

July 15 2021

Regulations of public auction of sole licence to intellectual property created by Elektronikas un datorzinātņu institūts within project (KC-PI-2017/95) “Dynamic Land Use Monitoring (NevKlas)” - technology “Dynland” and associated intellectual property.

1. General provisions

- 1.1. The auction is organized by Elektronikas un datorzinātņu institūts, registration: 90002135242, registered office: Dzērbenes iela 14, Riga, LV-1006, Latvia (hereinafter EDI).
- 1.2. The regulation shall determine the procedures for the auction of EDI intellectual property.
- 1.3. The regulation shall be established and the auction shall be organised in accordance with the regulatory enactments of the Republic of Latvia, in particular in accordance with the Law on the alienation of the property of a public person.
- 1.4. EDI shall carry out an auction to obtain the highest possible price for the European Regional Development Fund Project No. KC-PI-2017/95 “Dynamic Ground Use Monitoring (NevKlas)”, specific support objective 1.2.1 “Increase private investment in R & D” 1.2.1.2 “Support for the development of the technology transfer system”.
- 1.5. Additional information on intellectual property can be obtained by EDI or by writing to info@edi.lv by 29 July 2021. A more detailed description of intellectual property is available after conclusion of Non-disclosure agreement.
- 1.6. Form of auction — written auction.
- 1.7. The auction is taking a downward step.
- 1.8. In all other matters not provided for in the regulations of this by-law, the legislation of the Republic of Latvia shall be guided by the applicable laws and regulations of the Republic of Latvia. The provisions of this by-law shall be applicable and translated in accordance with the regulatory enactments of the Republic of Latvia.

2. Terms used in the regulation

- 2.1. The auction participant: a natural or legal person;
- 2.2. Object of the auction: a solo licence the use of copyrights for intellectual property created by EDI, which includes the technologies and know-how listed in Annex 2 and related rights.
- 2.3. The starting price of the auction object is EUR 370 000,00, excluding value added tax.
- 2.4. The highest bid for the auctioned object - a written offer by the auction participant, which includes the highest price of the auctioned auction facility from all auction participants.

- 2.5. Auction secret price - minimum price of the auction object determined by the auction Commission.
- 2.6. Auction winner - the participant of the auction who's bid was offered the highest price for the auction object, but not lower than the secret auction price.
- 2.7. Application - an application submitted by an auction participant for participation in the auction with an included bid for the auction item (template in Annex 1).
- 2.8. Auction organizer — auction commission approved by EDI Order No 1.1. -2/12-21 of 29 March 2021.

3. Procedures for the Auction Organization

- 3.1. Not later than 2 (two) weeks before the auction, information regarding the auction shall be published on the EDI home page of www.edi.lv and in the official publication of the Republic of Latvia "Latvijas Vēstnesis". The EDI home page shall include an auction regulations with an application form and a draft solo licence agreement. The information can be published and disseminated in other ways, so that it can be consulted by the widest possible audience.
- 3.2. The application may be submitted in person, by post or by electronic means.
- 3.2.1. The application must be sent or submitted in a sealed letter submitted for auction, EDI, Dzērbenes iela, 14, 2nd floor directorate, Riga, LV-1006 by 2 August 2021 at 13:00.
- 3.2.2. The application shall be submitted in the form of an electronic document by signing it with a secure electronic signature and sending it to info@edi.lv address on 2 August 2021 at 13:01 by the same day 15:00. The application must be signed with a secure electronic signature imposed by 2 August 2021 at: 13:00.
- 3.3. The application must be clearly legible, without corrections and erasures.
- 3.4. Applications submitted before or after the deadline will not be accepted.
- 3.5. By the end of the period specified, an auction participant may withdraw its application in writing.
- 3.6. The Auction Commission shall organise the opening of applications on 2 August 2021 at 15:01.
- 3.7. The opening of applications is open. Participation in the opening of the application must be agreed in advance with EDI.

4. Assessment of tenders

- 4.1. The auction Commission shall examine whether the applications corresponding to the auction requirements contain all the information set out in the regulation (the auction participant's identification, the price of the bid, the agreement to the proposed tender contract) and whether the submitted application complies with the requirements of the Law.

