**APPROVED**

rector of studies and sciences of Rēzekne Academy of Technology

30.09.2022. Order No.\_\_\_\_\_\_

**AUCTION RULES**

**I. General provisions**

1. The industrial property auction is organized by Rēzekne Technology Academy (hereinafter - RTA), Ministry of Interior registration no. 3194001444 , legal address: Atbrivošanas aleja 115, Rēzekne, LV-4601.

2. The rules of the auction (hereinafter - the Rules) determine the procedure for organizing the RTA of intellectual property - invention " Stepless belt transmission", according to Latvian patent application no. LVP2021000074 " Stepless belt drive" and international patent application no. PCT/LV2022/050006 " Stepless belt transmission", developed by LIAA co-financed project no. As a result of KC-PI-2020/62 " Stepless transmission for micromobility vehicles" (hereinafter - the Object) - the process of the auction of the right of use and the conclusion of the license agreement.

3. Intellectual property created under the operational program "Growth and Employment" 1.2.1. R&D of the specific support objective "Increase private sector investments" 1.2.1.2. of the event "Support for the improvement of the technology transfer system" of the project " Stepless transmission for micromobility vehicles", project identification number KC-PI-2020/62, agreement with the Latvian Investment and Development Agency (LIAA) on participation in the technology transfer event KC-L-2017/20" within.

4. The description of the facility and its composition is contained in Appendix 1 of the Regulations.

5. The auction of the object is organized by the Intellectual Property Management Commission of RTA (hereinafter referred to as the Commission).

6. Complaints about the Commission's decisions or its actions can be submitted to the RTA Rector.

**II. Object auction procedure**

7. The Commission announces the Object auction on September 30, 2022 on the RTA website [www.rta.lv](http://www.rta.lv) by publishing the Auction Rules, Object description, applicant application form, license agreement and confidentiality agreement draft.

8. The winner of the auction is determined in a written auction and it takes place in an ascending step.

9. In the case of concluding a license agreement, an initial, fixed payment of EUR 1,300 (one thousand three hundred euros and zero euro cents) excluding value added tax (hereinafter - VAT) is provided. The amount of the interest payment at the beginning of the auction is 3% (three percent), therefore the interest payment offered can not be less than 3% (three percent) of the revenue obtained by the licensee for each unit sold and not less than EUR 30 (thirty euros), excluding VAT for each units sold. The amount of interest payment offered by the applicant for the right to use the object is the amount with which the applicant competes with other applicants in the auction, determining the highest price of the auctioned object. The auction step can be expressed as whole percentages (eg 4%, 5%, 6%, 7%, etc.).

10. Any natural or legal person who has submitted the following documents in a sealed envelope within the time limit and according to the procedure specified in the Regulations can become an applicant for the right to use the Object:

10.1. completed applicant's application (Appendix 2);

10.2. if the application is submitted on behalf of a legal entity by its authorized representative, then a certified copy of the power of attorney of the applicant for the right to use the Object must be additionally attached;

10.3. a natural person additionally adds a copy of an identity document (passport or ID card) with the handwritten inscription "Copy is intended for RTA intellectual property auction purposes". If the application is submitted on behalf of a natural person by its representative, a notarized copy of the power of attorney must be additionally attached;

10.4. a legal entity registered in a foreign country must submit a copy of the registration certificate issued by the institution registering business/commercial activity in the foreign country where the applicant for the right to use the Object is registered. Also, a legal entity registered in a foreign country must submit a copy of the document certifying the right of representation of the person who signed the application form.

11. When submitting an application, the applicant for the right to use the Object confirms that he has read and agrees with the Regulations, the provisions contained in the draft license and confidentiality agreement. Also, the applicant certifies that no insolvency or bankruptcy proceedings have been initiated on the date of submission of the Application.

12. The application must be prepared in Latvian or English, it must be clearly legible, without corrections or deletions. If the Application or parts of its content are in English, a certified translation into Latvian must be attached.

13. The applicant for the right to use the object shall indicate on the envelope that the application has been submitted for a written auction, the name of the Object and the name, surname or name of the applicant.

14. Applicants for the right to use the object shall submit the application by October 14, 2022, by mail or in person at 115 Atbrivošanas aleja, Rēzekne, LV-4601, during working hours from 8.30 to 17.00, lunch break from 12.00 to 12.30.

15. The Commission registers the received applications in the order of their receipt, indicating the date and time of receipt. The application is kept in a sealed envelope until the start of the auction.

16. Applications submitted in person after the deadline, or the date on the postal calendar stamp indicated on the envelope is after the submission deadline, will not be accepted.

17. Until the end of the deadline for submitting the application, the applicant for the right to use the object can withdraw his application by sending a letter signed with a secure electronic signature to the electronic mail address: [rta@rta.lv](mailto:rta@rta.lv) .

18. Any person has the right to get acquainted with information about the Object in person or to receive it electronically, by prior agreement with the Commission on the time and manner. Before receiving more detailed information about the Object, the person and RTA conclude a confidentiality agreement (Appendix 3).

