

Technology Transfer Facility¹

GUIDELINES FOR APPLICANTS

Version 1.1

May 09, 2016

¹ Establishment of the Technology transfer facility is the Component A of the Serbia Research, Innovation and Technology Transfer Project (SRITTP) financed by the EU, administered by the World Bank and Implemented by the Innovation Fund.

DEFINITIONS

Applicant	A public sector R&D institution applying for services under the TTF Program. The Inventor, who may be the employee of the Applicant, is to be designated as the contact person, since he/she is considered to have the most knowledge about the proposed technology. In case the Inventor does not have the capacity to act as the contact person, the Applicant will assign this role to someone else. The contact person is responsible for providing the TTF with any information regarding that specific Application, in the format required by the TTF, and will be responsible for project implementation on behalf of the Applicant, if the support under TTF Program is awarded.
Application	The complete package of mandatory documents required under the TTF Program, as submitted by the Applicant.
Awardee	Eligible Applicant that has been awarded support under the TTF Program.
Agreement on providing Commercialization Support (hereinafter: "Agreement")	Legal Agreement signed between the Awardee, Inventor and the Innovation Fund (as the legal entity responsible for the work of the TTF), which defines rights and obligation related to services being provided under the TTF Program. This Agreement can also define terms of financing in cases where Financial Support is awarded.
License	Commercial license to a third party (e.g. a company) whereby the IF transfers rights obtained from Applicant(s) in the framework of the TTF Program.
Final Settlement	A legal document signed at the end of the implementation of work conducted under the awarded Financial Support, defining the completion of the implementation and the fulfillment of the obligations under the Agreement.
Innovation Fund	Legal entity incorporated in accordance with the Law on Innovation Activity, responsible for the operations of the TTF. Also referred to as IF.
Inventor	Creator of a disclosed invention. Preferably, the Inventor will be engaged in the Project as a contact point on behalf of the Applicant. Acting in this capacity, the Inventor is responsible for ensuring that all relevant and available documents are uploaded to the appropriate section of the TTF portal, and will be responsible for Project implementation on behalf of the Applicant, if the support under the TTF Program is awarded.
License Agreement	An agreement signed between the Innovation Fund and the Awardee under which the Awardee grants the Innovation Fund sole license (authorization) to conduct and conclude transactions related to and/or arising from the commercialization process defined in the Agreement on providing Commercialization Support and in the TTF Program rules.
TTF	Technology Transfer Facility established within the Innovation Fund for the purpose of implementing the TTF Program. Since the TTF is not a legal entity, all legal documents pertaining to its operations will be signed by the responsible person of the Innovation Fund.
Decision Committee	A committee that makes the decision on acceptance of projects applying for support under the TTF Program.
TTO	University Technology Transfer Office.

TABLE OF CONTENTS

1. INTRODUCTION	1
2. ABOUT ACADEMIC TECHNOLOGY TRANSFER.....	2
2.1 WHAT IS AN INVENTION?.....	2
2.2 INCENTIVES IN THE TECHNOLOGY TRANSFER PROCESS?	2
2.3 MAIN CONSIDERATIONS IN THE IP PROTECTION	2
3. TTF PROGRAM DESCRIPTION.....	5
3.1 PROGRAM OBJECTIVES	5
3.2 TYPES OF SERVICES UNDER TTF PROGRAM.....	5
3.3 AREA OF INTEREST TO THE TTF.....	6
3.4 WHO CAN APPLY	7
3.5 EVALUATION CRITERIA.....	7
3.6 PROTECTION OF THE INVENTION.....	8
3.7 ACCEPTANCE OF TERMS.....	8
4. APPLICATION TO THE TTF PROGRAM.....	9
4.1 SL1 – ELICITING DISCLOSURES.....	9
4.1.1 REGISTRATION AND PROJECT SUBMISSION.....	11
4.1.2 PRE-ASSESSMENT OF SUBMITTED PROJECTS.....	11
4.2 SL2 – PERFORMING TECHNOLOGY AND COMMERCIAL READINESS SCREENING (TRIAGE)	11
4.3 SL3 – FUNDING THE PROOF OF COMMERCIAL READINESS	12
4.3.1 AWARDING FINANCIAL SUPPORT	12
4.3.1.1 Eligible Expenses.....	12
4.3.1.2 Financing Conditions	13
4.3.1.3 Funds Disbursement.....	14
4.3.1.4 Procurement Procedures.....	14
4.3.2 TERMINATION OF THE AGREEMENT.....	15
4.4 SL 4 – PROVIDING COMMERCIALIZATION STRATEGY AND TACTICS.....	16
4.5 SL 5 – EXECUTING COMMERCIALIZATION STRATEGY.....	16
4.6 SL 6 – IDENTIFYING POTENTIAL COMMERCIAL PARTNERS.....	16
4.7 SL 7 – NEGOTIATING AND CLOSING TRANSACTIONS.....	17
4.7.1 DEALING WITH START-UPS.....	17
4.8 SL 8 – MONITORING AND FOLLOW-UP OF FURTHER COMMERCIALIZATION COMMITMENTS	18
4.9 OTHER SERVICE LINES	18
4.9.1 SERVICE CONTRACTS.....	18
4.9.2 CONTRACT RESEARCH	19
4.9.3 BUSINESS INTELLIGENCE	19
4.9.4 SUPPORT IN APPLYING FOR EU AND OTHER DONORS FUNDS.....	20

1. INTRODUCTION

Dear Applicants,

The purpose of this document is to familiarize potential Applicants with the Innovation Fund's (IF) Technology Transfer Facility (hereinafter: the "TTF") program (TTF Program). Included here are the description of purpose, application procedures, and expected outcomes from an Applicant's viewpoint for the Commercialization and Financing Services Program housed at the IF. This document complements the Project Operations Manual that has been prepared by the Innovation Fund and officially approved by the World Bank. Additionally, the webpage and the application portal of the Innovation Fund will contain all necessary application documents and templates to be used in the TTF Program.

