.
- (3) On the basis of the evaluation of the Proposal for Initiation III, the Rector shall decide to reject the Proposal or to initiate the preparation of the **Proposal for Entry into a Legal Entity** in accordance with the Rules and to allocate funds for the costs related to the preparation of the Proposal for Entry into a Legal Entity, including the costs of the Entry into the Legal Entity itself, including the amount of the monetary contribution.
- (4) Coordination of the preparation of the proposal for entry into a legal entity is provided by:
- a) CTT, if the Motion III is initiated by UTB (Article 5, paragraph 1), with the continuous cooperation of the Proponent III or his/her designee and the cooperation of the legal entity. In doing so, the CTT actively cooperates with other departments at UTB on individual points of jurisdiction, in particular with regard to the legal service, the economic area, etc., with a view to making effective use of internal capacities and with the possibility of reasoned recommendations for external cooperation.
 - b) An external entity, if the Incentive to enter the legal entity is initiated by it (Article 5, point 6), with the close cooperation of the CTT

Article 11

Preparation of the Proposal for entry into an already established legal entity

- (3) Requirements of the Application for entry into an already established legal entity (requirements resulting from the Rules are marked in bold):
- a) **specification of the reasons and purpose for acquiring a participation in the legal entity,**
 - b) **the objective pursued and the purpose of joining the legal entity,**
 - c) proposal of the legal form, **legal analysis of the steps necessary to acquire participation in a legal entity,**
 - d) **an extract of the legal entity from the relevant public register,**
 - e) a proposal to update the composition of the bodies of the legal entity and a proposal for the staffing of the bodies,
 - f) **the amount of the paid-up share capital of the legal entity in which UTB is to acquire an interest,**
 - g) **data on the management of the legal entity in which UTB is to acquire an interest, to the extent of the data in the published financial statements or other similar document for the two preceding financial years,**
 - h) the amount and form of the contribution (in cash, in kind or a combination thereof), in the case of a contribution in kind, further:
 - **specifications of the contribution in kind,**
 - **the reasons for this proposal,**
 - **an opinion prepared by an independent expert,**
 - **a copy of the protection document, if the non-monetary contribution is to be a right to protected intellectual property, or a technical description of the know-how contributed**
 - i) **specification of the material and immaterial benefits that UTB can obtain from the activities of the legal entity,** analysis of the legal and economic consequences of all aspects of UTB's participation,
 - j) **determining the manner in which the profit of the legal entity will be distributed,**
 - k) a draft amendment to the constituent document with the information required for entry in the public register (commercial register).
- (4) The CTT, in cooperation with the Proposer III, submits a proposal for entry into an already established company to the Bursar of UTB in accordance with the Rules. Further procedure is regulated by the Rules.

3. Methodology for long-term conceptual support of technology parks for start-up and spin-off companies

This methodology was created in cooperation with the Technological Innovation Centre Ltd. and it proposes a conceptual procedure for working with a business idea and the first steps in its implementation. The proposed procedures are methodically used by innovation centres, business incubators and technology parks in their consulting activities.

The document is intended for students, graduates of UTB, academic and scientific staff and other employees who are interested in entrepreneurship and decide to take the first steps in implementing their own idea. The proposed procedures can also be used by analogy in the establishment of spin-off companies with UTB ownership as one of the possible forms of commercialization of UTB intellectual property.

The document focuses on four key areas to focus on during the process of starting a business for the above target group. The first part regulates the recommended procedures for settling relations with UTB, either from the perspective of the employer and possible conflict of interest (legal analysis in part one of the methodology) or from the perspective of the potential (co-)owner of the considered know-how or protected industrial rights, and thus follows the related internal regulations of UTB. The second part focuses on the formal procedure for starting a business, especially what needs to be thought about and clarified, e.g. within the implementation team. The third part describes recommendations on how to work with the idea and how to take gradual and effective steps towards the implementation of the business idea. The last part focuses on the role of innovation centres and the support ecosystem, especially in the early stages of entrepreneurship.

The document is designed conceptually, providing guidance on how to proceed. The proposed procedure and individual steps should always be adapted to the specific business plan and the experience of the implementation team. We therefore recommend that specific questions and plans be consulted with the CTT UTB (especially in view of the need to verify the settlement of relations with UTB) and subsequently with the cooperating innovation centre.

3.1 Verification and settlement of relations with UTB in Zlín

When starting my own business, I first need to check to what extent I can freely dispose of the idea/subject matter and to what extent it may be UTB intellectual property. This may apply not only to UTB Zlín researchers and academic staff, but also to students and graduates.

In the case where it is clear that the know-how is UTB intellectual property, it is necessary to first deal with the authorization to dispose of it, or to deal with its disposal. In this case, it is essential to contact the CTT UTB staff.

If the applicant is not sure whether or not his/her subject of activity is the exploitation of UTB's protected interests, he/she should contact CTT UTB again to verify whether or not it is UTB's intellectual property.

Key questions
Is it the result of creative activity within the scope of the employment relationship with the employer?
Has proper notification been made in accordance with the employer's/UTB's internal regulations?
Has the transfer of the rights/licence to the object of the activity been resolved?
Is the subject of the activity a conflict of interest (define exactly according to the law)?
Do I need my employer's consent for other gainful employment?

3.2 Formal start-up of a business

In the case of a decision to implement a business idea, the next step is formally to start a business. The first step is to choose a suitable legal form, usually a self-employed person or a limited liability company. It is recommended that you consult with an innovation centre or legal experts in accounting and tax law on the suitability of the chosen legal form and the next steps in starting a business.