19. The opening of applications is open, and the Commission will open them in the order of submission on October 15, 2022, at 11:00 a.m., Atbrivošanas aleja 115, Rēzekne, room 121. Participation in the application opening session must be agreed with the Commission in advance by September 28, 2022 at 16:00. The opening of applications is recorded.

20. The meeting is presided over by the Chairman of the Commission, who introduces himself, the composition of the Commission to those present and appoints the recorder of the meeting.

21. Applications are opened in the order of their submission. After opening each application, the chairman of the commission names the applicant for the right to use the object, the date and time of the application submission, as well as the amount of interest payments offered by the applicant.

22. After reading the application, all members of the Commission sign the application, thereby certifying that they are not directly or indirectly interested in the victory of the particular applicant for the right to use the Object. If there is a basis for finding a possible conflict of interest, then the Commission member recuses himself from the application evaluation process.

23. After opening the applications of all applicants for the right to use the Object, the Commission starts evaluating the applications in the closed part of the meeting:

23.1. The Commission checks whether the applications comply with the Cabinet of Ministers Regulation of February 20, 2018 No. 97 "Rules for leasing property of a public person" (hereinafter - Cabinet of Ministers Regulation No. 97) and the requirements of the Regulations;

23.2. The Commission has the right to request additional information and supporting documentation from applicants for the right to use the Object, if necessary;

23.3. The Commission has the right to exclude applications that do not meet the requirements of these Regulations from participating in the auction;

23.4. The auction application is declared invalid if the price offered by the applicant for the right to use the Object is lower than the starting price of the Object specified in the Regulations;

23.5. Applications are compared and evaluated according to the highest offered price, ie according to the amount of interest payments offered by applicants for the right to use the Object ;

23.6. The right to use the object is not granted to the applicant if, within the last year from the date of submission of the application, RTA has unilaterally terminated another contract with him for the use of the property, because the applicant for the right to use the object did not fulfill the obligations specified in the contract, or a court ruling came into force, on the basis of which another is terminated a contract for the use of the property concluded with the RTA due to the actions of the applicant for the right to use the object;

23.7. If several applicants for the right to use the Object offer the same highest amount of interest payment, then the Commission offers these applicants to submit a new price within five working days, which is not less than the one previously submitted, determining the date, time, place and procedure for submitting and opening bids;

23.8. In the event that the highest price offered repeatedly by two or more applicants for the right to use the Object is the same, or if none of the applicants who have offered the same highest price does not submit a new offer at a higher price, then the Commission will offer these applicants to conclude a license agreement in the order of submission of applications;

23.9. The auction shall be deemed to have taken place without a result, if no applicant for the right to use the Object has applied, or all applications have been recognized as not complying with the Regulations, or no applicant has outbid the starting price of the Object.

24. If additional time is needed to evaluate the compliance of the applications and applicants for the right to use the Object, Cabinet of Ministers Regulation No. 97 and the requirements of the Rules, the Commission announces the time and place when the results of the written auction will be announced.

25. If additional evaluation is not necessary, then after opening and evaluation of all applications, the Commission announces that the written auction has been completed, and also names the bidder with the highest price and the right to use the Object, who bid and obtained the right to conclude a license agreement. Notification of the results of the written auction is recorded.

26. After the auction and the evaluation of all bids, the commission submits to the rector a protocol for the opening of applications, which includes a proposal to conclude a license agreement with the winner of the auction.

27. The decision on the result of the auction is made by the rector within three working days, based on the proposal of the Commission.

28. Within five working days after the evaluation of the applications, the Commission announces the results to all applicants for the right to use the Object and within 10 (ten) working days publishes information about the results of the auction on the RTA website [www.rta.lv](http://www.rta.lv)

**III. Procedure for concluding a license agreement**

29. After announcing the results of the auction, the winner of the auction must conclude a license agreement (Appendix 4) with the RTA within 10 (ten) working days or notify about the refusal to conclude a license agreement.

30. The term of the license agreement is 10 (ten) years.

31. The granted license may not be transferred to third parties and the licensee is not entitled to issue a sub-license . 32. If the winner of the auction has not signed the contract within the period specified in Clause 29 of the Regulations, it is considered that the winner of the auction has refused to conclude the contract. In that case, the right to conclude a license agreement is obtained by the Auction participant who bid the next highest price.

33. The RTA shall notify the applicant for the right to use the Object, who has bid the next highest price, of the case referred to in Clause 32 of the Regulations, and he must submit a written response to the RTA within 10 (ten) working days from the moment of receipt of the RTA's notice, whether he agrees to enter into a license agreement for his bid the highest price, as well as a license agreement must be concluded.

34. If, within the specified time, the RTA does not receive the consent of the applicant for the right to use the Object, who has bid the next highest price, to enter into a license agreement at the highest price bid and the license agreement is not signed, the applicant for the right to use the Object loses the right to conclude the license agreement, but the Commission decides on recognizing the auction as didn't happen.

35. If the Object is not bid in the auction, then the Commission has the right to conduct a repeat auction or propose another way of expropriating the Object.