The TTF is established under the Serbia Research, Innovation and Technology Transfer Project (SRITTP) which is financed by the European Union, administered by the World Bank and implemented by the Innovation Fund. The main goal of the TTF is to demonstrate that intellectual property commercialization transactions can be done in Serbia, and to assist the university Technology Transfer Offices (TTO) in brokering such deals, help them build their capacity to independently perform technology transfer transactions and thus contribute to the economy.

The purpose of the TTF Program is to demonstrate the effectiveness of the TTF's core service, which is Commercialization Support – the TTF will assist Applicants with commercialization of inventions or creative work based on results of their research carried out at R&D organizations. Commercialization is the process of developing and introducing a new product, service, technology or production method to the market and it represents collaboration between the Applicant and commercial private sector partners.

As a complementary mechanism to the service provided under the TTF Program, the TTF may also provide financial support to assist Applicants in commercialization of inventions or creative work by conducting further proof of commercial readiness activities, such as developing prototypes, proof of concept, IPR etc.

As part of the effort to create a comprehensive innovation and R&D support ecosystem in Serbia, the TTF Program is designed to be compatible with the Innovation Fund's existing financing instruments, i.e. Mini and Matching Grants programs. In addition, the second Component of the SRITTP named Collaborative grant Scheme will be a complementary instrument with the TTF Program. Therefore, the TTF staff will also provide Applicants with advice and information pertaining to these alternative sources of financing, where and when available.

After reading this document, potential Applicants will become familiar with the required application process for the TTF Program, the evaluation process thereof and mechanisms of assistance offered to Applicants, important Project timelines and issues around the commercialization process. All necessary documentation for the TTF Program which must be used and considered by the Applicants is available on the webpage of the Innovation Fund, www.inovacionifond.rs, and is elaborated on in the section 4.1 of this document.

2. ABOUT ACADEMIC TECHNOLOGY TRANSFER

This Section provides a basic understanding of what academic technology transfer is as practiced outside Serbia and may serve as useful background for this document.

Technology transfer is a term used to describe a formal transfer of rights to use and commercialize new discoveries and inventions resulting from scientific research to another party. R&D organizations typically transfer technology through protecting (using patents and copyrights) and then licensing new inventions. The major steps in this process include the disclosure of inventions, patenting the invention concurrent with publication of scientific research and licensing the rights to these inventions to the industry for commercial development.

2.1 WHAT IS AN INVENTION?

An invention is a unique or novel device, method, composition or process. Some inventions can be patented. A patent legally protects the intellectual property rights of the inventor and legally recognizes that a claimed invention is actually an invention. The rules and requirements for patenting an invention vary from country to country, and the process of obtaining a patent can often be expensive.

2.2 INCENTIVES IN THE TECHNOLOGY TRANSFER PROCESS?

When an invention is disclosed to the TTF, it starts a process that could lead to commercialization of the technology. Among the reasons for participating in the process, which are unique to each researcher, most common include:

- Making a positive impact on society;
- Achieving recognition and financial reward;
- Generating additional department/center funding;
- Meeting the obligations of a research contract;
- Attracting research sponsors;
- Creating educational opportunities for students;
- Linking students to future job opportunities.

2.3 MAIN CONSIDERATIONS IN THE IP PROTECTION

Is the inventor able to publish the results of the research and still protect the commercial value of the intellectual property (IP)?

Yes, but since patent rights are affected by these activities, it is best to submit an Invention Disclosure Form well before any public communication or disclosure of the invention. The inventor has to inform the TTF of any imminent or prior presentation, lecture, poster, abstract, website description, research proposal submission, dissertation/master thesis, publication, or other public presentation of the invention. Once the program is launched, the TTF will organize a number of roadshows to present

the elements and the propositions of the TTF Program to potential Applicants, and share details on good IP practices and necessary precautions that needs to be taken to preserve the novelty of not yet registered IP.

Is the inventor able to use material or IP from others in the research?

Yes, but it is important to carefully document the date and conditions of use so that the TTF can determine if this use may influence the commercialization potential of any subsequent research results. Within the Invention Disclosure Form, all inventors must affirm that no other inventors have been excluded from the disclosure and that all true inventors have been named. Failure to list all inventors truthfully can lead to patent or other IPR being annulled even after being granted. This can also lead to a lawsuit.

Using other people's IP from the globally accessible database as part of the novel research is desirable and allowed. The purpose of existence of such stocks of published IP is to prevent the situation of "reinventing the wheel". The TTF will provide assistance in accessing such data from either proprietary or free databases (Espacenet, Google Patents, etc.) in order to assess patentability issues (novelty, inventive step) and also to define appropriate research directions or focus on the relevant research topics.

Will the inventor be able to share material, research tools or IP with others to further their research?

Yes. However, it is imperative to document items that are to be shared with others and the conditions of use. It also may be necessary to have a Non-Disclosure Agreement or Material Transfer Agreement in place in order to protect the research results or IP rights. A specific service line, such as materials testing, will be used to accommodate for this in addition to standard commercialization services.

Who owns the newly created IP?

Ownership depends upon the employment status of the inventor, as well as the conditions under which the research has been conducted. Considerations include:

- What is the source of the funds or resources used to produce the invention?
- What was the employment status of the creators at the time the IP was made?
- What are the terms of any agreement related to the creation of the IP?

At no point will the Innovation Fund or the TTF own any IP coming from Applicants.

In Serbia, state funded research results and the IP thereof are the property of the employer and the employer thus has the right to protect said IP. Exception from this rule is the creative works that fall under the umbrella of copyrights and related rights. For those creative works, the employer holds the economic rights for the first 5 years from the day of creation. After 5 years, all economic and moral rights are held by the creator. However, when software is in question all economic rights belong to the employer.

Commercialization of IP in the TTF Program will be carried out by involving all parties that have economic interest. Normally, the employer of the inventor/researcher is the university which holds the economic rights (assignee), while the inventors hold moral rights (i.e. is listed as the inventor in the patent). In addition to the moral rights, the inventor has the right to 50% of the profits from the commercialization financial proceeds in case when the research that led to the invention was funded by the state funds.

IP owners may transfer their IP to a third party by licensing and assignment, and this is one of the processes which the TTF will facilitate within the scope of this program.