In the case of a self-employed person, it will be necessary to visit the relevant trade office to obtain a trade licence and other formalities. In the case of a limited liability company, the next step will be to visit a notary (or a law firm - if you want to leave the whole process of incorporation to a law firm). Before visiting a notary, it is advisable to think about the following areas:

Area	Key questions
Company name	Is there a similar name in the commercial register? In the trademark register? Will I want to use a domain with the same name? Is it free?
Company Headquarters	Where will the company's headquarters be located? Do I have any legal reason to use it? Do I get the property owner's consent? Is it appropriate for me to use the services of a virtual seat?
Amount of share capital and need for financial and non-financial resources	How much do I need to invest in the company? How much do I put in as share capital? How do I secure the necessary funds beyond the share capital? What will be the company's first expenses and how will I cover them? Am I considering putting in non-financial resources? Will there be a need to exploit intellectual property? What kind and who owns it?

	Under what title will the company established be entitled to use this intellectual property?
Necessary trade licenses	What permissions will I need? Are these free trades? Do I need to meet any other conditions to operate my trade?
Settlement of spouse	Am I married? Will the community property be regulated in any way?
Shareholders and business shares	Who will be the companion? What will be their stake in the company? What voting rights will the shareholders have?
Tribal leaves	Will any of the shareholders' shares be represented by a share certificate?
Repayment of share capital	Will the shareholders pay the entire share capital when the company is established?
Investor's entry into the company	Are there plans for an investor to join the company in the future? Is there any need to prepare for this?
Number of managing directors and manner of acting for the company	How many executives will there be? How will they act for the company? Will limits be set for certain ways of acting?
Competitive Clause	Are any of the partners/executives active in other business activities?
Other	Are there any other contexts that should be taken into account when drafting the articles of incorporation? What are they?

This is followed by the process of securing the necessary documents (approval of the registered office, trade licenses, confirmation of the deposit of the registered capital...). At the same time, it is advisable to consider the possible protection of intellectual property and know-how. If it is necessary to use the intellectual property of another entity, examine the possibilities of obtaining rights - license, transfer.

3.3 Protection of industrial rights

For a business idea, it is necessary to find out if someone has already thought of "it" before, so it is appropriate to do market research and possible consultation at CTT and to do research on the state of the art and the designation of the company I want to establish. This will avoid possible disputes with previous owners, proprietors and users of intellectual property or industrial rights. According to the result of the search, one can then better focus on "what" he wants to do business in and find his place in the market. At the same time, it can be

recommended to create his "brand" and protect the business idea industrially against competitors

3.4 Working with an idea - from idea to implementation

In the following text you can find methodological recommendations on how to work with an idea and gradually move from idea to implementation. The recommendations are based on the concept of lean start-up, which is based on a process of continuous learning from customers and checking and evaluating each step. The whole concept is based on constant interaction with the market, which minimises the risk of inefficient use of financial and other resources. This concept is primarily applied to so-called "*start-ups*", entities or companies with the potential for rapid growth and a scalable, preferably global product. However, these recommendations can also be (partially) applied by analogy to the development of standard business ideas.

The whole concept is divided into three main parts - the formulation of the business model, its validation and subsequent development of the first version of a functional product and the acquisition of the first paying customers. The above methodological recommendations are of a general "how to proceed" nature, and their use should take into account the nature of the intended product or service. Specific procedures should be consulted with the innovation centre

3.5 Development of the business model

As a first step, the development of a so-called business model can be recommended. Particularly in the case of *start-ups*, it is necessary to devise and verify how the company will create value for the customer and how it will be able to deliver it, and whether this will be acceptable to customers. The description of the business model is the (first) blueprint of how the company will operate. Initially, it will be about the actual hypotheses of what the functioning of the future firm might look like. However, these hypotheses need to be subsequently tested on real customers. When creating a business model, the proven templates called Business Model Canvas or Lean Canvas can be used. In principle, however, it is necessary to think briefly about the following areas:

Area	Key questions
Customers/users	What market am I in (B2B/B2C/B2G)? Who are our customers? Who are the users of my product/service? Is there any way to segment them? Do they have any characteristics in common? Where can I find them? Which segment will I target first? Who are the very first customers?
Customer problem	What problem/need does the product address? What are the key issues?

	<p>What are the consequences for the customer of not solving the problem?</p> <p>How do they solve these problems today?</p> <p>Is the current solution a direct competitor?</p> <p>Are there any substitutes to solve the problem?</p> <p>How does this solution suit him?</p> <p>How costly is this solution?</p>
Product/service (solution)	<p>Can our solution satisfy the customer's needs, solve his problems?</p> <p>Does the nature of the solution and the technical specification match the problems?</p>
Value for the customer	<p>What does the customer gain by solving a problem, satisfying a need?</p> <p>What value do you want to communicate?</p> <p>Why should the customer buy the product?</p> <p>Why should customers use our solutions?</p>
Distribution	<p>How do I deliver value to the customer?</p> <p>Is the necessary infrastructure in place?</p> <p>How will I sell and deliver?</p>
Communication	<p>How will the customer find out about me?</p> <p>How will I communicate the offered solution?</p> <p>What communication tools do I plan to use?</p> <p>Where is the customer in the online environment?</p> <p>Where in offline?</p>
Monetization	<p>How are we going to make money?</p> <p>How will customers pay and for what?</p> <p>What monetization model will we use?</p> <p>Which monetization model is usually used in the industry?</p> <p>Is there any way to ensure recurring payments?</p>
Monetization	<p>Is there potential for another source of revenue - e.g. ancillary services?</p> <p>Can we estimate the cost of the solution now?</p>
Cost	<p>What resources do I need to create and deliver value?</p> <p>How do I value these resources?</p>

