I CONFIRM   
Chairman of the Auction Commission,   
Director of the Institute of Solid State Physics of the University of Latvia  
Andris Anspoks   
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**Intellectual Property Auction Regulations of the Institute of Solid State Physics of the University of Latvia No. 2022/1 “Mass-manufacturable gut-on-a-chip device”**

1. General provisions:
   1. Auction Participant: Institute of Solid State Physics, University of Latvia (hereinafter – *CFI*), scientific institution registration certificate No. 381016, legal address: Ķengaraga street 8, Riga, LV – 1063.
   2. Auction commission: the auction commission approved by the order No. 16-v22 of the director of the CFI of 19 May, 2022.
   3. The Regulations determine the procedure for the auction of CFI intellectual property (hereinafter - *the Regulations*).
   4. CFI commercialises its intellectual property with the aim of obtaining the most commercially advantageous tender for the project 1.2.1.2 “Support for the Improvement of the Technology Transfer System” of the specific support objective 1.2.1. “Increase private sector investment in R&D” of the Operational Program “Growth and Employment”, the intellectual property created within the framework of the project “Mass-manufacturable gut-on-a-chip device”[[1]](#footnote-1) (GOC) - the technology “A MICROFLUIDIC DEVICE FOR SIMULATING ORGAN FUNCTIONS”, which is described in Appendix No. 1 and is in the process of patenting (European Patent Application No. 21215336.5).
   5. Information on intellectual property can be obtained by contacting commercialization specialist Ģirts Ozoliņš, e-mail: [girts.ozolins@cfi.lu.lv](mailto:girts.ozolins@cfi.lu.lv).
   6. Auction form - a written ascending auction.
2. Terms used in the Regulations
   1. Auction participant - a natural or legal person.
   2. Auction object – ownership of intellectual property – the technology described in Appendix No. 1 and is in the process of patenting - European patent application “A MICROFLUIDIC DEVICE FOR SIMULATING ORGAN FUNCTIONS” (patent application No.21215336.5), including ownership of the patent after its registration.
   3. Starting price of the auction object – EUR 733,000.00 (seven hundred and thirty-three thousand euros) excluding VAT.
   4. Term of performance of the Agreement - not later than within 15 (fifteen) years from the conclusion of the Agreement.
   5. The price offered by the participant in the auction shall be paid in accordance with the provisions of the Agreement (Appendix No.4).
   6. The highest price of the object to be auctioned – a written bid of the auction participant, which includes the highest bid price of the auction object from all auction participants.
   7. The winner of the auction – the auction participant who has bid for the highest price of the auction object.
   8. Application - an application submitted by the auction participant for participation in the auction with the offered price of the object to be auctioned (Appendix No. 2).
3. Auction organization procedure
   1. Not later than 2 (two) weeks before the auction, the Commission publishes information about the auction in the official publication of the Republic of Latvia “Latvijas Vēstnesis” and on the CFI website www.cfi.lu.lv in the section “Auctions” and places on the same website the auction regulations, the auction application form, the confirmation form and the draft agreement.
   2. Any legally capable natural or legal person who has submitted the following documents within the term and in accordance with the procedures specified in the Regulations may become a participant in the Auction:
      1. a completed Application for participation in the auction (Appendix No. 2), which indicates the amount for which the Auction participant wishes to purchase the Auction object. In the application, the Auction Participant confirms that he / she has read the provisions of the Regulations;
      2. a natural person must additionally submit a copy of an identity document (passport or ID card). If a natural person is represented at the auction by another person - a notarised copy of the power of attorney or power of attorney.
      3. In addition, the legal entity must submit:
         1. printout from the Register of Enterprises (UR) website https://info.ur.gov.lv or the Application must contain information as a link to the information unit on the UR website, which confirms the registration of the Auction Participant in accordance with the requirements of the laws and regulations of the Republic of Latvia. An Auction participant registered abroad must submit a copy of a registration certificate issued by an equivalent business / commercial registration authority abroad where the Auction participant is registered or a document certifying that the Auction participant is registered in accordance with the requirements of the laws and regulations of the respective country. If the laws and regulations of the Auction Participant's country of registration do not provide for the issuance of a registration certificate, the Auction Participant shall submit information regarding the Auction Participant's registration number and registration time, as well as indicate the competent authority that may certify the registration;