A license agreement is a contract under which the holder of intellectual property (licensor) grants permission to another person (licensee) for the use of its intellectual property, within the limits set by the provisions of the contract. Without such an agreement, the use of that particular intellectual property by any party other than the IP holder would constitute infringement. Examples of license agreements are the software licenses concluded when purchasing software, or a trade mark licenses permitting a manufacturer to print the logo of a company on merchandise items. Hence, there is no transfer of ownerships in license agreements. The IP ownership is retained by the licensor. On the contrary, in assignments there is a transfer of title.

An IP assignment is a permanent transfer of ownership of an intellectual property right, such as a patent, trade mark or copyright, from one party (the assignor) to another party (the assignee). Consequently, the assignee becomes the new owner of the intellectual property right. IP assignments transfer the title of intellectual property rights and therefore assignments reflect an equivalent process for intangible assets as selling agreements do for tangible assets. The TTF will provide assistance to interested researchers willing to explore such opportunities by connecting them with relevant partners from industry.

3. TTF PROGRAM DESCRIPTION

This Section provides specific objectives and service lines of the TTF Program.

3.1 PROGRAM OBJECTIVES

The primary objectives of the Program are:

- to stimulate commercialization of research or creative work carried out at public R&D organizations;
- to enhance Technology Transfer practice at Serbian public R&D organizations;
- to increase number of researchers prepared to submit applications for funding of their research;
- to create capabilities at public R&D organizations for performing contract research and other related consultancy services.

In order to increase the commercialization potential of academic research, the TTF will work closely with TTOs established at 4 major Universities in Serbia:

- University of Belgrade;
- University of Kragujevac;
- University of Niš;
- University of Novi Sad.

Since the TTF Program constitutes a pilot, commercialization support services are currently available only to public universities and their members. As the program grows, other universities may be eligible for participation. However, all other service lines provided by the TTF are open to all interested entities which meet the necessary eligibility criteria.

3.2 TYPES OF SERVICES UNDER TTF PROGRAM

The core service that the TTF provides to the Applicants within the TTF Program entails Commercialization Support in all aspects and steps of the academic technology transfer process. These steps, hereinafter in the document referred to as Service Lines are presented in the Table 1. The TTF Program consists of 12 Service Lines, which the TTF will deploy sequentially, starting with Service Line 1 at the moment of launching the TTF Program.

Table 1. List of Service Lines in the scope of the TTF Program

Technology Transfer Service Lines	
SL1	Eliciting disclosures Defining the invention (a potential solution to a defined problem) and the potential product or service that might be developed.
SL2	Performing a Technology and Commercial Readiness screening (Triage)
SL3	Funding the proof of commercial readiness Funding the proof of commercial readiness activities to move the technology closer to the required technology readiness level

SL4	Providing commercialization strategy and tactics License to an existing company; license to a start-up company, creating research collaboration etc.
SL5	Executing the commercialization strategy Executing the commercialization strategy and tactics to find commercialization partners
SL6	Identifying potential commercial partners
SL7	Negotiating and closing transactions Negotiating and closing transactions (contracting) with commercial partners
SL8	Monitoring and follow-up of further commercialization commitments
Other Service Lines	
SL9	Service contracts with industrial partners
SL10	Contract research
SL11	Business intelligence
SL12	Support in Applying for EU and Other Donors Funds

The TTF will, depending on the nature and complexity of an individual Project, engage external Commercialization Experts specialized in the technical area of the invention to provide their input for evaluation, and possibly executing the commercialization strategy.

The TTF can also allocate Financial Support for the “proof of commercial readiness activities” to move the technology closer to being of interest to potential industry clients. Such financing may be used to prepare and submit patent applications, as well as for testing, creation of prototypes, etc. Costs of specialist consultants to provide expertise for various commercialization steps are allowed.

Additionally, the TTF shall assume all ongoing costs related to the commercialization and if the process is successful, all proceeds (including royalties or other remuneration) will be transferred to the Applicant, promptly upon receipt, without retaining any portion of such for the TTF, except those related to mandatory taxes, administrative and other fees in accordance with law and necessary costs and other documented expenses (such as bank transfers).

However, in case of successful commercialization which results in total gross revenues exceeding EUR 25,000, the TTF may, at its own discretion, claim documented IP-related costs and deduct the corresponding amount of money for these costs from the amount which is to be transferred to the Applicant. In the case of such reduction, the TTF shall provide all parties that have economic interest with a detailed list of all relevant IP-related costs.

In addition to the set of standard technology transfer Service Lines (SL1-SL8), the TTF will deploy additional set of Service Lines (SL9-SL12) to expand its impact and facilitate additional types of contact and cooperation between researchers and commercial partners as the program evolves. These additional Service Lines are expected to be deployed in 2017, in accordance with the TTF’s capacity and following the estimated needs of the market.

3.3 AREA OF INTEREST TO THE TTF

The TTF will consider Applications coming from all areas of science and technology for potential commercialization. In addition to “industrial property”, normally protected by patents, trademarks and industrial designs, other innovations, referred to as “creative works” normally protected by copyrights and rights related to copyrights will also be considered by the TTF. Additional assets of

interest include such things known as research tools, software applications, biological materials databases and other examples of “tangible intellectual property”.

3.4 WHO CAN APPLY

The primary focus of the TTF Program are public academic R&D organizations. In order to create a strong pipeline of projects, the TTF will consider both academic and non-academic Applicants for support. Applicants coming from the public R&D institutions will be dealt with in the framework of cooperation with existing TTOs, while others will be considered as direct TTF clients. All Applicants will be serviced through a single IT infrastructure access point (TTF portal) which has been developed at the IF.

Besides providing technical support for commercialization to academic and non-academic R&D institutions and private sector companies, under SRITTP, the TTF can provide financial support to select innovative projects coming from public academic R&D institutions² in order to bring the project to a higher commercialization readiness level.

Applicants seeking Financial Support will be considered eligible only if they originate from the sector of academic institutions (universities, faculties, institutes, R&D and innovation support organizations and relevant TTOs) registered in the Republic of Serbia.

3.5 EVALUATION CRITERIA

Only the submitted Applications that satisfy all following criteria will be recommended for Commercialization Support. If upon initial assessment based on submitted information a decision is made that the proposed invention is not ready for commercialization, the TTF will continue to work with the Applicant in order to better the proposal and help them meet the requirements for further consideration.