	<p>What are the main cost items?</p> <p>Can we already predict fixed costs?</p> <p>Can we already predict variable costs?</p>
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Indicators	<p>How will we measure success - progress?</p> <p>What indicators do we need to monitor?</p> <p>How do we determine that it makes sense to continue working on a project (even if it is not immediately profitable)?</p>
Competitive advantage	<p>Do we have any advantage over the competition?</p> <p>How difficult is it for other companies to enter the market?</p> <p>How do we want to differentiate ourselves from existing solutions?</p> <p>How do we want to differentiate ourselves in the future?</p> <p>What is/can be our advantage?</p>
Relations with customers	<p>Can these be repeat purchases?</p> <p>How do we retain customers?</p> <p>How will we learn from customers?</p> <p>How do we involve customers in value creation?</p>
Sources of funding	<p>Do we have an idea of the size of the potential investment?</p> <p>What is the predicted need for funding?</p> <p>How do we want to secure these funds?</p>

3.6 Business Model Validation

The formulation of a business model is usually the definition of the so-called hypotheses, i.e. the actual idea of how the business plan under consideration could work. Depending on experience, risk and knowledge of the environment and the market, it may be advisable to carry out validation, i.e. to test the hypotheses on real customers, before making major investments (financial, time, other resources). When formulating and validating hypotheses, it is advisable to start with the riskiest ones. In the first stage of the validation process, it is advisable to interview customers in the form of face-to-face meetings; in the next stage, other forms (e.g. questionnaires) may be used, depending on the nature of the project. As a rule, it is necessary to confirm the problem, the acceptance of the proposed solution and the price.

Area	Key questions
Hypothesis	<p>What is the most risky hypothesis?</p> <p>Is there a well-defined and addressable customer?</p> <p>Does the customer have this problem?</p> <p>Will the customer believe they need our solution?</p> <p>Will our solution work?</p>

	<p>Will the customer be willing to pay the price for our solution in the way required?</p> <p>Are the customer's needs being met?</p>
Validation method	<p>What is the appropriate method?</p> <p>What are the minimum criteria for confirming/refuting a hypothesis?</p> <p>What data do we need to collect?</p>
Validation	<p>Do I have the appropriate method selected?</p> <p>Scenario - what will the interview look like?</p> <p>Questionnaire - what will the questionnaire look like?</p> <p>How long will the validation process take?</p> <p>Should I take this time into account in the project implementation schedule?</p> <p>Do I need any tools?</p> <p>Can I show the customer a solution design (visualization, demo, preview...)?</p> <p>Do I have an idea of the price?</p> <p>Do I have an argument about the price?</p> <p>Do I know what to ask?</p> <p>How much time do I need for one interview, how much time do I need to evaluate?</p> <p>Who do I address first?</p> <p>Where will I look for potential customers?</p> <p>Is it necessary to continuously adjust the scenario or change the target group?</p>
Pivot	<p>Were the hypotheses confirmed?</p> <p>Has the problem been confirmed?</p> <p>Is our solution accepted?</p> <p>What is the reaction to the price?</p> <p>What is the reaction to the payment terms?</p> <p>What are the consequences of not addressing the problem?</p> <p>Do I need to modify the proposed business model or part of it?</p> <p>If so, will the area need to be re-verified?</p>

3.7 Testing and Minimum Viable Product

If the validation process confirms the assumptions, the next stage can proceed. Depending on the nature of the project, this may include e.g. development activities, programming, product development, service development, acquisition of the necessary equipment to start providing the service, etc., processing of the first versions, testing functionality and development of the so-called MVP (Minimum Viable Product) and obtaining the first paying customers.

MVPs represent the first commercially viable version of a product/service that contains at least the basic functionality necessary to solve a customer problem. The goal is to be quick to market with your solution, to get the first paying customers and to be in constant interaction with the market.

Area	Key questions
Product/service development	How will the development proceed? What resources will be needed? How will the testing work? What are the key customer issues? What are the key features for MVP? What other features are useful and do I need to prepare for?
MVP	What will the MVP look like? How do we market the MVP? How do we reach our first customers? How will we evaluate the feedback? What is the reaction of the first customers?
Product innovation	What other features will we be adding?

At this stage, it is already appropriate to develop a business plan and at the same time it is possible to consider the formal start of the business and the search for a potential investor. The above process aims in particular to streamline the whole process from idea to implementation so that the implementation team can interact as much as possible with the market, can react promptly to the knowledge gained and can thus draw on resources efficiently.

3.8 Where to find help

In the case of support for start-ups - whether spin-off companies, companies using intellectual property created at UTB, or companies founded by UTB employees or students/graduates - the support of innovation centres, especially the activities of business incubators or accelerators, can play an important role. Support can be provided at various stages of idea and business plan formation, business start-up and subsequent expansion. It can focus on soft activities, consulting

and advisory activities, mentoring, assistance with finding financial resources, as well as on the provision of "hard" infrastructure (premises, laboratories, R&D facilities - specific requirements will depend on the focus of the project and will usually involve the capacity of UTB).