         2. printout from the UR website https://info.ur.gov.lv or the Application must contain information as a link to the information unit on the UR website, which confirms the signature (representation) rights of the representative of the Auction Participant who signs the Application. An Auction participant registered abroad must submit a document confirming the right of the Auction Participant who signs the Application to sign (represent). If the documents are signed by the authorized person (s) of the Auction Participant, then the original power of attorney or a copy of the power of attorney certified by the official authorized to sign the Auction Participant confirming the right of the person (s) to sign the documents on behalf of the Auction Participant;
         3. a statement by the Auction Participant that no insolvency or bankruptcy proceedings have been initiated against him or her on the day of the auction (Appendix No. 3);
         4. a statement by the Auction Participant that it has not been subject to international or national sanctions or sanctions imposed by a member state of the EU or the North Atlantic Treaty Organization affecting the financial and capital market interests as of the date of the auction (Appendix No. 3).
   3. The application with all appendices must be prepared in Latvian or English or in another foreign language, it must be clearly legible, without corrections or deletions. If the Application and its appendices are in a foreign language, a translation into Latvian certified in accordance with the procedures specified in regulatory enactments must be attached. If the Auction Participant submits the document derivatives, they must be certified in accordance with the Cabinet of Ministers Regulations No. 588 “Procedures for Drawing up and Preparing Documents”.
   4. The signature of the Auction Participant (or its authorized representative) on the Application for Participation in the Auction confirms its full acquaintance with these Regulations, its appendices, including the approved draft agreement in the version attached to the Regulations, as well as the fact that the documents are fully understandable.
   5. The application may be sent by post, submitted electronically or in person, subject to the following:
      1. The application shall be submitted in the form of an electronic document, signed with a secure electronic signature and with a time stamp [[2]](#footnote-2) no later than June 22nd, 2022, 13:00 and until the same day at 13:00 by sending to the e-mail address [issp@cfi.lu.lv](mailto:issp@cfi.lu.lv) with the indication “Application for the auction of CFI intellectual property. Do not open until June 22nd, 2022 at 13:00 ”. If the application or the documents attached to it are signed with a secure electronic signature issued abroad, an additional address must be provided at which the electronic document signed with a secure electronic signature can be verified.
      2. The application is sent by registered mail by post or submitted in person in a sealed envelope to the CFI Secretariat, Ķengaraga Street 8 (2nd floor), Riga, LV - 1063, in Riga until Jun 22nd, 2022 at 13:00. The postal item must be delivered to the place and within the term specified in clause 3.5.2. The Auction Participant personally bears the risk of late delivery. When submitting the Application in person, the opening hours of the CFI Secretariat (on working days from 9:00 to 17:00) must be taken into account, preferably by prior arrangement.
   6. When sending the application by post or in person, the Auction Participant shall place the bid for the Auction Object with the documents specified in the Regulations in a sealed envelope, indicating: “Application for the CFI Intellectual Property Auction. Do not open until June 22nd, 2022 at 13:00. ” The name, details and contact information of the Auction Participant shall be indicated on the envelope.
   7. Applications received are registered in the order in which they are received.
   8. Applications that will be submitted (sent) after the deadline specified in Clause 3.5 of the Regulations will not be accepted and will be returned to the Auction Participant without opening. Until the end of the specified term, the Auction Participant may withdraw his / her Application in writing by submitting a letter in person to the CFI Secretariat or sending it by post to the above address or by sending a securely signed electronic mail to the above e-mail address.
   9. The Auction Commission will open the bids on June 22nd, 2022 at 13:00 (EET).
   10. The meeting of the Commission at which the Applications will be opened is open and takes place online on the MS Teams platform.
   11. An application to attend a Commission meeting must be notified in advance to the CFI Secretariat (e-mail: [issp@cfi.lu.lv](mailto:issp@cfi.lu.lv), indicating "For auction") until June 22nd ,2022 at 12:00 (EET). After the opening of all bids and the naming of the offered bids, the open part of the Commission meeting is closed. The examination of applications and decision-making takes place in closed session.
4. Evaluation of Auction Bids
   1. The Auction Commission checks whether the Applications that meet the requirements of the Auction contain all the information set forth in these Regulations (details of the Auction Participant, the bid for the Auction object, acceptance of the proposed agreement) and whether the submitted Application complies with the requirements of the Regulations.