The Applications will be evaluated based on the following criteria:

- Level of technology readiness (innovativeness of technology, product or service);
- Information about the relevant competitive landscape;
- Intellectual property issues (novelty and inventiveness of the proposed solution and clarity of the ownership situation);
- Estimations of commercial financial viability and the potential to create value and benefits for product users and commercial partners;
- Estimations of the competitive marketplace and how a potential product based on the Invention may fare;
- The strength of the team members, their credentials and the ability to deliver results.

The minimum required TRL for an Application to be acceptable for formal evaluation is TRL 2, but. The TTF staff will also discuss TRL 1 Applications in an attempt to help the Applicant to improve the proposals. For more information regarding the TRL methodology see Appendix D.

² At the beginning of the TTF Program implementation, only publicly funded academic R&D institutions will be eligible for financial support due to the objectives of SRITTP, through which the financing is provided. If in the course of implementation TTF procures additional funding then the eligibility criteria might be expanded to include other R&D organizations.

3.6 PROTECTION OF THE INVENTION

All Applications submitted to the TTF will be analyzed and in the cases where patent protection is possible and required, a patentability search will be carried out (if not already done) to determine if the invention's subject matter fulfills the patentability criteria or is blocked by previously submitted materials. The report of this search will be shared with the Applicant irrespective of the TTF's decision whether to accept the invention for commercialization or not. All applications for either Financial or Commercialization Support going through the TTF, irrespective of the TTF's decision to consider them or not, will receive the Triage report. This report contains patent and non-patent related information and IP-driven market research. Triage report is critical in understanding the novelty, inventiveness and commercial potential of the invention. Information included in the Triage report reveals missing research topics, and also provides guidance towards new research directions.

For those inventions that are selected for commercialization, patent applications appropriate to the commercialization strategy will be considered and filed in a timely manner.

3.7 ACCEPTANCE OF TERMS

All Applicants are required to comply with the terms and conditions of:

- the TTF Program;
- the Commercialization Support services from the TTF, if an Application is accepted;
- the procedures related to Financial Support, if Financial Support is provided;
- the Innovation Fund's Environmental Management Framework (EMF);
- the Innovation Fund's Confidentiality Policy and Prevention of Conflict of Interest Policy;
- IP and know-how requirements;
- commercial procurement practices acceptable to the IF and the World Bank, available at http://siteresources.worldbank.org/INTPROCUREMENT/Resources/Procurement_GLs_English_Final_Jan2011_revised_July1-2014.pdf.

If any of the above requirements are not satisfied, the Applicant will be notified and asked to address these observed issues. Outstanding issues may lead to the Application being rejected.

4. APPLICATION TO THE TTF PROGRAM

All Applications must be submitted via the TTF Portal by using the templates developed by the TTF. These templates are available at the Innovation Fund web page <http://www.inovacionifond.rs/> as well as directly on the TTF Portal, which is accessed via the Login button on the Innovation Fund's abovementioned web page. The inventor/contact person is required to register on the Portal and submit the necessary documentation to the TTF.

The submission of Applications is continuously open. Normally, Applicants will receive the decision on acceptability of their proposals within **30-45 days** upon the submission of the completed Invention Disclosure Form.

Preferably, the Inventor of the proposed technology will be acting as the contact person, and will be responsible for filling out the Invention Disclosure Form, as well as for providing other required documents on behalf of the Applicant. The Applicant is required to confirm their familiarity with the intention to disclose the proposed invention, and this confirmation is given by ensuring that the Applicant has signed all the necessary Application documentation.

Since the TTF essentially provides support in commercialization, the nature of the TTF Program requires involvement of both the Applicant and the Inventor during the entire process: from the application and evaluation of a disclosed invention, all the way to specific activities in the implementation of the commercialization strategy and deal closing.

Please be notified that the content of your Application will be shared with University TTOs.

A schematic of the TTF Commercialization Services Workflow is shown in Figure 1. Its purpose is to provide a pictorial overview of the process and estimated timelines.