3.9 Activities (services) of innovation centres, business incubators and accelerators

The availability of the different services of the support ecosystem varies from region to region. However, there is already a certain standard of support at the level of individual regions of the Czech Republic. Within the support ecosystem, there are public entities (usually established by universities, municipalities or as joint projects of these stakeholders), and there are also private initiatives by various investment groups, large companies and corporations, etc. (these often focus on supporting and cooperating with start-ups in selected fields of business). In the case of implementation of the project outside the Zlín Region, we recommend to get acquainted with the possibilities of support in other regions, or to consult with the local innovation centre. CzechInvest, the Agency for Enterprise and Investment Promotion, plays a specific role in supporting especially start-up entrepreneurship.

The services of innovation centres can be broadly summarised as follows:

- identification of business ideas - activities such as the competition for the best business idea (in different regional concepts), work with students (workshops, consultations, participation in teaching, etc.),
- assessing the feasibility of a business idea - providing feedback in the context of consultations, entry processes into incubation programs, pre-acceleration programs, start-up competitions, accelerators, etc.,
- consulting and advisory services - mainly focused on consulting in the preparation of business plans and plans, legal advice in the establishment of the company, solutions for the use and protection of intellectual property, financing methods, tax, marketing advice, etc.,
- comprehensive incubation programs - consultant, mentor, ongoing evaluation of the development of incubated companies, facilitation of development plans, etc.,
- securing financial resources - connecting to investor networks such as business angel, venture capital, preparing for presentations to investors, organizing investment forums and elevator-pitch presentations,
- building a start-up community and education - workshops, conferences, informal meetings, round tables, social networks, connecting entrepreneurs, start-ups and experienced entrepreneurs, sharing good and bad practices, developing cooperation between individual entities,
- business premises - office, laboratory, semi-operational premises, (usually with lower than commercial rent, but not necessarily always) including other facilities (furniture, meeting rooms, presentation equipment, kitchens, server rooms, instrumentation, etc.), hubs, co-working, shared offices, virtual offices, etc.,

- services related to the lease - security, cleaning, waste removal, reception services, data services, internet connectivity and others in order for the client to concentrate on the implementation of his/her plan, not on ordinary operational matters,
- other services - e.g. mediation of contacts to professional research and development workplaces, support for marketing of companies, involvement in contracts, information service on current business support tools, support for technology transfer, etc.

These services are also available within the innovation ecosystem of the Zlín Region

3.10 Innovation ecosystem of the Zlín Region

In the Zlín Region, innovation centres (a collective term for business incubators, technology and science and technology parks and institutions of a similar nature) play an important supporting role. These services are provided both directly by UTB through its own activities (Technology Transfer Centre, ICT Science and Technology Park, UPPER, Science and Technology Park U11) and in cooperation with the Zlín Region - Technological Innovation Centre Ltd, furthermore, services of a similar nature are provided at the level of selected municipalities (Business Incubator Kunovice - Panský dvůr, s.r.o., Valašskoklouboucké podnikatelské centrum s.r.o., Industry servis ZK a.s., - Technological Park Holešov). Specific roles are played by the Regional Economic Chamber of the Zlín Region, the Technology Agency of the Czech Republic, CzechTrade, the Agency for Entrepreneurship and Innovation API and the aforementioned CzechInvest agency.

In the case of sectoral focus, it is also possible to establish cooperation within clusters - in the Zlín Region this is the Plastics Cluster, the Moravian Aviation Cluster and the Zlín Creative Cluster.

These institutions cooperate with each other, so it is recommended to primarily contact the Technology Transfer Centre of UTB in Zlín and also the Technological Innovation Centre s.r.o., with which it is possible to consult further procedure and possibly solve the connection to other supporting tools and institutions. At the same time, we recommend that you familiarize yourself with the profiles and services offered by the selected institutions. With regard to the implemented projects, the offered support services and activities are gradually updated, so they are not directly listed here due to possible obsolescence of information, but the websites are listed.

Within the framework of the cooperation of support institutions in the Zlín Region, a common website is being prepared, which will provide an up-to-date overview of contacts and services:

<http://zlinnovation.cz/>

Technology Transfer Centre UTB in Zlín	https://uni.utb.cz/organizacni-cleneni/centrum-transferu-technologie/ https://isctt.utb.cz/
Science and Technology Park at UTB in Zlín (U11)	https://uni.utb.cz/organizacni-cleneni/vedeckotechnicky-park-pri-utb-ve-zline/
Science and Technology Park Information and Communication Technologies (UTB)	https://fai.utb.cz/o-fakulte/zakladni-informace/struktura/ustavy/vedeckotechnicky-park-informacni-a-komunikacni-technologie/o-nas/
Centre for Creative Industries and Entrepreneurship (UTB)	https://upper.utb.cz/
Technological Innovation Centre s.r.o.	https://www.ticzlin.cz/ https://www.mujprvnimilion.cz/
Industry servis ZK, a.s. (Technology Park Holešov)	https://www.zonaholesov.cz/technologicky-park-zakladni-informace
Business Incubator Kunovice - Panský dvůr, s.r.o.	https://www.pik-pd.cz/
Wallachian-Club Business Centre s.r.o.	http://www.vpcsro.eu/
Regional Chamber of Commerce of the Zlín Region	https://www.khkzk.cz/
Technology Agency of the Czech Republic	https://www.tacr.cz/
CzechTrade	https://www.czechtrade.cz/
Agency for Enterprise and Innovation API	https://www.agentura-api.org/cs/
CzechInvest - Agency for Enterprise and Investment Promotion	http://www.czechinvest.org/cz https://www.czechinvest.org/cz/Startupy
Plastics Cluster	https://plastr.cz/
Moravian Aviation Cluster	http://www.aero-cluster.cz/
Zlín Creative Cluster	http://kreativnizlin.cz/

