

Based on Article 21 of the Employment Related Industrial Property Rights Act (Official Gazette of the Republic of Slovenia, No. 15/07) and Article 200 of the University of Ljubljana Statute (Official Gazette of the Republic of Slovenia, No. 8/05 and subsequent), the University of Ljubljana Senate, at its 35th session dated 30 June 2009, and the University of Ljubljana Governing Board, at its 4th session dated 9 July 2009, adopted the following

RULES ON THE MANAGEMENT OF INVENTIONS AND INDUSTRIAL PROPERTY RIGHTS

I. GENERAL PROVISIONS

Article 1 (Contents)

- (1) With these Rules, the University of Ljubljana (hereinafter: “University”) regulates measures to stimulate the creative work of University employees, contract associates and students, allowing the University to obtain industrial property rights, regulates the process of acquiring the inventions and industrial property rights created in a labour or civil contractual relationship, the rights and obligations of the University and creators, the legal protection of the inventions and industrial property rights acquired under the University, and the transfer of the inventions and industrial property rights acquired to the economy and wider social life;
- (2) The rights of University employees, contract associates and students from copyrighted works and the rights of the University shall be regulated in special Rules;
- (3) The expressions written in male gender shall be used neutrally for male and female gender in these Rules.

Article 2 (Definitions of terms)

- (1) The expressions used in these Rules shall have the following meanings:
- **intellectual property rights** shall be rights deriving from industrial property and other intellectual property rights regulated by special acts.
 - **industrial property rights** shall be rights meeting the conditions for protection under and by a patent, protection by a utility model or supplementary protection certificate under the regulations governing industrial property; designs that meet the required conditions for the protection of models under the regulations governing industrial property; brands.
 - **an invention** is new process, device or product, involves an inventive step and is susceptible to industrial application. An invention may a) meet the conditions for the award of industrial property rights pursuant to the Industrial Property Act or b) present other technical and other new features or their improvements used to achieve higher performance, better quality of products or services, savings in materials or energy, better utilisation of machinery and devices, better control of production, better safety at work, a technical improvement, etc.
 - **an inventor** shall be one or more natural persons, i.e. holders of moral industrial property rights or other inventions as per point b) of the previous indent.
 - **a student** shall be a person enrolled in the University of Ljubljana and studying in an undergraduate or postgraduate study programme, irrespective of the method of programme implementation. The rights and obligations under these Rules shall also apply to students enrolled in some other establishment of higher education in the Republic of Slovenia or abroad if they are co-authors of an invention created during the performance of their study requirements (e.g. an exchange student) at the University of Ljubljana.

- **a service invention** shall be an invention that is created during an employment relationship. A service invention may be direct or indirect. The termination of an employment relationship shall have no effect on the rights and obligations deriving from a service invention.
 - **an indirect service invention** shall be an invention created during an employment relationship in connection with the fulfilment of an employment contract, at the express request or by order of the Employer or based on a legal transaction between the Employer and Employee.
 - **a direct service invention** shall be an invention created during an employment relationship which is predominantly the result of the experiences obtained by an Employee at his workplace or with the use of University resources.
 - **a free invention** is some other invention created during an employment relationship and a service invention not acquired by the University following a completed procedure for the acquisition of a service invention.
 - **a patent** is an exclusive right to an invention granted by a national or international body.
 - **Commission** shall be the Innovations Commission of the University of Ljubljana Senate and, at the same time, a consultative body to all University bodies.
 - **Service** shall be the University service which performs all duties and tasks related to the management of inventions and industrial property rights.
 - **an applicant** shall be a person addressing an invention application form to the Service.
 - **full acquisition** shall be the acquisition of all rights and obligations deriving from a service invention by the University (disposal and exploitation).
 - **limited acquisition** shall be the acquisition of a non-exclusive right to the use of a service invention by the University (but not of the right to its disposal).
 - **partial acquisition of an invention** shall be the acquisition of all rights pertaining to a service invention (disposal and exploitation) at a specified ideal share by the University.
 - **spin-off company** shall be an independent company with the predominant economic activity based around or deriving from the use of technology and/or knowledge developed at or during study and research University programmes. Such company is created either by a) licensing a patent (application for a patent) that belongs, partially or fully, to the University, or b) providing services, the expert bases of which were made at the University.
 - **innovation income** shall be a licence fee or some other income deriving from the commercial exploitation of an invention or the sale of industrial property rights.
- (2) Other expressions in these Rules shall have the meaning laid down by the Employment Related Industrial Property Rights Act.
- (3) **A business secret** shall have the meaning laid down in Articles 39 and 40 of the Companies Act and Article 36 of the Employment Relationship Act*.