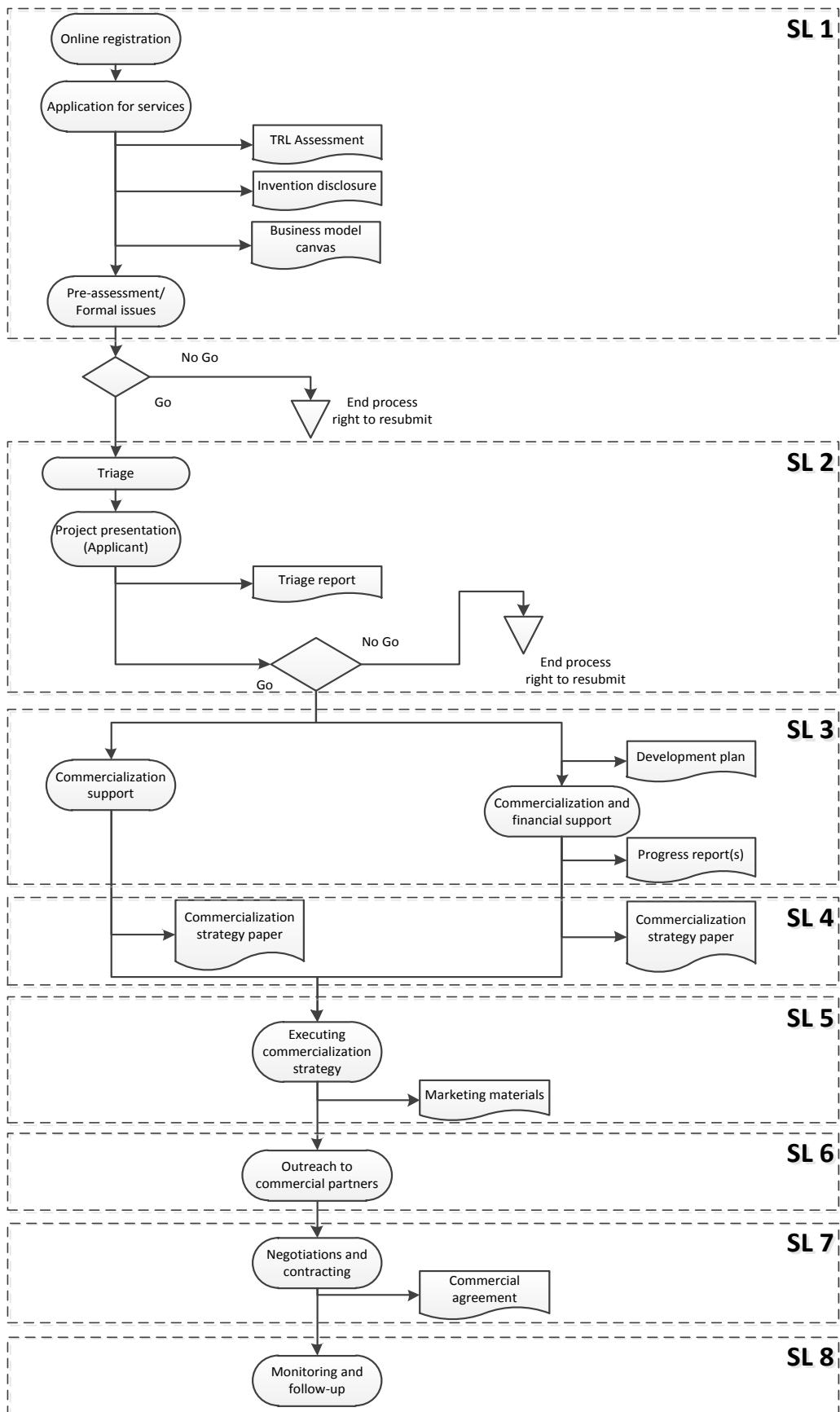
4.1 SL1 – ELICITING DISCLOSURES

In order for an Application to be considered complete, the Applicant is required to submit the following set of documentation:

- Invention Disclosure Form (IDF);
- Application for Services Form;
- Non-Disclosure Agreement;
- Environmental Screening Questionnaire (ESQ);
- Project presentation in the form of a Business Model Canvas.

Writing an effective invention disclosure is one of the most important steps. A well-drafted, comprehensive disclosure will facilitate effective evaluation of the invention and could provide enormous benefits in subsequent patent prosecution. It is always the inventor who knows the most about the invention. However, to draft an effective disclosure, help from an experienced professional is always needed. Applicants are therefore recommended to use help from their local TTOs.

The Applicant may have to provide additional documentation so that the TTF staff could better understand the important aspects of the invention and its commercial use.

Figure 1. Workflow of the TTF program


4.1.1 REGISTRATION AND PROJECT SUBMISSION

The first step towards Project submission is to complete the registration process on the TTF Portal, which can be accessed through the Innovation Fund's web page <http://www.inovacionifond.rs/>. Once a registration request has been made by the Applicant, it needs to be approved by the TTF staff. The TTF will respond to all registration requests within the period of two working days and confirm all eligible registration requests by e-mail. In case you do not receive your confirmation e-mail within this period, please contact the TTF (ttf@inovacionifond.rs).

Upon successful registration, the Applicant is able to create a new Project with designated slots for uploading all necessary Application documentation.

Before submitting the Project, the Applicant must conduct a Technology Readiness Level (TRL) self-assessment on the TTF Portal in order to determine the estimated current level of development of the proposed technology.

Only complete Projects will be taken into consideration.

Once registered, the Applicant will receive a Non-Disclosure Agreement (NDA) signed by the IF. The Applicant is required to sign this NDA and upload it on the TTF Portal before submitting the project. Applications submitted without a properly signed NDA will be deemed ineligible for support.

4.1.2 PRE-ASSESSMENT OF SUBMITTED PROJECTS

After a Project has been submitted, but before it can be considered for complete evaluation, the provided Application documents are examined by the TTF and the relevant TTO for completeness and to check whether there are any outstanding issues to be resolved. In addition to checking the completeness of an Application, a preliminary patent search is carried out to check for potential issues such as prior publication of the submitted research results or the existence of obvious blocking.

If upon initial pre-assessment based on submitted information a decision is made that the project is not ready for recommended support, the TTF staff will work with the Applicants to improve the situation attempting to meet the requirements for recommendation.

The Applicant may be invited to present the Project and clarify any outstanding issues in his Application.

Applicants whose Applications do not pass the Pre-assessment stage will be informed about the reasons for rejection in written form. These Applicants will also be advised about options to improve the Application and meet the requirements for further consideration.

4.2 SL2 – PERFORMING TECHNOLOGY AND COMMERCIAL READINESS SCREENING (TRIAGE)

In-depth evaluation of Projects is carried out by the TTF Decision Committee and may include engaging independent external Commercialization Experts, if needed.

All information gathered through the evaluation process will be shared with the Applicant and the Applicant's corresponding TTO.

The final decision on whether to approve a Project for Commercialization Support is made by the TTF Decision Committee. The TTF may, at its own discretion, award Financial Support to the Project in

order to improve commercialization readiness and attractiveness to potential commercial partners or investors.

In case the TTF Decision Committee makes a negative decision on a Project following the evaluation process, the Applicant will be informed about this decision and receive feedback which might be used to improve the Project and potentially resubmit it to the TTF for reevaluation in the future. Applicants are allowed to resubmit an improved Project proposal once.

4.3 SL3 – FUNDING THE PROOF OF COMMERCIAL READINESS

After the TTF Decision Committee accepts to undertake the commercialization of the Project, the TTF will send an Offer Letter to the Awardee, which will serve as the basis for the Agreement. In case the Project is to receive Financial Support, the terms of implementation will also be included in the Offer Letter.

Upon the acceptance of the Offer by the Awardee, the contract is to be concluded between the IF and the Awardee with the consent of the Inventor(s) and their University.

In order to accept the Project and begin the commercialization process, the TTF will require authorization in the form of either an exclusive license or a “brokerage agreement” from the technology owners to allow the TTF sufficient authority to conduct and conclude transactions. This authorization shall describe the efforts that the TTF will make to seek input from the technology owners at various stages of the project development, including during negotiation of various transactions with commercialization partners. The TTF shall make efforts to include this input in the project activities and to ensure the involvement of the owners in commercialization on an “as-needed” basis, as the TTF recognizes that participation by the owners and acceptance of negotiated responsibilities on certain activities will be the key to successful commercialization. In case of commercialization, the TTF will not keep any part of the revenues for itself. The authorization should enable the TTF the “power of attorney” during the negotiation phase.