ATTACHMENTS

Annex 1 - to Part One:

Key information for preparing the establishment of a legal entity

Area	Key questions
Company name	Is there a similar name in the commercial register? In the trademark register? Will I want to use a domain with the same name? Is it free?
Company Headquarters	Where will the company's headquarters be located? Do I have any legal reason to use it? Do I get the property owner's consent? Is it appropriate for me to use the services of a virtual seat?
Amount of share capital and need for financial and non-financial resources	How much do I need to invest in the company? How much do I put in as share capital? How do I secure the necessary funds beyond the share capital? What will be the company's first expenses and how will I cover them? Am I considering putting in non-financial resources? Will there be a need to exploit intellectual property? What kind and who owns it? Under what title will the company established be entitled to use this intellectual property?
Necessary trade licenses	What permissions will I need? Are these free trades? Do I need to meet any other conditions to operate my trade?
Partners and business shares	Who will be the companion? What will be their stake in the company? What voting rights will the shareholders have?
Tribal leaves	Will any of the shareholders' shares be represented by a share certificate?
Repayment of share capital	Will the shareholders pay the entire share capital when the company is established?
Investor's entry into the company	Are there plans for an investor to join the company in the future? Is there any need to prepare for this?
Number of managing directors and manner of	How many executives will there be? How will they act for the company? Will limits be set for certain ways of acting?

acting for the company	
Competitive Clause	Are any of the partners/executives active in other business activities?
Other	Are there any other contexts that should be taken into account when drafting the articles of incorporation? What are they?

Annex 2 - to Part One:

Quotations from laws

Act No. 111/1998 Coll., on Higher Education Institutions and on Amendments and Additions to Other Acts (hereinafter referred to as the "Higher Education Act")

§ 1, Introductory provisions

Universities, as the highest link in the education system, are the ultimate centres of scholarship, independent knowledge and creative activity and play a key role in the scientific, cultural, social and economic development of society by:

- a. preserve and enhance knowledge and, depending on their type and focus, cultivate scientific, research, development and innovation, artistic or other creative activities,*
- b. provide access to higher education, appropriate professional qualifications and training for research and other demanding professional activities, in accordance with democratic principles,*
- c. provide further forms of education and enable the acquisition, extension, deepening or renewal of knowledge in various fields of knowledge and culture, thus contributing to lifelong learning,*
- d. play an active role in public debate on social and ethical issues, in fostering cultural diversity and mutual understanding, in shaping civil society and in preparing young people for life in it,*
- e. contribute to development at national and regional level and cooperate with different levels of state and local government, the corporate and cultural spheres,*
- f. develop international and especially European cooperation as an essential dimension of their activities, support joint projects with similar institutions abroad, mutual recognition of studies and diplomas, exchange of academic staff and students.*

§ 15

(1) The Board of Trustees of a public university shall give prior written approval

- a. for legal actions by which the college intends to acquire or transfer ownership of immovable property,*
- b. to legal actions by which the university intends to acquire or transfer ownership of movable property whose price exceeds five hundred times the amount from which the property is considered tangible property under a special regulation,*
- c. to legal negotiations by which the College intends to establish an easement or other right in rem or a right of first refusal,*

- d. *to legal actions by which the university intends to establish, dissolve or transform another legal entity, and to contributions with monetary or non-monetary objects to these and other legal entities.*
- (1) *In the case of a contractual transfer of a movable thing for consideration pursuant to paragraph 1(b), the price shall be agreed at the amount which is customary at the place and time in question; a movable thing may be transferred for no consideration only in the public interest or if a transfer for no consideration is more economical than another way of disposing of the thing.*
- (2) *The Board of Trustees of a public higher education institution shall not approve a legal action if it is contrary to the requirement of the proper use of the property of the public higher education institution or if it would jeopardize the fulfillment of the school's tasks.*
- (3) *The Board of Trustees of a public higher education institution shall notify the Ministry of Education, Youth and Sports (hereinafter referred to as "the Ministry") within seven days of the issuance of prior written consent to the legal actions referred to in paragraph 1 (a) to (d).*
- (4) *The legal acts referred to in paragraph 1(a) to (d) are invalid without the consent of the governing board of the public higher education institution and without notification to the Ministry pursuant to paragraph 6.*
- (5) *The Board of Trustees of a public higher education institution shall take care to preserve the purpose for which the public higher education institution was established, to apply the public interest in its activities and to manage its property properly.*

§ 20 Management of a public university

- (1) *The public university is obliged to use the property to perform tasks in educational and creative activities. It may also use it for additional activities in accordance with this Act.*
- (2) *In complementary activities, the public university carries out, for remuneration, activities related to its educational and creative activities or activities serving the more efficient use of human resources and property. Complementary activities must not compromise the quality, scope and availability of the activities for which the public higher education institution was established.*
- (3) *A public university is not entitled to assume liability for a monetary debt of another person or to establish a lien on real estate. A public university is not entitled to become a partner in a public partnership or a general partner in a limited partnership. Furthermore, a public higher education institution shall not be entitled to contribute to a partnership or cooperative real property acquired into the ownership of public higher education institutions from the ownership of the State, a grant granted pursuant to Section 18(3) and a subsidy granted pursuant to Section 18(4). Monetary and non-monetary contributions to legal entities shall be subject to the rules laid down in the internal regulations of the public higher education institution.*