- 4.2. The auction commission is entitled to exclude from participation in a written auction Applications which do not contain all the information requested by this regulation, or the submitted information does not comply with the requirements of this Law.
- 4.3. Applications corresponding to the requirements of the regulation will be compared and evaluated according to the highest bid price for the object of the auction (price to be indicated without VAT and rounded to whole euro).
- 4.4. An application in which the price of the offered auction object is lower than the secret price of the auction is excluded from further evaluation.
- 4.5. If several Auction Participants have submitted the same highest bid price, the auction participants will be offered to review their Applications in writing within 5 (five) calendar days and to offer the same or higher auction bid price by setting the date, time, place and procedures for the submission and opening of tenders.
- 4.6. The auction opening shall be recorded by marking each application submitted, its opening time and the proposed bid price.
- 4.7. An auction shall be deemed to have taken place without result if no Participant to auction has applied for or no valid Application has been received, or all the prices of the offered auction object are lower than the secret price of the auction.
- 4.8. The auction commission shall, after evaluating the tender applications, communicate the results to the Participants of the auction and publish the results of the auction on the EDI website at www.edi.lv.

5. Conclusion of a licensing agreement

- 5.1. Within 10 (ten) working days following the announcement of the results of the auction to the Participant, the winner of the auction must conclude a licensing agreement with EDI (model agreement in Annex 2).
- 5.2. The price of the promised auction facility shall be paid by the winner of the auction in accordance with the terms of the licencing agreement.

Annexes to the regulation:

1. Template for application the auction (Annex 1)
2. Draft licensing agreement containing an inventory and description of the intellectual property to be auctioned (Annex 2)

Annex No 1

To the auction commission at
Elektronikas un datorzinātņu institūts

Dzērbenes iela 14, 2nd floor directorate,
Riga, LV-1006, Latvia

Contact details of applicant (private person)
(given name, surname, personal identity number, address of declared place of residence)

OR

Contact details of applicant (legal person)
(name, registration number and registered office)

Contact phone, e-mail

APPLICATION FOR PARTICIPATION IN THE AUCTION

I would like to participate in auction to intellectual property Dynland and related know-how of intellectual property technology (Project No. KC-PI-2017/95) and the proposed price is

I agree with the conditions contained in the draft licensing agreement, in particular the terms of payment, when concluding the contract.

Account number of the current account in the credit institution:

We confirm that there are no obstacles to participation in the auction.

date

signature

date

**THE SOLE LICENCE AGREEMENT
OF INTELLECTUAL PROPERTY RIGHTS**

Licensor

Elektronikas un datorzinātņu institūts
Dzerbenes St. 14, LV-1006, Riga, Latvia
e-mail: info@edi.lv
Research Institution Certificate Nr.: 181031
VAT Nr.: LV90002135242

and

Licensee

SCHEDULE

Schedule 1 Trade mark “Dynland” information

Schedule 2 Description of the Licensed Rights

Schedule 3 List of projects where Dynland technology is used by Licensor

This Agreement is dated: ____.

PARTIES

Licensor	Licensee
Elektronikas un datorzinātņu institūts,	[..]
incorporated and registered in Latvia, Research Institution Certificate Nr.: 181031; VAT Nr.: LV90002135242, whose registered office is at Dzerbenes St. 14, LV-1006, Riga, Latvia	incorporated and registered in [..] with company number [..], whose registered office is at [..] ()
together called “Parties” or each as a “Party”, agree as follows:	

PREAMBLE

- (A) The Licensor fully owns the intellectual property rights which is the subject of this agreement (see Clause 1.10.), including trademark “Dynland” (EUIPO, filing nr. 018472926)

Licensor has created an automatic classification technology (Dynland) that allows users to perform Land Use and Land Cover (LULC) classification by fusion of satellite multispectral geospatial images.

Dynland technology enables the use of machine learning methods in applications where it was not possible before due to the lack of sufficient training data. Dynland technology is generic enough to add value also in other industries, not only in geospatial image classification in general LULC, namely forestry, wetlands, peatlands and mires.

- (B) Dynland is a new Land Use / Land Cover classification approach developed for the practicable creation of LULC maps from remote sensing images. It is developed to overcome immense problems of gathering reliable field data for training of classifiers and provide GIS professionals with a tool that is both robust and easy to use.

The key element of the approach is a unique clustering algorithm that forms clusters of multispectral pixels in a non-parametric way thus avoiding the use of: 1) imprecise assumptions about the statistical properties of clusters; 2) distance measures that do not take into account local properties of clusters. The local properties of pixels in the multidimensional space are taken into account instead.

- (C) Clustering starts with small clusters related to individual pixels of the image. It is an iterative process resulting in merging more and more clusters. When the clustering is done, a GUI tool is used to associate found clusters with the user’s chosen classification categories. All information available about the area covered by the image can be used to

automate that process. In addition, the user can manually select a pixel or a region on the initial image, view clusters related to them, choose relevant clusters and associate these with a particular category.

- (D) The Licensor has agreed to grant a solo license to the Licensee to use the intellectual property rights (Licensed Rights) on the terms set out in this agreement (Agreement).
- (E) The Licensor reserves the right to conduct further research and develop the licensed technologies in various non-commercial projects, which are included, but not limited to, in the list attached in Schedule No. 3. When new products are developed based on Licensed Rights, the commercialization procedures must be agreed with the Licensee.
- (F) Ownership of the intellectual property rights are not being transferred by this Agreement.