No commitments will be made by the TTF before the ownership issues with regards to any IP in question are consolidated and significant issues are resolved.

Before the signing of the Agreement, the TTF will also have a preliminary discussion on the commercialization strategy that shall result in a draft version of Commercialization Strategy Paper, with input from the Awardee. The document is to be finalized upon the signing of the Agreement.

4.3.1 AWARDED FINANCIAL SUPPORT

In the case of a positive decision to provide Commercialization Support services, the TTF Decision Committee will award financial support to the Project, aiming to improve its commercial readiness.

The Awardee is then invited to submit a Development Plan containing a brief description of Project development milestones, together with the budget proposal. The maximum duration of the TTF-funded development work **cannot exceed 6 months**. The average envisioned amount for the financial support is EUR 10,000 per Project.

4.3.1.1 Eligible Expenses

While preparing the Development Plan, the Awardee has to bear in mind that the funds awarded under the TTF Program are to be used mainly for additional development as proof of commercial

readiness. For Projects with a clear IP and ownership position, these funds may be used for IP services, primarily patent or copyright applications drafting, submission and prosecution and issuance, both in and outside Serbia. Creation of a prototype with specific operating capabilities will be considered. Costs of specialist consultants to provide expertise for various commercialization steps are allowed.

Expenses that **will not be considered for financing** under Financial Support include but are not limited to:

- Interest or debt owed to any party;
- Expenditures and provisions for possible future losses or debts;
- Taxes, duties and charges;
- Items already fully financed through another framework, program or company/institution;
- Currency exchange losses, fees and penalties;
- Purchase of land or buildings, including any renovation.

4.3.1.2 Financing Conditions

- In accordance with regulations governing the financing through the European Union Instrument for Pre-Accession (IPA), the financing under the TTF Program is Value Added Tax (VAT) exempt. Therefore, the Project funds must not be used for VAT payments;
- Advance payments are not allowed unless proof of purchase (i.e. invoices, delivery reports, consultant reports) is provided and approved by the TTF and/or advance payment is secured by advance payment guarantee³;
- All payments to the Awardees are made in Serbian Dinars at the official average exchange rate of the National Bank of Serbia on the date of the disbursement;
- Awardee will be required to submit periodical reports to the TTF as defined between the Awardee and the TTF. These Progress Reports must be submitted on time and should address progress against milestones, activities carried out in the reporting period and use of the allocated budget, together with the set of relevant supporting documentation (i.e. invoices, delivery reports, consultant reports). At the end of the Project, the Awardee is expected to prepare a Final Progress Report for the TTF by the defined date;
- All agreements with third parties must be submitted with the Application and must contain provisions that the Applicant retains the ownership of all new IP and know-how that may be created during the Project implementation;
- The IF reserves the right to suspend or terminate the financing under the contract for Financial Support, or obtain a refund of all or any part of the amount of the financing disbursed, in the event that the Awardee fails to perform any of its obligations under the contract for Financial Support and is unable or unwilling to correct the situation to the satisfaction of the IF;
- All Projects that receive funding and need to conduct additional R&D must comply with the requirements of the Environmental Management Framework⁴ of the IF, if and whenever relevant. In cases where such compliance is not clear, the TTF may consult environmental specialists at the IF and advise the Applicant.

³ Advance payments should be made in accordance with World Bank's "Guidelines: Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011 Revised July 2014 (Procurement Guidelines) and World Bank's "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers" dated January 2011 Revised July 2014 (Consultant Guidelines).

⁴The EMF (2011) of the IF was developed under the Serbia Innovation Project and is available in both [English and Serbian](#)

4.3.1.3 Funds Disbursement

The Awardee is required to open a dedicated bank account that will be used for the purpose of the Project and it can't be used for any other purposes. All payments related to the work under the Development Plan must be executed from the dedicated bank account.

The disbursement of Project funds is proposed as follows, with modifications depending on the circumstances of each Project:

- 70% of the approved budget⁵ will be disbursed in advance upon signing of the Agreement on providing Commercialization Support;
- remaining amount of funds, up to the amount of 30% of the approved budget, will be reimbursed to the Awardee for all eligible expenses upon delivery of Final Progress Report and relevant supporting documentation.

Upon the confirmation by the TTF that all milestones set forth in the Development Plan are met by the Applicant, the Final Settlement will be signed to confirm fulfillment of the obligations under the Agreement on providing Commercialization Support.

In the case of goods/services estimated to cost EUR 5,000 or more, the TTF reserves the right to make payments on behalf of the Awardee to the contracted supplier/service provider directly. The TTF can also make payments for any goods/services on behalf of the Awardee.

4.3.1.4 Procurement Procedures

The goods and consultancy services contracts needed to carry out commercialization may be procured through acceptable Commercial Practices defined below:

Organizational arrangements of the Awardees to conduct procurement shall take into consideration the need for economy, efficiency and transparency of the various procurement activities defined in the Project Proposal, their timing and quality of the procured goods and consultancy services.

For contracts estimated to cost below EUR 10,000, the TTF will verify the proof of purchase through a review of invoices, delivery reports/consultant reports and contracts and conducting on-site verifications on a sample basis. Procurement may be executed through telephone or verbal solicitations.

For procurement of goods and services for contracts estimated to cost EUR 10,000 or more, the Awardees will be required to provide evaluation report, 3 (three) relevant quotations and a detailed specification of the proposed purchase to the TTF for prior review and approval. If three viable, competitive quotations cannot be obtained, a justification should be documented for TTF prior consent.

Contracts may also be placed by the Awardees based on direct/single source in cases where benefit of competition has been considered and rejected for sound reasons. Direct/single source selection may be considered with proper justification notes in file.

⁵ The TTF will engage IP Law Firm for services required in the process of protecting IP rights on behalf of the Awardees. The costs of such services, if applicable, are integral part of the budget in the contract for Financial Support, but as such will not be disbursed to the Awardee, but rather paid directly by the TTF to the contracted IP law firm.