- (4) The state does not guarantee the obligations of a public university.*
- (5) A public university is obliged to consistently separate costs and revenues associated with its complementary activities. In all other respects, the general accounting rules shall apply to the public university.*
- (6) The Rector is responsible to the Minister for the efficient use of contributions and subsidies and for the settlement of subsidies with the state budget and for the proper management of the property of the public university.*

Annex 3 - to Part One:

INITIATIVE FOR THE IMPLEMENTATION OF A RESEARCH AND DEVELOPMENT RESULT BY SETTING UP A SPIN-OFF COMPANY UTB

Appellant:

Signature:

For subject matter jurisdiction:

Signature:

NAME OF THE RESULT:

Owner(s):

Industrial rights - form of protection: ☐ patent - PV...

(specify application/document no.) ☐ utility model - PUV...

☐ industrial design - PVZ...

unprotected result - ☐ know-how (classified)

Originators:

(from UTB and outside UTB)

Result created:

(specify project(s), cooperation, contract..., attach contract)

Brief product description:

(give an outline of the product to be implemented)

Research, conservation and development costs:

(indicate related recorded costs of UTB)

Characteristics of the proposed spin-off company:

(specify technical, personnel, economic data - idea)

Annex 4 - to Part Three

Innovation Infrastructure of the Zlín Region - analytical basis for elaboration of the methodology of conceptual support (by) innovation centres

Development of the innovation ecosystem of the Zlín Region

Development up to 2007

During this period, individual support institutions were continuously established, or this "support" agenda was incorporated into existing ones (UTB in Zlín and the establishment of the Centre for Technology Transfer and Science and Technology Park, Zlín Region - conceptual and strategic role, first Regional Innovation Strategy), special purpose service bodies are established at the level of individual municipalities to provide support and development activities in the given catchment area, in the first stage it was usually the preparation and implementation of infrastructure projects and ensuring their sustainability (construction of business incubators, technology parks, projects under OPIE / OPPI Prosperity).

The Technological Innovation Centre s.r.o. (founded 2005 / UTB ve Zlíně, Zlínský kraj) became a systemic instrument, which played a key role at the regional level, especially in supporting cluster initiatives and clusters, cooperation in the preparation and subsequent implementation of the Regional Innovation Strategy, in coordinating the preparation of regional instruments and initiating cooperation of key actors (stakeholders), etc.

Development between 2008 and 2015

In 2008, a formal cooperation (Memorandum of Cooperation) was launched between selected entities of the regional innovation ecosystem with the primary objective of solving common problems and challenges, implementing joint activities towards target groups, preparing and implementing joint projects. With regard to the focus of the individual actors, this "network" was limited to the operators of business incubators in the individual territories of the region (including UTB); a specific member was the Regional Support Resource Ltd. (a company established by the Zlín Region). Formally, the network was named "Innovation Infrastructure of the Zlín Region" and under this brand the individual members acted together. Primarily, common problems within the framework of sustainability of OPIE/OPPI projects were solved (transfer of the value of the subsidy - a condition resulting from the decision on the provision of the subsidy, which was further consulted with the relevant subsidy providers and control authorities from the initiation of business incubators and technology parks, and subsequently the interpretation was refined to enable the implementation of the relevant accounting and tax procedures), experiences from the operation of business infrastructures were shared (setting up operational models), selected actors implemented joint projects (especially within the framework of cross-border cooperation programmes) with an impact on target groups (corporate sector, students, pupils), joint PR, financial instruments of the Regional Support Resource (credit instruments for start-ups). At the same time, other partner organisations (outside the group of business infrastructure operators) were involved in specific activities. For

example, the competition Innovation Company of the Zlín Region, Best Business Plan, etc., was not a direct extension of the Innovation Infrastructure of the Zlín Region.

Over time, there were personnel changes in the leadership of individual organizations, at the same time there were also changes at the level of strategy of some members (termination of the sustainability of OPIE projects, change of assignment by the founder, mergers of some members, etc.) and the activities of the "network" gradually became limited to bilateral cooperation of selected members and collection of documents for the evaluation of the Regional Innovation Strategy. The cooperation of selected members continued, e.g. within the acceleration programme My First Million (formerly the Best Business Plan competition) or the Innovation Company of the Zlín Region. Although the activities of the "Innovation Infrastructure of the Zlín Region" have not been formally terminated, it can be stated that the cooperation of the network as a whole was gradually subdued and was replaced by bilateral (multilateral) cooperation of individual members. The fact that the "network" as a whole was unable to secure sustainable financing for its activities contributed to the termination and most of the joint activities were financed by projects or from its own limited resources.

Development from 2016 to 2019

During this period, the Smart Accelerator of the Zlín Region I project was implemented. During its preparation (2014-2015) and subsequent implementation since 2016, the project was also based on the development of cooperation within the regional innovation ecosystem and between its individual actors. In this context, the cooperation of the individual actors was further developed, both in individual activities and in the framework of participation in various steering committees (e.g. RIS Steering Committee), working groups, thematic (mini)teams, innovation platforms, etc.

The innovation infrastructure began to take shape as an informal broader platform that was not limited to the operators of business incubators and technology parks. A group of stakeholders began to take shape, offering a range of support services, often identical (or very similar), but in many cases of local scale. This resulted in a number of services (especially at the level of business incubators, training, consulting activities, etc.) being suitably complemented geographically and the capacities of individual actors being used.