Agreed terms

1. Interpretation

The following definitions and rules of interpretation apply in this agreement.

- 1.1 **Applicable Laws** - all laws, rules, and regulations of any type, which have been issued or enacted by any government, authority or agency anywhere in the world, as amended, extended, repealed and replaced from time to time, in each case to the extent that the same are applicable regarding fulfilment of this Agreement and Licensee's obligations regarding Privacy and Data security.
- 1.2 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 1.3 **Business Day**: a day, other than a Saturday, Sunday or public holiday.
- 1.4 **Dynland** – a software that identifies natural land cover classes from EO imagery using a human-intelligence-based, non-parametric, unsupervised image analysis algorithm created by Elektronikas un datorzinātņu institūts. Also, a trademark and/or web domain name. Full interpretation must be done in accordance with clause 1.10. and annexes (Schedules).
- 1.5 **Commencement Date** – date of this Agreement.
- 1.6 **Company** - any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.1 **Copyright** - the exclusive legal right to reproduce, publish, sell, or distribute the copyright related to the Licensed software and related copyrighted material.
- 1.7 **Domain name** – www.dynland.com.

- 1.8 **Designs** - the overall visual appearance of the website, applications, and other visual elements connected to the Licensed Products and owned by the Licensor.
- 1.9 **License Scope** - this is a sole license that prevents the Licensor from licensing the intellectual property to anyone else. The Licensor retains the right to use the Licensed Rights, particularly Dynland technologies in further research and product development according to but not limited to the list of projects in Schedule No 3. When new products are developed based on Licensed Rights, the commercialization procedures must be agreed with the Licensee.
- 1.10 **Licensed Rights** - in this Agreement, in accordance with the subject matter (ref. to *Schedule 2*), are:
- (a) Algorithms in the form of their theoretical and mathematical description (protected as know-how)
 - (i) Data clustering algorithm (non-parametric, unsupervised)
 - (ii) Automatic classification by assigning classes to clusters.
 - (b) Software products (protected through copyrights):
 - (i) Clustering Algorithm,
 - (ii) Classification Algorithm,
 - (iii) Command line Executable (DynlandClustering) – providing the access Dynland clustering algorithm,
 - (iv) Dynland desktop application – Windows or Linux standalone application with built in DynlandClustering and GUI covering full workflow from raw image till classified result,
 - (v) OpenAPI access to Dynland processing engine (DynAPI) with integrated authentication and task queue management,
 - (vi) Dynland WebGIS app for thematic classification of satellite imagery,
 - (vii) Dynland QGIS plugin for classification of multispectral imagery.
 - (c) Trademark (trademark registration process has been initiated) with respective Domain name www.dynland.com, a website with a content, and the brand image guidelines.
 - (d) Know-how regarding the marketing and usage of Dynland technology: promotion of Dynland (CRM contacts, marketplaces) and tooltips in application of the Dynland technology in practical tasks, performance metrics for different imagery sizes and computational resources employed.
- 1.11 **Licensed Product** - any product or service that is developed, manufactured, used, or sold, etc., using Licensed Rights fully or partly, e.g., products developed from the received codes.
- 1.12 **Material breach** - a breach (including an anticipatory breach) that is serious in the widest sense of having a serious effect on the benefit which the terminating party would otherwise derive from a substantial portion of this Agreement or any of the obligations set out in this Agreement.

- 1.13 **Trademarks** – trademark application “Dynland”, EUIPO filing number 018472926 (Schedule 1) and unregistered combined trademark Dynland.
- 1.14 **Trade secrets** - undisclosed information of an economic nature, technological knowledge, and scientific or any other information which conforms to all the following requirements:
- 1) it is secret in the sense that it is not generally known among or available to persons who normally use such kind of information;
 - 2) it has actual or potential commercial value because it is secret;
 - 3) the trade secret holder, under the circumstances, has taken appropriate and reasonable steps (technological, organizational and physical protection measures) to maintain secrecy of the trade secret.
- 1.15 **Technological measures** - technological protection measures of the Licensed Rights (technologies, devices, or the components thereof).
- 1.16 **Organizational measures** - organizational protection measures of the Licensed Rights (technologies, devices, or the components thereof).
- 1.17 **Physical measures** - physical measures of the Licensed Rights (technologies, devices or the components thereof).
- 1.18 **Project** – Project No. KC-PI-2017/95 “Dinamiska zemes lietošanas pārraudzība (NevKlas)”
- 1.19 **Territory** – an area of land in which this Agreement is in force - worldwide.
- 1.20 **The trade secret holder** - means any natural or legal person who has lawfully acquired the trade secret and is entitled to administer (control) it, inter alia, to use and disclose it
- 1.21 **Personal Data** - any information relating to an identified or identifiable natural person who can be identified directly or indirectly and in particular includes but is not limited to the following information about a living individual: first and last name, age, date of birth, gender, address, contact information, government-issued identifiers (such as passport and social security numbers), an identification number, location data, an online identifier, or any specific physical, health related, physiological, genetic, mental, economic, cultural or social information about that natural person;
- 1.22 **Processing** - any act performed on Personal Data or data processed using Dynland, whether or not by automated means, including, but not limited to, collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, blocking, erasure or destruction.
- 1.23 **Representative** - in relation to a Party, its employees, officers, contractors, subcontractors, representatives, and advisers.

