# Agreement on utilization of research and development results

**based upon the Regulation on the implementation of the European Economic Area (EEA) / Norwegian Financial Mechanism 2014-2021 (hereinafter the “Regulation”, adopted on 2016-09-23) and the KAPPA Project Contract**

parties:

## NEWTON Technologies, a.s.

Address: Na Pankráci 1638/127, Prague 4, 140 00, Czechia

ID: 28479777

VAT No.: CZ28479777

Represented by: xxxxx

Contact person: xxxxx

Filed at the Municipal Court in Prague under file number B 14782

Banking information: xxxxx

Account number: xxxxx

(hereinafter referred to as "**Newton**")

## and

1. **Technical University of Liberec**

Address: Studentská 1402/2, Liberec, 460 01

ID: 46747885

VAT No.: CZ46747885

Represented by: xxxxx

Contact person: xxxxx

Banking information: xxxxx

Account number: xxxxx

(hereinafter referred to as "**TUL**"**)** (hereinafter also collectively as the "**parties**")

enter into a contract between them on the date, month and year indicated below for the exploitation of the results of research and development:

## I.

**Preamble**

* 1. Newton is a beneficiary and Project Promoter, TUL is a Project Partner in the project number **TO01000027** called **NORDTRANS - Technology for automatic speech transcription in selected Nordic languages** (hereinafter referred to as "the **project**").
  2. On the basis of the contract no. 2020TO01000027, dated 19. 2. 2021 (hereinafter referred to as the "**Project Contract**"), the Technology Agency of the Czech Republic, with its registered office at Prague 6, Evropská 1692/37, ID No.: 72050365 (hereinafter referred to as the "**Provider**") provided Newton with funds from the state budget of the Czech Republic in the form of a special-purpose subsidy to be used to achieve the objectives and parameters set out in the project.
  3. Newton confirms that the project's results are solely from this project and not associated with any other project or research project.
  4. Newton and TUL are cooperating on the basis of the Partnership Agreement, dated 21. 1. 2021 (hereinafter referred to as the "**Partnership Agreement**") and in view of the obligation of Newton and TUL to enter into a contract on the basis of this Partnership Agreement, the Project Contract and on the basis of Section 11 et seq. of the Research and Development Promotion Act to use the results of the project, the parties agree as follows:

## II.

**Subject of the contract**

1. This contract defines the results of the project, the mutual regulation of the ownership and utilization rights to the project result according to § 16 of the Research and Development Support Act between Newton and TUL. Furthermore, it defines the method of utilizing the results and the period of time during which the results will be utilized, confidentiality of the data, method of handling the data, and further defines the regulation of the contractual relations between Newton and TUL in the application of this contract.

## III.

**Project results and property rights to the project results**

1. Newton and TUL in the implementation of the project and the fulfilment of the project objectives have achieved the following results:

## Software modules for automatic transcription and processing of spoken Norwegian

* 1. **Software modules for automatic transcription and processing of spoken Swedish**
  2. **Software modules for automatic transcription and processing of spoken Danish**

(collectively referred to as "**the results**").

1. The parties have agreed on the following co-ownership shares in the project's results: Newton – 50%

TUL – 50%

## IV.

**Utilization of project results, commercial activities, and revenue sharing**

1. Each of the parties is entitled to use the results of the project for scientific, research and educational purposes and may further use it directly for their own purposes.
2. The parties agree that Newton will have the exclusive right to commercially exploit the project's results. Newton, as a commercial company, will conduct long-term commercial activities related to the project's results. This includes finding potential bidders, offering the project's results for commercial use, negotiating contracts, and performing other tasks to ensure successful exploitation of the project's results (hereinafter referred to as "commercial activities"). TUL agrees not to engage in any commercial activities related to the project's results.
3. The parties agree to calculate and share the costs and revenues from commercial activities related to the project's results as follows: Newton will remunerate TUL with 2% of the total sales revenue generated specifically from the commercial exploitation of the project's results. This payment will be made based on an invoice issued by TUL and delivered to Newton. Newton will notify TUL of the revenue reached within 5 working days after each billing period ends.
4. TUL agrees to provide Newton with a regular update of the results twice a year.
5. The billing period under this contract shall be every six months, starting from the month following the month in which this contract becomes effective.
6. For the purposes of this contract, Newton's revenue from commercial activities shall be deemed to be the sum of sales, exclusive of value added tax applied in accordance with Act No. 235/2004 Coll., as amended, on value added tax, of Newton's own products and services from commercial activities related to the commercial exploitation of the project results received by Newton from third parties in connection with commercial activities exploiting the project results.
7. A party may transfer or assign its rights in the results of the project to a third party only with the prior written consent of the other party.
8. The parties are obligated to utilize the project results in a manner that respects the legitimate interests of each other. This includes refraining from actions that would restrict the rights or disadvantage the position of the other party in relation to the project results or diminish the value of the project results. Additionally, the parties agree not to exploit the project results for the development of potential competitors.

