

Call for the submission of projects within the Operational Programme Enterprise and Innovation Programme – A project for the protection of industrial property rights

Call identification

Priority Axis 4 “Innovation”

Programme: INNOVATION

Call: INNOVATION – Project for the protection of industrial property rights

Call number: I

Announcement of the call: 2 January 2008

Receipt of Registration Applications: 1 March 2008 – 31 December 2008

Receipt of Full Applications: 1 May 2008 – 28 February 2009

Planned allocation for this call: CZK 60 million

The public aid granted through this programme satisfies all conditions of Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid and is compatible with the Common Market within the meaning of Article 87(3) of the EC Treaty and is exempted from the obligation to notification under Article 88 (3) of the EC Treaty.

1. The Call’s Objective

The conditions of the INNOVATION Programme for projects protecting industrial property rights are defined by the Call. The programme’s objective is to support increased intensity of the protection of industrial property rights by small- and medium sized enterprises, research institutions, universities and natural persons through subsidies.

Basic Provisions

- a) The programme’s administrator is the Ministry of Industry and Trade of the Czech Republic, (www.mpo.cz).

- b) The Intermediate Body for this programme is the Investment and Business Development Agency – CzechInvest, an organisation receiving contributions from the MIT, with its registered office at Štěpánská 15, 120 00 Praha 2 (hereinafter referred to as CI), (www.czechinvest.org).

2. Aided Activities

2.1. Aided Activities

- a) The submission of applications for inventions both abroad and in the Czech Republic.
- b) Ensuring the protection of industrial property in the form of patents in the Czech Republic and abroad, utility models (only if an invention application was filed simultaneously with the application for a utility model) in the Czech Republic and abroad and foreign industrial designs and trademarks.

2.2. Aided activities do not include:

Those activities aimed at protecting industrial property rights for technical solutions as utility models unless the application for a utility model was submitted at the same time with an invention application. Furthermore, those activities aimed at protecting industrial property rights in the form industrial designs and trademarks valid only in the Czech Republic are not supported.

3. Aid Beneficiary

3.1. The aid beneficiary may be:

- An entrepreneurial body in accordance with Section 2 (2) of the Commercial Code that is a small- or medium-sized enterprise within the meaning of Commission Regulation (EC) No 70/2001, as amended, and Commission Recommendation 2003/361/EC on the definition of micro, small and medium-sized enterprises. In addition, any regulation that replaces these regulations, and in accordance with Act No 47/2002 Sb., on Support of Small and Medium—Sized Enterprises, as amended can be an beneficiary body.

The entrepreneurial body must:

- a) be registered as an income tax payer at the Tax Office in accordance with Section 33(1) of Act No 337/1992 Sb., on the administration of taxes and charges, as amended,
 - b) be permitted to conduct business in the Czech Republic with respect to the submitted project.
- A public research institution established in accordance with Act No 341/2005 Sb., on public research institutions, as amended.
 - A university and other institution of tertiary education established in accordance with Act No 111/1998 Sb., on universities, as amended.
 - A natural person in accordance with Act No 40/1964 Sb., the Civil Code, fully competent to perform legal acts and who is a citizen of the Czech Republic.

3.2. The aid beneficiary must satisfy the following conditions:

1. they do not have, according to their own affirmation, any arrears with the Tax Office, the Czech Social Security Administration, health insurance companies, the Land Fund, the National Property Fund, the State Environmental Fund, the State Housing Development Fund, the Customs Administration of the Czech Republic, the State Cultural Fund, the State Fund of the Czech Republic for the Support and Development of Czech Cinematography, the State Agricultural Intervention Fund, regions, municipalities or unions of municipalities. Deferred payment of the arrears or an agreement to pay the arrears are considered settled arrears,
2. they do not have, according to their own affirmation, any arrears from their employees' wage and salary claims.

3.3. The aid beneficiary may not be an entrepreneur if, as of the day of submitting the application:

- a court has adjudicated bankruptcy against their assets, permitted settlements or dismissed a petition for bankruptcy due to a lack of assets in accordance with the Act on Bankruptcy and Settlement,
- a court has commenced insolvency proceedings in accordance with the Bankruptcy Act,

- a court has issued a resolution to execute a judgment regarding their assets or has ordered an execution of their assets,
- they have gone into liquidation,
- they are an aid beneficiary for rescuing and restructuring firms in difficulty in accordance with the Community guidelines on State Aid for rescuing and restructuring firms in difficulty, Communication from Commission No 2004/C 244/02.

4. The Programme's Conditions

4.1. Formal project acceptability conditions:

- a) The project must be implemented in the Czech Republic outside of the Capital City of Prague. For determining the project's implementation territory, the aid beneficiary's registered office or their residence is decisive, including the aid beneficiary's workplace address where the activity of the subject matter of the industrial property protection is taking place
- b) The project does not breach EU horizontal policies and their main priorities, particularly:
 - equal opportunities for men and women,
 - sustainable development.

4.2. Other conditions

- a) Aid shall be provided to the aid beneficiary based on a Decision on the Provision of a Subsidy (hereinafter referred to as the "Decision") issued by the programme's administrator, a part of which shall be formed by the binding conditions for the project's implementation.
- b) The aid beneficiary is obligated to keep separate accounting information and documentation about the project's eligible expenses and use of the subsidy intended for financing the eligible expenses as stipulated in the conditions of the

Decision and to keep them for a period of 10 years following the project's termination date¹.