* **Business secret**

Obligation of professional secrecy

Article 39 of the Companies Act

(Notion of a business secret)

(1) A business secret shall be deemed to be the data specified as such by a company with a written decision. The decision is to be brought to the attention of company members, employees, members of company bodies and other persons required to protect a business secret.

(2) Irrespective of whether it is defined by a decision from the previous paragraph, a business secret shall also be deemed to be data that would evidently cause substantial damage if learned by an **authorised** person. Company members, employees, members of company bodies and other persons shall be held responsible for the disclosure of a business secret if they knew or should have known the nature of such data.

(3) A business secret shall not be deemed to be data that is public under the law or data referring to a breach of law or good business practice.

Article 40 of the Companies Act

(Protection of a business secret)

- (1) The written decision from paragraph 1 of the previous Article shall be used by a company to define the method to protect business secrets and the accountability of the persons obliged to protect a business secret.
- (2) Data that constitute a company's business secret must also be safeguarded by persons outside the company if they knew or should have known that the relevant data was a business secret due to its nature.
- (3) Actions by persons outside a company to obtain data constituting a business secret of the company contrary to the law and will of the company shall be forbidden.

Article 36 of the Employment Relationship Act

(Protection of a business secret)

- (1) The Employee shall not exploit for his personal use or reveal to any third party the Employer's business secrets that have been specified as such by the Employer and entrusted or revealed to the Employee in some other way.
- (2) A business secret shall also be deemed to be all data that would evidently cause substantial damage if revealed to an unauthorised person. The Employee shall be held responsible for a violation if he was aware or should have been aware of the nature of such data.

Article 3 (Jurisdiction)

- (1) The Rules shall apply to all University employees, irrespective of whether they are employed full time or part time, or under an open-ended or fixed-term employment contract.
- (2) The Rules shall apply to contract associates performing work for the University based on civil contractual relationships (e.g. visiting teachers, project associates, etc.) if an invention is the result of his work under the contract or if he used University resources in the creation of the invention.
- (3) The Rules shall also apply to University students if an invention is the result of their work performed within the scope of their study requirements at the University or if they used University resources in the creation of the invention.

II. ORGANISATIONAL PROVISIONS

Article 4 (Service)

- (1) The Service shall perform professional, administrative and technical tasks for the acquisition of inventions and the management, protection and marketing of industrial property rights and their transfer to the economy or other areas by, in particular:
 - carrying out University activities to promote creative work or design of inventions at the University;
 - seeing to the application of inventions and protection of industrial property rights as well as to the use and exploitation of those rights by transfer to economic and other legal entities;
 - providing expert opinions and proposals relating to the planned University activities to promote the creativity of employees and students at the University, to adopt measures to carry out activities and proposals for defining the scope of protection for inventions and industrial property rights;

- forming expert opinions on the roles of University employees, contract associates and students for the acquisition of inventions and sending them to the Commission;
- forming expert opinions relating to the use and exploitation of inventions and industrial property rights by transfer to economic and other legal entities;
- forming expert opinions in case of disputes and proposals for their resolution;
- managing other procedures related to the acquisition of inventions and protection of industrial property rights at the University;
- providing professional, technical and administrative support to the Commission during the performance of its tasks;
- performing other tasks laid down by the competent bodies of the University.

Article 5 (Commission)

(1) The Commission shall be appointed by the University Senate at the proposal of Member Faculties and shall comprise **9 members**, 4 of which come from natural sciences, engineering, medical and biotechnical sciences, 2 from arts and humanities, and 1 from the academies. Members of the Commission by position shall be the Vice-Rector for research and development and the Head of the Service.

(2) The term of office for Commission members shall be 4 years with the possibility of reappointment. At the constituent meeting, members of the Commission elect a chairperson and vice-chair of the Commission at the proposal of the Rector.

(3) The Commission may adopt the Rules of Procedure to regulate the method of work and decision-making.