In principle, selection of suppliers/firms/individuals will be based on consideration of price, quality, reliability and performance and the contract award shall be made to the lowest responsive and qualified bidder/the best qualified consultant obtaining the highest score. If award is not made to the lowest responsive bidder/the best qualified consultant obtaining the highest score, a justification note shall be filed in the documents. Awardees shall not award contracts to their parent or affiliate companies unless there is an established arms-length arrangement.

The procurement of second hand or refurbished goods shall not be eligible for financing.

Awardees will ensure that the financing is used to buy only those goods and consultancy services necessary to carry out the Project and that they are procured in the most economical and efficient and transparent manner.

All procurement complaints received by Awardees and TTF will be forwarded to the World Bank for review and comments and/or action as appropriate.

All contract information and Project-related facilities shall be available to the World Bank's staff, auditors and staff from the IF for their review.

Contracts will not be awarded to companies/individuals on the debarred list available at www.worldbank.org/debarr. Contracts with suppliers and consultants shall include standard clauses on Fraud and Corruption and Inspections and Auditing by the World Bank.

4.3.2 TERMINATION OF THE AGREEMENT

The Innovation Fund may suspend the Commercialization Support Services [and/or Financing Support] under the Agreement and/or terminate this Agreement upon its sole discretion, in whole or in part, if a breach of any relevant terms should occur:

- In case when conditions for suspension of Commercialization Support Services [and/or Financing Support] under the Agreement are met due to a breach by the Awardee and/or Inventor, the Innovation Fund will send a written notice to the Awardee and Inventor informing them on existence of the breach and possible consequences arising from the breach and at the same time requesting that the Awardee and/or Inventor as applicable rectifies the issue within four (4) weeks after the date of receipt of the notice, in line with corrective actions instructed by the Innovation Fund;
- If the Awardee and/or Inventor, as applicable, do not undertake corrective actions as defined by the Innovation Fund, the Innovation Fund may upon its sole discretion decide to suspend the Commercialization Support Services [and/or Financing Support] under the Agreement and/or terminate the Agreement by sending of the termination notice;
- Prior to issuance of the termination notice to the Awardee and Inventor, the decision to terminate the Agreement will be reviewed and approved by the TTF Decision Committee within three (3) weeks;
- When receiving Financial Support, in case of Termination of the Agreement due to a breach, the Awardee and/or related third party, as applicable, will be required to refund all or any part of the amount disbursed by the Innovation Fund under the Agreement.
- When receiving Financial Support, if the Awardee unilaterally terminates this Agreement or abandons the Project, it shall be obliged to return to the Innovation Fund the entire sum disbursed to the Awardee by the Innovation Fund until the date of termination of the Agreement pursuant to this article;
- For avoidance of any doubt, such sum shall bear interest proscribed by relevant applicable regulations of Republic of Serbia governing rates and method of calculation of interest paid in the event of overdue with payment;

- When receiving Financial Support, if, upon the termination of the Agreement for any reason, the entire amount disbursed by the Innovation Fund has not been expended, the Awardee and/or Inventor, as applicable, shall forthwith refund to the Innovation Fund such unexpended portion and if not repaid forthwith, such sum shall bear interest;
- Notwithstanding any other provision in this Agreement to the contrary, the Innovation Fund shall be entitled to terminate this Agreement and shall not have any liability whatsoever to the Awardee and/or Inventor or to any third parties in connection with this Agreement, if the funding of the Innovation Fund or its activities is stopped or terminated for any reason.

4.4 SL 4 – PROVIDING COMMERCIALIZATION STRATEGY AND TACTICS

Bringing an invention to the marketplace requires expertise, resources and effective business networks. The TTF works with Applicants to determine the most appropriate way to market the invention and to define whether to partner with an existing company or even to create a start-up. In cases where needed, the TTF will engage Commercialization Experts to help with the implementation of the adopted strategy. Each of these approaches has its unique advantages and challenges.

The first step in the Commercialization process is finalization of the commercialization strategy, resulting as a joint effort of the Awardee and the TTF. The Awardee is required to complete the Commercialization Strategy Paper, previously drafted in the Evaluation phase, within 30 days from signing of the Agreement. The Commercialization Strategy Paper should include, but not be limited to the market analysis, plans for product and Project financial development, channels for product market entry, description of possible partners and competitors operating in the field, negotiation strategy and other information as required. During the process of creating the Commercialization Strategy Paper, the Awardee will be advised by the TTF.

4.5 SL 5 – EXECUTING COMMERCIALIZATION STRATEGY

The TTF will prepare, with the assistance from the Awardee, a one-page summary sheet that will be used for the purpose of invention marketing. This summary sheet will describe the important benefits and uniqueness of the invention and main features and characteristics that would make it of commercial interest. The summary sheet will also state the advantages of the invention over what is currently in the market, and list the various areas of application for the invention. Example of such a one-page summary can be found on the IF website and the TTF Portal.

In addition to the summary sheet, other documents related to the invention will be collected. These include articles with information about the invention that are in preparation or have been published, copies of presentation materials the inventors have given at conferences and pending patent application(s) for the invention. These documents would comprise the follow-up package sent to potential licensees who request detailed information about the invention (normally after a review of the summary sheet has generated interest in the invention).

4.6 SL 6 – IDENTIFYING POTENTIAL COMMERCIAL PARTNERS

Based on the technical and marketing challenges presented of the invention, the TTF will use different sources for identifying potential licensees, including the leads from material gathered in the evaluation process, referrals from Inventors (either people/companies the Inventor knows or people who contact the Inventor about the research activities), existing licensees, University industry programs (sponsorship of research or industry affiliate programs), company databases, advice from

Commercialization Experts, etc.

Studies indicate the majority of licenses result from Inventor information and contacts. The TTF encourages Inventors to cultivate their own relationships with industry and explore potential mutual interests with any colleagues they may have in industry. It would be very helpful for the TTF to have this information available.

Also, in the evaluation phase, the TTF may contact companies which are selling products in the application area of the invention, in order to obtain opinions as to the commercial potential of an invention. Sometimes, such early marketing to obtain this type of feedback will directly lead to a license or option to a license.