- 1.24 **GDPR** - means General Data Protection Regulation, that is regulation of (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC;
- 1.25 **Webpage** – www.dynland.com;
- 1.26 The Schedules form part of this agreement and shall have effect as if set out in full in the body of this agreement. Any reference to this agreement includes the Schedules. References to clauses and Schedules are to the clauses and Schedules of this agreement.
- 1.27 Clause, Schedule, and paragraph headings shall not affect the interpretation of this agreement.
- 1.28 Any and all amendments to this Agreement must be made in writing and signed by both Parties otherwise being null and void.
- 1.29 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.30 This agreement shall be binding on, and enure to the benefit of, the parties to this Agreement and their respective personal representatives, successors and permitted assigns, and references to any party shall include that party's personal representatives, successors, and permitted assigns.
- 1.31 Any obligation on a party not to do something also includes an obligation not to allow that thing to be done or happen.
- 1.32 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

2. License

- 2.1 The Licensor hereby grants to the Licensee in accordance with the License Scope (Clause 1.9.) a sole license to use the Licensed Rights in relation to the research, development, manufacturing, and commercialization.
- 2.2 The Licensor undertakes not to grant others the right to exploit the Licensed Rights in the Territory, unless otherwise agreed.
- 2.3 The Licensee as Trade secret holder is obligated to use all technical, organizational, and physical measures to protect the Licensed Rights according to the best practice.
- 2.4 The Licensee is allowed to:
- (a) manage content of the webpage according to all applicable laws,

- (b) receive free of charge software maintenance and general IT support related to the software from the Licensor for 3 months since the Commencement Date. After expiration of the mentioned period: charge will be applied 70 EUR/h,
- (c) perform rebranding unless it affects Licensed rights negatively.

2.5. Usage of Licensor's Trademarks:

- (d) By using any of Licensor's Trademarks, Licensee is acknowledging that Licensor is the sole owner of the Trademarks and agreeing not to interfere with Licensor's Trademark rights, including challenging Trademark use, registration of, or application to register such Trademarks. Licensee agrees that it will not harm, misuse, or bring into disrepute any of Licensor's Trademarks and that the goodwill, if any, derived from your use of any Licensor's Trademarks exclusively inures to the benefit of and belongs to the Licensor.
- (e) The list of Licensor's Trademarks will be updated with new information from time-to- time and published on the Licensor's website and should be referred to regularly. Note that the list may not be comprehensive, and the omission of a Trademark from the list does not represent any waiver of any intellectual property rights of Licensor in or to such Trademark. If in doubt about whether or not a particular name, mark or logo is a Licensor's Trademark, or any questions raised about the use of Licensor's Trademarks, contact Licensor's Legal Department for assistance.
- (f) Licensee is not allowed to register or create Company name, Business name or Trade Name that incorporate Licensor's Trademark or variants of it.

3. Provision of know-how

- 3.1 The know-how supplied by the Licensor shall be used by the Licensee only for the purpose of the and in accordance with this Agreement and shall be subject to the provisions of (6) Confidentiality.
- 3.2 Nothing in this agreement shall constitute any representation or warranty that the know-how supplied to the Licensee is accurate, up to date, complete, or relevant.

4. Marketing, advertising, and promotion

- 4.1 The Licensee undertakes to ensure that its advertising, marketing, and promotion of Licensed Products shall not reduce or diminish the reputation, image, and prestige of the Trademarks. However, Licensee is allowed to perform rebranding, if it has no negative effect on Licensed Rights.
- 4.2 The Licensee shall bear the costs of all advertising, marketing, and promotion for Licensed Products.

5. Improvements

- 5.1 The parties may cooperate in the improvement of the product by concluding a separate agreement.
- 5.2 Information provided by the Licensors to the Licensee under 5.1 shall be subject to the provisions of 6 (Confidentiality).