Article 6 (Competences and tasks of the Commission)

(1) Within the scope of its competences, the Commission:

- monitors the situation and proposes measures to improve the situation in the promotion of creativity at the University and the protection of industrial property rights;
- addresses the expert opinions provided by the Service regarding the inventions applied, draws up proposals for resolutions and submits them for approval to the Rector;
- proposes the acquisition of service inventions in a manner tailored to the needs of scientific research work and publications of scientific achievements;
- proposes the amount of the award belonging to the inventor(s);
- proposes shares for the exploitation of industrial property rights belonging to the University, to the inventor(s) and to the inventor's Member Faculty, other organisational unit, the University or some other legal entity employing the inventor;
- proposes the adoption of decisions regarding the purchase of free and third party inventions;
- performs other tasks relating to the promotion of creative work at the University and protection of industrial property rights or inventions under the authorisation of the University Rector and Senate.

III. INVENTION ACQUISITION PROCEDURE

Article 7 (General)

(1) The inventor is required to submit all data about an invention to the Service as soon as it is created, i.e. on the application form which is an integral part of these Rules (Appendix 1).

(2) The application form for an invention is to contain:

- data about the inventor(s) (title, address, contact details) with an indication of share;
- the description, purpose and sketches of an invention, a description of the state of the art and possibilities of commercial exploitation;
- data about the current protection of such inventions.

(3) If the application form is incomplete, the Service shall immediately call upon the applicant to supplement the application within a suitable deadline not exceeding ten (10) days.

(4) The Service may at any time during the procedure request that the applicant supplement the application with the mandatory or other components required for the consideration of the application by the Commission. Furthermore, the Service and Commission may request explanations about the invention directly from the inventor, inspect the invention, test it or obtain the required data in some other appropriate manner.

(5) An inventor who fails to submit the application for invention to the Service or fails to supplement the invention application form within a specified period shall be in breach of the employment contract.

(6) An inventor from Article 3 of these Rules who designs inventions in civil relationships concluded between the University or a particular Member Faculty and a third party shall be required to report the creation of an invention to the Service pursuant to these Rules. The University shall not be responsible for the protection of third party inventions unless agreed otherwise in a civil relationship. The interested University employee is required to obtain the Rector's consent for the occurrence of such a civil obligation, based on a positive opinion issued by the Service.

Article 8

(Issue of certificate)

(1) The Service shall issue a certificate thereof within eight (8) days of receiving the application form.

(2) If the Service does not receive the written application form from the previous paragraph and learns about an invention in some other way, it shall call upon the inventor(s) to make the legal status of the invention clear.

Article 9

(Protection of a business secret)

(1) The Service, Commission and other participating persons are obliged to safeguard all information obtained during work and in relation to work as business secrets. This information shall not be disclosed to third parties or used for any purpose not related to the work of these persons during the implementation of the provision of these Rules.

(2) The obligation of professional secrecy shall also be imposed on persons from Article 3 of the Rules, irrespective of whether it is written in their contracts or, in case of students, irrespective of whether or not they have signed a statement on the protection of industrial property rights.

(3) An inventor or University employee disclosing data about an invention designated as a business secret to third parties shall be in breach of their employment contract.

Article 10

(Preliminary procedure)

(1) If the Service calls upon an applicant to supplement the application form, and the latter fails to do so within the specified period, the Service shall be entitled to make inquiries about the invention and inventor(s) by itself.

(2) The Service shall form an expert opinion on the inventions applied or learned in some other way within forty-five (45) days of receiving a complete application or acquiring the information, and it shall submit the application for consideration to the Commission.

(3) The Service shall inform the inventor(s) or applicant of a proposal for the Commission resolution regarding an invention application form within eight (8) days of receiving it.

Article 11
(Consideration of application)

(1) The Service shall examine the application filed by the inventor(s) or applicant and assess whether it involves a direct or indirect service invention or a free invention, also assessing the relevancy of applying the invention to the Slovenian Intellectual Property Office (invention, brand or service mark, model, etc.), including its suitability for use or exploitation by transfer to economic or other legal entities, and it shall prepare a proposal for the Commission indicating whether the invention should be acquired fully or partially and the amount of the award to be paid following the acquisition of the invention.

(2) In the examination of an application, the Service may acquire an external expert opinion, if required, or propose to the Commission that a contract be concluded with external experts.