The TTF will use various approaches in offering the invention to identified potential licensees. While person-to-person (face-to-face) discussion is preferred, alternative approaches such as telephone discussion and letter/e-mail correspondence can also be used.

When seeking venture capital funding, people are strongly advised to have an “elevator pitch.” This means the person seeking such funding can clearly explain in about 60 seconds why the plan should be considered for funding. The same is true when you are asking someone to expend valuable time and effort to review and evaluate your invention for licensing. The invention summary sheet can serve this purpose, but when people are contacted in person or by telephone, the TTF staff will have an elevator pitch prepared, with input from the Applicant and ready to deliver. If there is any way to include a personal referral to the person contacted, this can be very useful.

4.7 SL 7 – NEGOTIATING AND CLOSING TRANSACTIONS

Upon the expression of interest by an industry client, the TTF will engage in the negotiation process. This is the process of moving the industry client from being interested in the invention’s value proposition towards acquiring commercialization rights via license. The TTF will make sure to clearly state all benefits that may come from a licensing relationship.

Also, although the focus of the license is on the value that has already been created, the TTF will make sure to present to the industry client any additional value which may come in the future. An establishment of such relationship could lead to the following:

- Addition of new or improved technologies of value to the company;
- Opportunity to support a graduate student performing research on a topic of common interest, while the cost of such research would be a fraction of the cost if done internally in the company;
- Opportunity to obtain the expertise of a university faculty person with detailed knowledge of the licensed invention as a consultant;
- Opportunity to hire promising students who, when they graduate, will have detailed knowledge about the licensed invention;
- Ability to enter into a research collaboration of mutual benefit via a sponsored research contract, and
- Opportunity to acknowledge the existence of a valuable relationship with a prestigious university to potential investors or others.

4.7.1 DEALING WITH START-UPS

Rather than licensing technology to an industry partner, occasionally it is decided to create a new start-up company to acquire the commercialization license, and then to develop products and form partnerships to manufacture and sell the product into the marketplace. This might be regarded as an action that carries a bit of more risk than licensing to an existing company, as the start-up has no track record, and must gather together the human and financial resources and build a team for product development. Only certain inventions may justify the formation of a start-up company and the TTF will help to determine whether this path is the best way to commercialize an invention.

The start-up approach is becoming increasingly considered, as the new company is likely to be located close to the research center to ensure collaboration and this is seen as creating local economic impact.

This is an option which the TTF staff will discuss with Applicants and university leadership as the opportunity presents itself.

4.8 SL 8 – MONITORING AND FOLLOW-UP OF FURTHER COMMERCIALIZATION COMMITMENTS

In case of negotiated licenses and accepted contract research, the TTF is required to monitor activities to ensure progress and acceptable performance of negotiated responsibilities (e.g. maintaining records of royalty payments and monitoring compliance with license terms for example).

In case the TTF assesses unacceptable performance of the contracts, the TTF will inform all relevant parties and attempt to negotiate corrective efforts and remedies.

In case of licensing into a start-up company, the TTF monitors the growth of the firm and provides support as negotiated. An ongoing investigation of options for licensing the technology developed by the start-up is carried out by the TTF, as needed, as is identifying additional sources of funding.

The TTF maintains records of payments and compliance with contract terms.

4.9 OTHER SERVICE LINES

Services described below as other Service Lines include but are not limited to:

- Service contracts with industrial partners – SL9;
- Contract research – SL10;
- Business intelligence – SL11;
- Support in applying for EU and other donors funds – SL12.

These services are an important part of technology transfer operations and will be used as necessary. Given the objectives of the project and the fact that such services can be provided alongside the primary commercialization and financial support service, these auxiliary services will be deployed at a later time during the project period and depending on specific needs.

As the market needs for the abovementioned Service Lines are being assessed, the TTF will make efforts to create adequate procedures for them, which can further be customized to effectively respond to necessary demand.

4.9.1 SERVICE CONTRACTS

Service contracts include services for which research groups/organizations have the capabilities and resources to carry out, but lack relevant contacts and incentives from the industry. In such cases (specific experimental analysis, material testing etc.), the TTF will try to provide relevant contacts from industry in the region and worldwide who would be interested in those services. The TTF would not only engage in matchmaking between a research group/organization and the industry partners, but would provide help in negotiating a contract. As remuneration for its services, the TTF might claim not more than 20% of the negotiated contract for its services.

4.9.2 CONTRACT RESEARCH

The TTF will use its resources, namely IP analytic and market insight tools, as well as its industry connections to identify potential business for contract research. In addition to bringing the contacts from industry and academia together, the TTF will facilitate and support the negotiation process on the side of academia. There will be no specific application procedure for this kind of services. Any form of expression of interest is allowed. The TTF will attempt to seek for the clients in academic institutions as well as in industry and will try to match them with suitable partners on the other side. To advance this service, a pool of Commercialization Experts can be engaged. All agreements will require authorization of the researcher's home institution.

4.9.3 BUSINESS INTELLIGENCE

The TTF will use its resources and experience with business intelligence services to create value-added services for industry clients. No formal application process is established for this Service Line. An inquiry or an initiative from the side of industry will be considered an application. Services offered through this Service Line include, but are not limited to, creating information on:

- Key patent assignees in specific scientific domains;
- “Freedom to operate” analysis;
- Details on existing IP for the purpose of reverse engineering;
- In-Licensing technologies – for companies that want to import specific know-how and may want to scout for comparable technologies or need help with international licensing.

4.9.4 SUPPORT IN APPLYING FOR EU AND OTHER DONORS FUNDS

The TTF provides services to support Serbian universities in the process of soliciting grants from the EU and other donor programs. Special emphasis will be on support for the preparation of project proposals for HORIZON 2020 program. The TTF will use its experience and access to patent and business intelligence databases to prepare search reports and other patent intelligence services to facilitate grant application processes. All applications for either Financial or Commercialization Support going through the TTF, irrespective of the TTF's decision to consider them or not, will receive the Triage report. This report contains patent and non-patent related information and IP-driven market research, which can either be used directly for the grant application process or serve as a good basis to build on.