## V.

**Protecting the result of the project**

1. Any information provided by the parties to each other in connection with the negotiations for the conclusion of this contract or in connection with the performance of this contract that is designated as "confidential" by either party shall be deemed by the parties to this contract to be confidential information within the meaning of Section 1730 of the Civil Code.
2. The data concerning the project provided on the basis of this contract, the Partnership Agreement and the Project Contract are not subject to protection under Act No. 148/1998 Coll., on the protection of classified information and on amendments to certain acts, as amended.
3. The parties agree to protect the result and not to disclose the detailed description of the results or any other information that could be misused by another party and reduce the value of the results. The results constitute a trade secret of Newton and TUL within the meaning of Section 504 of the Civil Code and both parties undertake not to disclose the secret to any other person without the prior written consent of the other party.

## VI.

**Final provisions**

1. The parties acknowledge that this contract is subject to publication in accordance with Act No.340/2015 Coll., on Special Conditions of Effectiveness of Certain Contracts, Publication of Such Contracts and on the Register of Contracts (hereinafter referred to as the "**Register of Contracts Act**") in the Register of Contracts. The parties agree that the contract will be published in the Register of Contracts by TUL. In this context, the parties are obliged to indicate in the contract the data which are subject to commercial confidentiality and will not be made public within the meaning of the Act on the Register of Contracts. TUL shall not be liable for the publication of such unmarked data.
2. The contract shall enter into force on the date of its signature by the authorised representatives of the parties and on the date of its publication in the Register of Contracts in accordance with the Act on the Register of Contracts.
3. The contract is concluded for an indefinite period of time. The contract may be terminated by written agreement of the parties or by notice of termination without giving any reason, with a three-month

notice period starting on the first day of the month following the month in which the notice was delivered to the other party.

1. Either of the contracting parties is entitled to withdraw from this contract within the meaning of Section 2001 et seq. of the Civil Code if the other party breaches its contractual obligations in a material way, even though it has been notified of this fact in a demonstrable manner. For the purposes of this contract, the date of delivery of the notice of withdrawal shall be deemed to be no later than the third day on which the parcel is deposited at the competent post office in the case of service through a postal licence holder, even if the addressee has not been informed of the deposit. In all other cases, at the moment of delivery of the message to the other party. In the case of personal service, these effects shall take effect upon receipt or refusal of receipt of the document. Both parties undertake to inform the other party in writing without delay of any change in the address or person responsible for service. In particular, the following shall be deemed to be a material breach of contract:
   1. Use of the subject of the contract in violation of the project rules, legal regulations or the provisions of this contract.
   2. Transferring ownership of the project result or granting a licence to a third party without the prior written consent of other parties.
   3. Violation of Article V. of this contract – Protecting the result of the project.
2. Even after the termination of the contract, the provisions of Article III, paragraph 2 of this contract

– the distribution of the size of the shares – shall remain in force.

1. The parties undertake to disclose, in an appropriate manner, that the result has been achieved with the financial support of state funds provided through the provider.
2. In the event of any breach of a contractual obligation set forth in this contract, the party that has breached the contractual obligation undertakes to pay the other party a contractual penalty of 10,000 CZK for each individual case of breach of this obligation. Payment of the contractual penalty shall not affect the right to compensation for damages incurred by the party claiming the contractual penalty in causal connection with the breach of this contract.
3. The contract reflects the free and serious expression of the will of the parties. The contract shall be construed in accordance with the legal framework governing the EEA Financial Mechanism 2014- 2021 and governed by the laws of Czech Republic.
4. The parties are obliged to cooperate in the performance of the control of the project implementation and the implementation of the results by the provider, financial control according to Section 2 letter

e) of Act No. 320/2001 Coll., on financial control in public administration.

1. The contract shall be drawn up in three counterparts, each of which shall have the force of an original. Each party shall receive one copy.
2. Changes and additions to this contract may only be made in the form of written mutually agreed amendments.
3. All disputes arising out of or in connection with this contract, which cannot be solved amicably, shall be finally settled by the Newton's court of general jurisdiction.
4. All parties declare that they have carefully read the contract and affix their signatures to prove their agreement to the above provisions.

In Prague, on 12. 7. 2024

NEWTON Technologies, a.s.

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In Liberec, on 11. 7. 2024

Technical University of Liberec

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