Article 12
(Decision on a free invention)

(1) If the Rector decides, based on the opinion of the Service and at the proposal of the Commission, that a free invention is involved, the Service shall issue a declaratory decision within sixty (60) days of lodging the application for an invention or being informed of the invention.

(2) The provisions of the previous paragraph shall also be applied, *mutatis mutandis*, to cases in which the University receives a proposal for the purchase of an invention from the market which is offered by an external party to the University for acquisition and realisation, and to cases in which an inventor requests the transfer of an invention not yet commercially exploited by the University.

Article 13
(Decision on the acquisition of an invention)

(1) If the Rector decides, based on the opinion of the Service and at the proposal of the Commission, that a service invention is involved, the Service shall issue a decision on full, limited or partial acquisition of the invention within sixty (60) days of the submission of the invention application or of being informed of the invention.

(2) A component part of the decision on the acquisition of an invention shall also be a decision on the protection of industrial property rights or declaration of certain inventions as business secrets or on other methods of protection for the acquired service inventions.

(3) Furthermore, a component part of the decision on the acquisition of a service invention shall be a proposal on the award for the inventor(s).

Article 14
(The legal consequences of an acquisition)

(1) Based on a decision on full acquisition of an invention, all rights and obligations relating to the invention acquired shall transfer to the University.

(2) Based on a decision on limited acquisition of an invention, the rights of non-exclusive use of the invention acquired shall be transferred to the University.

(3) Based on a decision on partial acquisition of an invention, all rights and obligations relating to the invention acquired that are defined in an ideal share shall transfer to the University.

Article 15
(Obligation to protect industrial property rights)

(1) Based on a decision on full, partial or limited acquisition of an invention, the Service shall carry out the relevant procedure to protect the industrial property rights on behalf of and for the account of the University at the Slovenian Intellectual Property Office, European Patent Office or

to protect it in some other appropriate manner.

(2) In agreement with the inventor(s), the Service may also initiate the procedure for adequate protection of a service invention before the acquisition decision is adopted if the interests of the University or the inventor(s) would be harmed with subsequent application.

(3) An invention assessed as important for the defence or safety of the Republic of Slovenia shall be applied by the Service to the ministry responsible for defence, pursuant to the Industrial Property Act. The decision-making regarding the award belonging to the inventor for such an invention shall be subject to the provisions of these Rules if more favourable than the Act.

Article 16

(Barriers to the exploitation of an invention)

(1) If the mentioned acquisition of a service invention evidently hinders its commercial exploitation, the inventor(s) may propose that the University fully acquire the invention within sixty (60) days of the decision on the acquisition of an invention or to leave it to the inventor(s) to freely dispose with the invention and the industrial property rights based on it. The proposal of the inventor(s) shall be resolved by the Rector with a decision based on the opinion of the Service and at the proposal of the Commission.

Article 17

(Right to free disposal)

(1) If the Rector fails to make a decision on the acquisition of an invention or fails to adopt a decision regarding the application within ninety (90) days, the invention applied shall have the status of a free invention and may be disposed with freely by the inventor(s) without any obligation to the University.

(2) If the University acquires an invention and only protects it on a restricted geographical area, the invention shall have the status of a free invention in countries or areas where it was not protected by the University. The University shall inform the inventor(s) of the protection area.

(3) If an application for an invention proves to be unjustified and unnecessary, leaving it as a free invention, the Service may request directly from the inventor(s) to reimburse the costs incurred, based on a Commission decision.

IV. COMMERCIAL EXPLOITATION AND AWARDS

Article 18

(Management of service inventions)

(1) The University is obliged to exploit service inventions commercially by selling inventions, patent applications and industrial property rights, to transfer them to third parties for exploitation under a licence agreement, to invest them as in-kind contributions in spin-off companies, or to exploit them through direct manufacture and sale of products and services, direct use in legal transactions or in any other suitable way. Upon meeting the requirement of having sufficient assets in the Fund for the protection of intellectual property rights, the University may enter spin-off companies by paying in capital injections.

(2) If the University does not begin commercially exploiting an invention within five (5) years of acquiring it, the inventor(s) may ask that the service invention be transferred to the inventor(s). After reimbursing all costs related to the application for the protection of industrial property rights and all fees, patent applications or industrial property rights shall be transferred to the inventor(s) as a free invention.