- c) The subsidy is paid out to the beneficiary retroactively, provided that the conditions of the Decision are observed.
- d) The aid beneficiary is obligated, for a period of 3 years from the project's implementation termination date, to provide information about the aided project's implementation to the extent specified in the Decision.
- e) The aid beneficiary is obligated, for the entire period of the project's implementation, to enable the authorised employees of the Programme's Administrator and of the Implementation Agency, direct access to conduct inspections in accordance with Act No 552/1991 Sb., on State Inspections. Furthermore, they are obligated to provide these employees with direct access in order to audit the observance of the programme's conditions and the purpose-built use of funds from the provided subsidy, as well as an audit of the aid beneficiary's financial situation and accountancy or tax records, both at the site of the project's implementation and at their registered office.

4.3. Eligible Expenses

4.3.1. The eligible expenses must fulfil the following conditions:

- they must be expended in accordance with the programme's objectives and must be directly related to the project's implementation,
- they must be not expended earlier than the project's acceptability date,²
- before reimbursement from the Structural Funds, they must be provably paid by the aid beneficiary
- they must be substantiated by vouchers.

¹ The moment of that all conditions stipulated in the Decision on the Provision of a Subsidy are satisfied is understood as the project's termination date.

² For the project's acceptability date, the date is when the subsidy provider or the Investment and Business Development Agency – CzechInvest, confirms the applicant that they fulfil, on principle, the Programme's acceptability conditions (i.e. the approval of the registration application) in writing.

4.3.2. The eligible expenses are:

	Eligible expense	Eligible expense specification
1.	Authorised representative services	Authorised representative services connected with the proceedings on patents granting, and registration of an industrial design, utility model or a trademark.
2.	Translations	The translation of documents for proceedings on granting patents of an industrial design, utility model or foreign trademark.
3.	Administration charges	Administration charges paid to the competent industrial property office prior to the granting or registration of the industrial right.

4.4. Sectoral Classification

The projects shall not be supported if their outputs occur in one of the following sectors:

- the manufacture, processing and marketing of the products mentioned in Annex No 3 to the Programme,
- agriculture, fishing, aquaculture (CZ-NACEA 01, A 02, A03),
- the coal industry (CZ-NACE B 05, C 19.1),
- the steel industry (sectors defined in Annex No 2 to the Programme),
- synthetic fibres (sectors defined in Annex No 1 to the Programme),
- shipbuilding (CZ-NACE C30.11).

5. The Form and Amount of Aid

- a) The aid is provided as a subsidy.
- b) The subsidy is purpose-built for reimbursing eligible expenses incurred in connection with fulfilling the project's subject matter. The subsidy is granted in the amounts of CZK 10 – 1 000 thousand. The maximum amount of aid is limited by percentage limits that are calculated from the total amount of the project's eligible expenses according to the following formula:

$$\text{Percentage limit} = \sum x_i \times p_i,$$

where p_i represents the aid beneficiary's share (i) in the rights to the industrial property concerned and x_i is the partial percentage limit of the aid for the individual aid beneficiaries. The partial percentage limits (x_i) for individual aid beneficiaries are set as follows:

Aid beneficiary (i)	x_i
Small and medium-sized enterprises	0.45
Small and medium-sized enterprises cooperating with a public research institution (PRI) or a university – the share of the PRI or of the university to the rights of the industrial property in question must amount at least to 10%.	0.55
Universities	0.75
Public research institutions	0.75
Natural persons	0.45

- c) The aid is provided under the de minimis rule. The beneficiary may be provided this aid in accordance with the de minimis rule only on the condition that the aid provided in this manner, together with all the aid under the de minimis rule provided to the beneficiary during the period of three accounting years, shall not exceed EUR 200 000.

6. The Selection of Projects

The projects shall be selected to fulfil the programme's objectives based on the satisfaction of the formal project's acceptability conditions.

7. Participation in Other Aid Programmes

For the eligible expenses of a project aided from this programme, no other public aid may be provided, i.e. public aid in accordance with Article 87 of the EC Treaty or aid within the de minimis rule in accordance with Commission Regulation (EC) No 1998/2006.

8. The Project's Implementation Period

The latest possible deadline for the project's termination is 31 December 2014.

9. Prerequisites of the Application for the Provision of Aid and the Manner of its Submittal

- a) The Application for the Provision of Aid is submitted on the Application for Aid that is available on the programme's administrator's and the Intermediate Body's websites. Together with the application, the applicant shall submit those documents specified on the above-mentioned websites.
- b) The applicant submits an application for aid in two steps via an electronic account (eAccount) at www.czechinvest.org/eaccount. An electronic signature is necessary for submitting an application for aid.

1st step: The applicant shall first complete and electronically send a simplified **registration application**. Based on the formal inspection and acceptability of the registration application, the Intermediate Body shall inform the applicant of the result of the evaluation. If the project receives preliminary acceptance, the Intermediate Body shall send the applicant information on the project's preliminary acceptance and the date of incurring eligible expenses.

2nd step: Within 90 days following the submittal of the registration application, however, by no later than 29 February 2009, the applicant is obligated to electronically submit a **full application**. The full application contains detailed information on the applicant and the project.

10. Sanctions for Non-Observance of the Programme's Conditions

The sanctions for non-observance of the programme's conditions are mentioned in the conditions of the Decision.

11. Other Provisions

- There is no legal entitlement to a subsidy.
- The programme's administrator shall decide on the final amount of the subsidy.