   2. The Auction Commission is entitled to exclude from participation in the auction Applications that do not contain all the information required by these Regulations, or the submitted information does not comply with the requirements of these Regulations.
   3. Bids that meet the requirements of the Regulations will be compared and evaluated according to the highest offered price of the Auction object (the price must be indicated without VAT and rounded to whole cents, i.e. up to two decimal places), taking into account the total amount of fixed payments offered by Auction participants in euros.
   4. If several Auction Participants have the same highest prices, the Auction Commission shall offer in writing to conclude an agreement for the Auction Participant whose Application has been received first in accordance with its highest bid price.
   5. The whole process of the auction, i.e. opening of bids, selection of Auction Participants, evaluation of bids and decision-making, is recorded. The auction is led by the chairman of the auction commission, who introduces himself and the composition of the commission. The secretary of the auction commission shall record the auction. The Chairman of the Auction shall name the object of the Auction. All members of the commission sign a declaration that they are not interested in the winning of a particular Auction Participant.
   6. The Auction Application is considered invalid if the total amount of fixed payments offered by the Auction Participant is lower than the starting price of the Auction Object specified in the Regulations.
   7. The Auction shall be deemed to have taken place without result if no Auction Participant has applied.
   8. After evaluating the Applications, the Auction Commission announces the results to all Auction participants in an e-mail and publishes information on the auction results on the CFI website in the section “Auctions”.
5. Conclusion of the Agreement
   1. After the announcement of the Auction results, the Auction Participant - the Auction Winner must enter into an agreement (Appendix No. 4) with the CFI within 10 (ten) business days. The changes to the agreement proposed by the Winner of the auction can be accepted if the total revenue of the CFI does not change - the price offered at the auction and the term of the agreement.
   2. If the Auction Winner has not signed the agreement within the specified term, CFI shall repeatedly invite the Auction Winner to conclude the agreement within 3 (three) business days. If the Auction Winner has not signed the agreement even after the repeated invitation, it is considered that the Auction Winner has refused to enter into the agreement. In this case, CFI has the right to offer to conclude the agreement to the Auction Participant who has bid the next highest price.
   3. The CFI shall notify the Auction Participant who has bid the next highest price of the case referred to in Clause 5.2, and he shall submit a written response to CFI within 1 (one) week from the receipt of the CFI's notification whether he agrees to enter into an agreement for his own highest bid.
   4. If the CFI does not obtain the consent of the Auction Participant who has bid the next highest price to enter into the agreement for his own highest bid, the Auction Participant who has bid the next highest price loses the right to enter into the agreement, but the Auction Commission decides to declare the Auction void.
   5. If the auction object is not auctioned, the Auction Commission has the right to conduct a repeated auction.
   6. Complaints about the decisions of the Auction Commission or its activities can be submitted to the CFI at Ķengaraga Street 8, Riga, LV - 1063 or by sending a complaint signed with a secure electronic signature electronically to the e-mail address: issp@cfi.lu.lv within 7 (seven) days after the auction. CFI examines the complaint within 7 (seven) working days and provides a response.
   7. After concluding the agreement and signing deed of delivery and acceptance specified in the agreement, no claims regarding the course of the Auction or the object of the Auction shall be accepted.
   8. The Auction Winner must pay the auctioned price of the Auction Object in accordance with the terms of the Agreement. If payment is not made in accordance with the payment procedure specified in the agreement, CFI has the right to unilaterally terminate the agreement and regain ownership of the intellectual property. In the event of termination, the CFI has the right to re-auction.

Appendixes to the Regulations:

1. Description of Intellectual Property (Appendix No.1).

2. Application for participation in the auction (Appendix No. 2).

3. Confirmation form (Appendix No. 3).

3. Draft Agreement (Appendix No. 4).

1. <https://www.cfi.lu.lv/en/research/projects/european-regional-development-fund/mass-manufacturable-gut-on-a-chip-device/> [↑](#footnote-ref-1)
2. List of Trust Service Providers qualified to provide a digital identity in Europe (eID) in accordance with EU Regulation No. 910/2014 and the services they provide are available here: <https://esignature.ec.europa.eu/efda/tl-browser/#/screen/home>. After receiving the digital ID from the listed service providers, you can sign documents electronically, for example, using Adobe Acrobat Reader DC, Adobe Acrobat. Digital ID service providers outside the European Union: <https://helpx.adobe.com/acrobat/kb/approved-trust-list1.html>. [↑](#footnote-ref-2)