Article 19
(Awards and compensations for the inventor(s))

(1) Upon full acquisition of a service invention, the inventor shall be entitled to an award amounting up to 1/3 of the average monthly gross salary in the Republic of Slovenia for the last 3 months preceding the payment date. If there are more inventors, the award shall be divided between them in proportion to the shares indicated in the application. In case of a partial acquisition, the award shall be proportionately decreased and the remainder shall be paid to the inventor(s). The award shall be paid to the inventor(s) no later than within thirty (30) days of the issue of the decision on the acquisition of an invention.

(2) In the event of commercial exploitation of an invention yielding innovation income, the inventor shall have the right to the payment of a compensation for the acquired invention. The inventor's share and, if there are several inventors, the share of all inventors together shall amount to thirty (30) percent of the gross innovation income acquired through the use or exploitation of these rights by transfer to economic and other legal entities. Thirty (30) percent of the gross innovation income shall belong to a Member Faculty of the University, while forty (40) percent of the gross innovation income shall be given to the Fund for the protection of intellectual property rights. If the amount of gross innovation income exceeds €500,000, the relevant compensation shares shall be twenty (20), thirty-five (35) and forty-five (45) percent. The share of the compensation belonging to a group of inventors shall be defined pursuant to the shares agreed upon the application of the invention. Shares may also be changed upon a written agreement of all inventors. The relevant compensation amounts shall be paid to the inventor(s) and Member Faculty of the University within fifteen (15) days of each receipt of gross innovation income deriving from the commercial exploitation of a particular service invention to the account of the Fund for the protection of intellectual property rights.

V. FINANCIAL PROVISIONS

Article 20
(Fund for the protection of intellectual property rights)

(1) The Fund for the protection of intellectual property rights (hereinafter: "Fund") is established within the scope of the University, which manages its assets as an independent cost centre in the accounting records of the University.

(2) The University shall adopt rules to regulate the management of the Fund, accounting, reporting and other issues pertaining to the legal operations of the Fund.

Article 21
(Resources and expenditure)

(1) The Fund shall acquire funds from the following sources:

- University funds as defined by the annual financial plan;
- combined assets as per Article 15 of the University Statute;
- income deriving from the marketing of acquired service inventions;
- income deriving from the marketing of a purchased free service invention under point 4 of Article 21 of the Employment Related Industrial Property Rights Act;
- income from the sale and commercial exploitation of copyrights;
- income from donations and sponsorships;
- income from the projects ordered;
- public funds;
- other sources.

- (2) The Fund's assets shall be appropriated and used for:
- covering costs for the protection of intellectual property rights;
 - payments of awards and compensations to inventors;
 - covering the operating costs of the Service.

Article 22
(Operating result)

(1) Any surplus of the Fund's revenues over its expenses (gain) as established in financial statements shall be transferred to the next accounting period and used for the purposes laid down in paragraph 2 of Article 21 of the Rules.

(2) Any surplus of the Fund's expenses over its revenues (loss) as established in financial statements shall be covered from combined assets as per Article 15 of the University Statute.

VI. . SETTLEMENT OF DISPUTES

Article 23
(Settlement of disputes)

- (1) The inventor(s) and University shall settle any disputes amicably (by settlement).
(2) Failing this, a dispute will be resolved in a proceeding laid down in the Employment Related Industrial Property Rights Act.

VII. TRANSITIONAL AND FINAL PROVISIONS

Article 24
(Application of a procedure and termination)

- (1) All procedures initiated before these Rules enter into force shall be completed under the current regulations.
(2) On the day these Rules enter into force, the Rules on the acquisition of innovations and inventions dated 29 May 2006 shall cease.

Article 25
(Term of office of the Commission)

- (1) The Commission appointed based on a decision adopted by the University Senate shall continue to work until its term of office expires.

Article 26
(Entry into force and publication)

- (1) The Rules shall be adopted when they are adopted by the Governing Board and the Senate of the University of Ljubljana.
(2) The Rules shall be published on the University website and in the University newsletter (University of Ljubljana Publications), and they shall enter into force on the 15th day following the last publication.

Chairman of the Governing Board
Prof. Dr. Dušan Mramor m.p.

Rector
Prof. Dr. Andreja Kocijančič m.p.