6. Confidentiality

- 6.1 Confidential Information means all confidential information (however recorded or preserved) disclosed by the Licensors or its Representatives (as defined below) to the Licensee and the Licensee's Representatives whether before or after the date of this agreement, including:
 - (a) the terms of this agreement that is not intended to be publicly available due to its nature;
 - (b) any information provided by the Licensors to the Licensee under 6.1;
 - (c) all know-how that is protected as a trade secret;
 - (d) any information (whether or not technical) that would be regarded as confidential by a reasonable businessperson.
- 6.2 The provisions of this clause shall not apply to any Confidential Information that:
 - (a) is or becomes generally available to the public (other than as a result of its disclosure by the Licensee or its Representatives in breach of this clause);
 - (b) was available to the Licensee on a non-confidential basis before disclosure by the Licensors;
 - (c) was, is or becomes available to the Licensee on a non-confidential basis from a person who, to the Licensee's knowledge, is not bound by a confidentiality agreement with the Licensors or otherwise prohibited from disclosing the information to the Licensee;
 - (d) the parties agree in writing that it is not confidential or may be disclosed.
- 6.3 The Licensee shall keep the Licensors' Confidential Information confidential and shall not:
 - (a) use such Confidential Information except for the purpose of exercising or performing its rights and obligations under or in connection with this agreement (**Permitted Purpose**); or
 - (b) disclose such Confidential Information in whole or in part to any third party, except as expressly permitted by this 6.5.

6.4 The Licensee may disclose the Confidential Information to those of its Representatives who need to know such Confidential Information for the Permitted Purpose, provided that:

- (a) it informs such Representatives of the confidential nature of the Confidential Information before disclosure; and
- (b) it procures that its Representatives shall, in relation to any Confidential Information disclosed to them, comply with the obligations set out in this clause as if they were a party to this agreement,

and at all times, it is liable for the failure of any Representatives to comply with the obligations set out in this clause.

6.5 The Licensee may disclose Confidential Information to the extent such Confidential Information is required to be disclosed by law, by any governmental or other regulatory authority or by a court or other authority of competent jurisdiction provided that, to the extent it is legally permitted to do so, it gives the Licensor as much notice of such disclosure as possible and, where notice of disclosure is not prohibited and is given in accordance with this clause, it takes into account the reasonable requests of the Licensor in relation to the content of such disclosure.

6.6 On termination of this agreement, the Licensee shall:

- (a) destroy or return to the Licensor all documents and materials (and any copies) containing, reflecting, incorporating or based on the Licensor's Confidential Information;
- (b) erase all the Licensor's Confidential Information from computer and communications systems and devices used by it, including such systems and data storage services provided by third parties (to the extent technically and legally practicable); and
- (c) certify in writing to the Licensor that it has complied with the requirements of this clause, provided that the Licensee may retain documents and materials containing, reflecting, incorporating or based on the Licensor's Confidential Information to the extent required by law or any applicable governmental or regulatory authority. The provisions of this clause shall continue to apply to any such documents and materials retained by the Licensee, subject to 16 (Survival).

6.7. These provisions of this section of the Agreement shall survive any early termination of the Agreement by law or by this Agreement.

7. Processing personal data and data transfers

7.1. Where necessary to perform this Agreement, Parties may provide each other with, or they may have access to, information relating to an identified or identifiable individual ("personal data").

7.2. In making personal data available to each other, Party confirms that it has complied with all Applicable laws, including GDPR, in relation to the personal data and its processing.

7.3. Performing this Agreement, the parties shall act as independent controllers of personal data.

7.4. Parties represent that it has and will maintain comprehensive policies for maintaining the privacy and data security of any data subject regarding fulfillment of this Agreement.

7.5. In case if the Parties will have the necessity to act as joint controllers the Parties will agree on entering into a separate joint controller agreement to fully provide data subjects with the opportunity to exercise their rights in accordance with the applicable laws and to fully guarantee compliance with the applicable data security and privacy standards and laws.

8. Payments and transfer of the rights of the use

- 8.1 On the Commencement Date the Licensee shall pay to the Licensor the fixed sum in the amount of [...] EUR, that consists of the bid in the auction and other applicable taxes and commissions.
- 8.2 The payment must be made in 30 (thirty) days after the Commencement Date.
- 8.3 The right of use of the Licensed Rights is transferred only after receipt of the full amount of the payment.
- 8.4 All payments regarding this Agreement to be made to the Licensor under this Agreement shall be made in euro (EUR) by electronic transfer of immediately available funds to Licensor's bank account. [...]. The day of payment is considered the day when the full sum defined in 8.1 is in the Licensor's account.