A number of subjects of the innovation ecosystem were thus involved in the preparation (update) and implementation of regional strategic documents (Regional Innovation Strategy, Smart Specialization Strategy - Regional Annex for the Zlín Region). Thanks to the Smart Accelerator of the Zlín Region I project, selected stakeholders could also be provided with personal and financial support in the preparation of their strategic projects (vouchers of assistance), partnerships between individual stakeholders were concluded (revised) with the aim of mutual cooperation on selected activities.

Year 2019+

In 2019, the preparation of the project Smart Accelerator of the Zlín Region II was started with the subsequent launch from 07/2019, at the same time a new strategy of the Technology Innovation Centre Ltd. was developed. During the ongoing negotiations, the need to further develop cooperation within the regional innovation ecosystem was identified, in particular to strengthen mutual communication of individual stakeholders and to coordinate and link their activities in order to maximize benefits for target groups.

Thus, activities have been initiated to create the ZLINNOVATION platform - for more information see the section "ZLINNOVATION concept". One of the objectives of this platform is to communicate the support services provided to the target groups clearly in one place. In 2020 a first meeting of the stakeholders concerned took place, an analysis of the services provided in the region and the formulation of a first common vision, with a continuation of the meeting in 2021.

The role of business incubators (and accelerators)

In the case of support for start-ups - whether spin-off companies, companies using intellectual property created at UTB, or companies founded by UTB employees or students/graduates - the support of innovation centres, especially the activities of business incubators or accelerators, can play an important role. Support can be provided at various stages of idea and business plan formation, business start-up and subsequent expansion. It can focus on soft activities, consulting and advisory activities, mentoring, assistance with finding financial resources, as well as on the provision of "hard" infrastructure (premises, laboratories, R&D facilities - specific requirements will depend on the focus of the project and will usually involve the capacity of UTB).

Business incubators

A business incubator is defined as "an environment mainly for innovative start-up companies that benefit under predetermined conditions from preferential rent and services provided by the incubator operator and that are able to market their product within a reasonable timeframe" (see the text of the call for proposals of the Prosperity programme, Operational Programme Enterprise and Innovation, Ministry of Industry and Trade).

Business Accelerators

A relatively new support tool (especially in the Czech Republic) are the so-called business accelerators. The first official business accelerator was the Y-Combinator, which was established in 2007 in Cambridge, USA, and subsequently moved to Silicon Valley. Other accelerators include TechStars (2006) and Seedcamp in London (2007).

The idea is usually a private company that helps start-ups accelerate their growth. It provides advice and assistance in the form of very intensive programs (3-4 months), which involve experienced experts and entrepreneurs through mentoring, helping to accelerate or accelerate growth.

Networking and acquiring new contacts is also an integral part of the process, especially for expansion into new markets. Private accelerators operate on a commercial basis. Accelerated companies usually transfer part of their business stake to the accelerator, which allows these accelerators to engage high quality and sought-after experts from the private sector, in many cases the experts have a direct stake in the accelerators. It can thus be concluded that participation in a high-quality private accelerator greatly increases the chances of rapid growth of the company, as the accelerator is directly incentivised through the stake. For this reason, individual accelerators choose which companies they allow to join the accelerator programme, and there is thus a great deal of competition.

In addition to private accelerators, accelerators and accelerator programmes have started to emerge at universities and other institutions established by the public sector, usually business incubators and science and technology parks. In this case, it is a public service or a service

provided by the university concerned, mostly for its students/graduates. The costs of these activities are covered by public funds or other sources of the organisation (e.g. funding from European programmes) and participation in an accelerator programme in exchange for a stake in the company is not a common condition. With regard to the methods of funding, these accelerators have very limited possibilities and capacities, they mostly operate regionally and their activities are significantly influenced by the personal enthusiasm of the organisers and often almost philanthropic approach of the experts and mentors involved. However, it cannot generally be said that these are poor quality tools and support. These accelerators very often cooperate with investors, have links to foreign acceleration programmes or other relevant partners and their participation in these programmes can be very beneficial for many start-ups. It is also not uncommon that after graduating from this type of accelerator programme, "startups" become actively interested in other opportunities at national and international level. In essence, this is a natural process and progression.

In practice, we encounter acceleration programmes that focus on existing small businesses, with this stage occurring more at the late incubation stage, when companies are mature enough and ready for external financing. However, we also encounter accelerator programmes in the so-called "pre-incubation" phase, when the business project is still at the idea stage and the purpose of the accelerator is to move these ideas towards implementation. Such programmes also tend to be part of many start-up competitions.

Activities (services) of business incubators and accelerators

Based on an analysis of more than twenty business incubators in the Czech Republic, their role can be defined as follows:

- identification of business ideas - activities such as the competition for the best business idea (in different regional concepts), work with students (workshops, consultations, participation in teaching, etc.),
- assessing the feasibility of a business idea - providing feedback in the context of consultations, entry processes into incubation programs, pre-acceleration programs, start-up competitions, etc.,
- consulting and advisory services - mainly focused on consulting in the preparation of business plans and plans, legal advice on the establishment of the company, solutions for the protection of intellectual property, financing methods, tax, marketing advice, etc.,
- comprehensive incubation programs - consultant, mentor, ongoing evaluation of the development of incubated companies, facilitation of development plans, etc.,
- securing financial resources - connecting to networks of business angel investors, venture capital, preparing for presentations to investors, organising investment forums and elevator-pitch events, specific credit and financial instruments (e.g. vouchers for starting a business in cooperation with the public sector),
- building a start-up community and education - workshops, conferences, informal meetings, round tables, social networks, connecting business supporters, start-ups and experienced entrepreneurs, sharing good and bad practices, developing cooperation between individual entities,
- business premises - office, laboratory, semi-operational premises, (usually with lower than commercial rent, but not necessarily always) including other facilities (furniture, meeting rooms, presentation equipment, kitchens, server rooms, instrumentation, etc.), hubs, co-working, shared offices, virtual offices, etc.,