9. Protection of the Licensed Rights

- 9.1 The Licensee shall immediately notify the Licensor in writing giving full particulars if any of the following matters come to its attention:
 - (a) any actual, suspected or threatened infringement of any of the Licensed Rights;
 - (b) any claim made or threatened that the Licensed Products infringe the rights of any third party; or
 - (c) any other form of attack, charge or claim to which any of the Licensed Rights may be subject.
- 9.2 In respect of any of the matters listed in 9.1:
 - (a) the Licensor shall, at his absolute discretion, decide what action to take, if any;

- (b) the Licensor shall have exclusive control over and conduct of all claims and proceedings;
- (c) the Licensee shall not make any admissions other than to the Licensor and shall provide the Licensor with all assistance that they may reasonably require in the conduct of any claims or proceedings; and
- (d) the Licensor shall bear the cost of any proceedings and shall be entitled to retain all sums recovered in any action for his own account.

10. Personal rights

- 10.1 The Licensor confirms that all legally appropriate measures are in place to ensure that the performance of the Agreement is not hindered by the exercise of the personal rights of the Licensor's employees.

11. Liability and indemnity

- 11.1 To the fullest extent permitted by law, the Licensor shall not be liable to the Licensee for any costs, expenses, loss or damage (whether direct, indirect or consequential, and whether economic or other) arising from the Licensee's exercise of the rights granted to it under this agreement.
- 11.2 The Licensee shall indemnify the Licensor against all liabilities, costs, expenses, damages and losses (including any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other [reasonable] professional costs and expenses) suffered or incurred by the Licensor arising out of or in connection with:
- (a) The Licensee's exercise of the rights granted to it under this agreement;
 - (b) The Licensee's breach or negligent performance or non-performance of this agreement, including any product liability claim relating to licensed products manufactured, supplied or put into use by the Licensee;
 - (c) The enforcement of this Agreement;
 - (d) Any claim made against the Licensor by a third party for death, personal injury or damage to property arising out of or in connection with defective licensed products, to the extent that the defect in the Licensed Products is attributable to the acts or omissions of the Licensee, its employees, agents, sub-licensees or subcontractors.
- 11.3 If any third party makes a claim, or notifies an intention to make a claim, against the Licensor which may reasonably be considered likely to give rise to a liability under this indemnity (**Claim**), the Licensor shall:
- (a) as soon as reasonably practicable, give written notice of the Claim to the Licensee, specifying the nature of the Claim in reasonable detail;

- (b) not make any admission of liability, agreement or compromise in relation to the Claim without the prior written consent of the Licensee [(such consent not to be unreasonably conditioned, withheld or delayed)] [, provided that the Licensor may settle the Claim (after giving prior written notice of the terms of settlement (to the extent legally possible) to the Licensee, but without obtaining the Licensee's consent) if the Licensor [reasonably] believes that failure to settle the Claim would be prejudicial to it in any material respect];
 - (c) give the Licensee [and its professional advisers] access at reasonable times (on reasonable prior notice) to its premises and its officers, directors, employees, agents, representatives or advisers, and to any relevant assets, accounts, documents and records within the power or control of the Licensor, so as to enable the Licensee and its professional advisers to examine them and to take copies (at the Licensee's expense) for the purpose of assessing the Claim; and
 - (d) be deemed to have given to the Licensee sole authority to avoid, dispute, compromise or defend the Claim.
- 11.4 If a payment due from the Licensee under this clause is subject to tax (whether by way of direct assessment or withholding at its source), the Licensor shall be entitled to receive from the Licensee such amounts as shall ensure that the net receipt, after tax, to the Licensor in respect of the payment is the same as it would have been were the payment not subject to tax.
- 11.5 Nothing in this clause shall restrict or limit the Licensor's general obligation at law to mitigate a loss it may suffer or incur as a result of an event that may give rise to a claim under this indemnity.
- 11.6 Nothing in this Agreement shall have the effect of excluding or limiting any liability for death or personal injury caused by negligence.

12. Additional Licensee obligations

- 12.1 The Licensee shall:
 - (a) obtain at its own expense all licenses, permits and consents necessary for the provision of the Licensed Product in the Territory;
 - (b) perform its obligations in connection with the manufacture and sale of the Licensed Product with all due skill, care and diligence including good industry practice;
 - (c) comply with all regulations and practices in force or use in the Territory to safeguard the Licensor's rights.
- 12.2 The Licensee shall not, nor directly or indirectly assist any other person to, do or omit to do anything to diminish the rights of the Licensor.

- 12.3 The Licensee acknowledges and agrees that the exercise of the license granted to the Licensee under this agreement is subject to all applicable laws, enactments, regulations and other similar instruments in the Territory, and the Licensee understands and agrees that it shall at all times be solely liable and responsible for such due observance and performance.