- services related to the lease - security, cleaning, waste removal, reception services, data services, internet connectivity and others in order for the client to concentrate on the implementation of his/her plan, not on ordinary operational matters,
- other services - e.g. mediation of contacts to professional research and development workplaces, support for marketing of incubated companies, involvement in contracts, information service on current business support tools, support for technology transfer, etc.

Innovation ecosystem

Innovation ecosystem in general

In general, the following types of actors can be included in any innovation ecosystem:

- educational institutions,
- research and development institutions,
- corporate sector (especially innovative firms), clusters,
- the public sector (at regional and progressive municipal level),
- support organisations established at regional level (innovation centres, local support agencies)
- national support organisations operating in or with an impact on the regions,
- commercial support organisations, others usually private initiatives.

Innovation Ecosystem of the Zlín Region

At the level of the Zlín Region, we can identify the following entities that play an important role in the innovation ecosystem (this is not a list of all possible stakeholders):

- UTB in Zlín (both from the perspective of an educational and R&D institution, as well as from the perspective of a supporting institution)
 - ❖ faculty,
 - ❖ research centres and workplaces,
 - ❖ Centre for Creative Industries and Entrepreneurship UPPER
 - ❖ ICT Science and Technology Park
 - ❖ Science and Technology Park U11
 - ❖ Technology Transfer Centre
- a network of secondary schools (and possibly primary schools),
- commercial R&D organisations,
- Zlín Region, local governments,
- Clusters (in particular):
 - ❖ Plastics Cluster
 - ❖ Moravian Aviation Cluster
 - ❖ Zlín Creative Cluster
- Innovation centres and institutions of similar nature outside UTB (including incubators, technology parks)
 - ❖ Technology Innovation Centre
 - ❖ Wallachian-Lobouc Business Centre
 - ❖ Agency for Economic Development of the Vsetín Region
 - ❖ Business Incubator Panský dvůr - Kunovice
 - ❖ Industry Service ZK
- Regional Chamber of Commerce
- District Chamber of Commerce Kroměříž

- CzechInvest
- CzechTrade
- Technology Agency of the Czech Republic
- Agency for Enterprise and Innovation API
- corporate sector.

Services provided

Individual entities (especially those of a supportive nature) provide both the specialised services for which they were established and services of a general nature or resulting from currently implemented projects. Often these services are complementary or overlapping. In such cases, these are often services that are offered to a narrowly focused target group (e.g. in a given locality). Nevertheless, overlapping services cannot be avoided and may be in partial competition with each other. The aim of the forthcoming ZLINNOVATION concept is to create a clear and client-oriented offer of available services.

In general, we can encounter the following services - defined according to selected areas based on the analysis of selected entities in 2020:

Area: Creativity / Entrepreneurship

- experiential courses in entrepreneurship and creativity (for secondary school students),
- Business Academy - an elective course for UTB students
- Erasmus for young entrepreneurs
- networking activities, workshops, popularization events

Area.

- My First Million Acceleration Programme
- pre-incubation services and consultancy - consulting, business idea development
- support for financing business ideas

Area.

- identifying opportunities for research projects and initiating them
- networking - connecting R&D organisations with companies, finding partners
- advice, consultation and grant management during all phases of the project cycle
- substantive cooperation in the implementation of research projects
- scientific and professional conferences, workshops and meetings
- innovation vouchers
- conducting basic and applied research (UTB)

Area: Business Modelling

- advice on setting up a company, setting up business models,
- incubation services - rentals, consultancy
- acceleration programmes, mentoring
- search for investors
- motivational and educational competitions, roadshow
- professional conferences

Area: Human potential

- UTB - Higher education in a number of disciplines

- educational activities for employees and the public
- seminars and conferences on professional topics
- inspirational meetings, motivational competitions
- introducing dual education
- experiential activities aimed at promoting STEM fields - excursions, competitions, internships, etc.
- information activities on the labour market - development, introduction of professions
- promotion of the region's strengths
- incoming foreign workers
- support for CSR activities

Area: Expansion / export

- investment incentives
- business real estate - offer of lease of premises, sale of land, information real estate, real estate brokerage
- specialised expert advice programmes on innovation activities
- competitions aimed at promoting successful innovation activities
- professional conferences and seminars, networking events
- educational, information and consulting services for export activities
- Export marketing support, foreign trade missions
- mediation of export business opportunities
- services related to the implementation of export.

These activities/services are provided across institutions. It can be concluded that a potential client in the Zlín Region has the opportunity to use the above services at least at one institution.

The ZLINNOVATION concept

The "ZLINNOVATION concept" builds on existing cooperation and activities within the regional innovation ecosystem. One of the objectives of this platform is to communicate the support services provided to the target groups clearly in one place.

Thus, support from the innovation ecosystem and individual institutions should be communicated together. The target group (spin-off companies, companies using intellectual property created at UTB, or companies founded by UTB employees or students/alumni) will thus get a comprehensive overview of the available support services and tools in the region.