13. Sub-licensing

- 13.1 The Licensee shall have the right to grant to any person a sub-license of any of its rights under this agreement provided that:
- (a) the Licensee shall ensure that the terms of any sub-license are in writing and are substantially the same as the terms of this agreement (except that the sub-licensee shall not have the right to sublicense its rights and the Licensee shall provide the Licensor with a copy of the sub-license on request)
 - (b) all sub-licenses granted shall terminate automatically on termination or expiry of this agreement;
 - (c) the Licensee shall be liable for all acts and omissions of any sub-licensee and shall indemnify the Licensor against all costs, expenses, claims, loss or damage incurred or suffered by the Licensor, or for which the Licensor may become liable (whether direct, indirect or consequential and including any economic loss or other loss of profits, business or goodwill), arising out of any act or omission of any sub-licensee, including any product liability claim relating to any Licensed Product manufactured or supplied by the sub-licensee.

14. Assignment and other dealings

- 14.1 The Licensor may at any time assign, transfer, mortgage, charge or deal in any other manner with any or all of its rights and obligations under this Agreement, provided that the Licensor gives prior written notice to the Licensee.
- 14.2 The Licensor may subcontract or delegate in any manner any or all of its obligations under this Agreement to any third party, provided that it gives prior written notice of such subcontract or delegation to the Licensee.
- 14.3 The Licensee shall, at the Licensor's request, execute any agreements or other instruments (including any supplement or amendment to this agreement) which may be required in order to give effect to or perfect any assignment, transfer, mortgage, charge or other dealing referred to in 16.2.
- 14.4 Either Party may, after having given prior written notice to the other party, assign its rights under this agreement to any person to which it transfers its business or that part of its business to which this Agreement relates, provided that the assignee undertakes in writing to the other Party to be bound by the first Party's obligations under this Agreement.

15. Duration and termination

- 15.1 This agreement shall commence on the Commencement Date and shall continue, unless terminated earlier in accordance with this Agreement, until unspecified time.
- 15.2 Without affecting any other right or remedy available to it, the Licensor may terminate this agreement with immediate effect by giving notice to the Licensee if:
- (a) the Licensee fails to pay any amount due under this agreement on the due date for payment and remains in default not less than 30 days after being notified to make such payment;
 - (b) the Licensee commits a material breach of any term of this Agreement and (if such breach is remediable) fails to remedy that breach within a period of 30 days after being notified to do so;
 - (c) where the procedure of dissolution, reorganization or insolvency proceedings have been initiated on Licensee, provided that it must be performed in compliance with the procedures and provisions of the applicable law. Licensee is obligated to inform Licensor as soon as possible, but no later than 2 days in case if any of the features of insolvency proceedings of a legal person according to applicable insolvency law exists.
 - (d) the Licensee's financial position deteriorates so far as to reasonably justify the opinion that its ability to give effect to the terms of this agreement is in jeopardy;
 - (e) the Licensee suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business;
- 17.4. Upon termination of this Agreement for any reason, Licensee will immediately cease using the Licensed Rights. Upon Licensee's failure to comply with this paragraph, Licensor may make any legal action to protect his Licensed rights and legitimate interests. Licensee shall render assistance to and reimburse Licensor for expenses incurred in enforcing this paragraph.

16. Survival

- 16.1 On expiry or termination of this agreement for any reason and subject to any express provisions set out elsewhere in this agreement:
- (a) all outstanding sums payable by the Licensee to the Licensor shall immediately become due and payable;
 - (b) all rights and licenses granted pursuant to this agreement shall cease save as set out in this clause
- 16.2 Any provision of this agreement that expressly or by implication is intended to come into or continue in force on or after termination or expiry of this agreement shall remain in full force and effect.

- 16.3 Termination or expiry of this agreement shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of termination or expiry, including the right to claim damages in respect of any breach of the agreement which existed at or before the date of termination or expiry.

17. Further assurance

At its own expense, each party shall, and shall use all reasonable endeavors to procure that any necessary third party shall, execute and deliver such documents and perform such acts as may be required for the purpose of giving full effect to this agreement.

18. Waiver

No failure or delay by a party to exercise any right or remedy provided under this agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

19. Entire agreement

- 19.1 This agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations, and understandings between them, whether written or oral, relating to its subject matter.
- 19.2 Each party acknowledges that in entering into this agreement it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance, or warranty (whether made innocently or negligently) that is not set out in this agreement.
- 19.3 Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this agreement.
- 19.4 Nothing in this clause shall limit or exclude any liability for fraud.

20. Variation

- 20.1 No variation of this agreement shall be effective unless it is in writing and signed by the parties (or their authorized representatives).

21. Severance

- 21.1 If any provision or part-provision of this agreement is or becomes invalid, illegal, or unenforceable, it shall be deemed deleted but that shall not affect the validity and enforceability of the rest of this agreement.
- 21.2 If any provision or part-provision of this agreement is deemed deleted under clause 22.1 the parties shall negotiate in good faith to agree a replacement provision that, to the

greatest extent possible, achieves the intended commercial result of the original provision.

22. Third-party rights

- 22.1 The rights of the parties to rescind or vary this agreement are not subject to the consent of any other person.

23. No partnership or agency

- 23.1 Nothing in this agreement is intended to, or shall be deemed to, establish any partnership or joint venture between any of the parties, constitute any party the agent of another party, or authorize any party to make or enter into any commitments for or on behalf of any other party.
- 23.2 Each party confirms it is acting on its own behalf and not for the benefit of any other person.

24. Force majeure

- 24.1 Neither party shall be in breach of this agreement nor liable for delay in performing, or failure to perform, any of its obligations under this agreement if such delay or failure result from events, circumstances or causes beyond its reasonable control. In such circumstances the affected party shall be entitled to a reasonable extension of the time for performing such obligations. If the period of delay or non-performance continues for **3 months**, the party not affected may terminate this agreement by giving prior at least 14 days written notice to the affected party.

25. Notices

- 25.1. Any notice or other communication given to a party under or in connection with this agreement shall be in writing and shall be:
- (a) delivered by hand or by pre-paid first-class post or other next working day delivery service at its registered office;
 - (b) sent by email to the address specified in **info@edi.lv**.
- 25.2 Any notice or communication shall be deemed to have been received:
- (a) if delivered by hand, at the time the notice is left at the proper address;
 - (b) if sent by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second] Business Day after posting;
 - (c) if sent by email], at the time of transmission, or, if this time falls outside business hours in the place of receipt, when business hours resume. Business hours means 9.00am to 5.00pm Monday to Friday on a day that is not a public holiday in the place of receipt.

- 25.3 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.
- 25.4 A notice given under this agreement is not valid if sent by email, unless it is signed with an electronic signature that includes a valid timestamp.

26. Inadequacy of damages

- 26.1 Without prejudice to any other rights or remedies that the Licensor may have, the Licensee acknowledges and agrees that damages alone would not be an adequate remedy for any breach of the terms of this agreement by the Licensee. Accordingly, the Licensor shall be entitled to the remedies of injunction, specific performance, or other equitable relief for any threatened or actual breach of the terms of this agreement.

27. Governing law

- 27.1 This agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of the Republic of Latvia.

28. Jurisdiction

- 28.1 Each party irrevocably agrees that the courts of the Republic of Latvia shall have exclusive jurisdiction to settle any dispute or claim, including non-contractual disputes or claims, arising out of or in connection with this agreement or its subject matter or formation.

29. Execution

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in two (2) original copies of which they have taken one each. This agreement has been entered into on the date stated at the beginning of it.

SIGNED for and on behalf of:

Licensor	Licensee
Elektronikas un datorzinātņu institūts,	[..]
incorporated and registered in Latvia, Research Institution Certificate Nr.: 181031; VAT Nr.: LV90002135242, whose registered office is at Dzerbenes St. 14, LV-1006, Riga, Latvia	incorporated and registered in [..] with company number [..], whose registered office is at [..] ()

Name Surname, position	Name Surname, position
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SCHEDULE 1

Trade mark “Dynland” information

Name: **Dynland**

Filing number: **018472926**

Basis: **EUTM**

Date of receipt: **17/05/2021**

Owner: **Elektronikas un datorzinātņu institūts**

Type: **Word**

Nature: **Individual**

Nice classes: **9, 42 (Nice Classification)**

Class 9: Computer software for land use and land cover classification; Software for processing digital images; Data clustering software; Data classification software.

Class 42: Software as a service [SaaS] featuring software for machine learning; Design and development of image processing software; Provision of geographical information; Mapping services; Geographical data analysis services; Providing temporary use of on-line non-downloadable operating software for land use and land cover classification; Land use and land cover classification.

Filing date: **17/05/2021**

Application reference: **Dynland_LV**

Trade mark status: **Application under examination**

SCHEDULE 2

1. General description of the intellectual property offered on the auction

Elektronikas un datorzinātņu institūts (EDI), Riga, Latvia has created an automatic classification technology which is unsupervised and highly robust (hereafter Dynland). Our working technology allows users to classify multispectral geospatial images for land use and land cover. Dynland technology enables the use of machine learning methods in applications where it was not possible before due to the lack of sufficient training data. Dynland technology is generic enough to add value also in other industries, not only in most geospatial image classification tasks. Until now it has been applied in classifying multispectral imagery in general LULC, forestry, wetlands, peatlands and mires.

IP license offered for sale covers clustering and classification algorithms in the form of their theoretical and mathematical description and their implementation as software products with both - source code and compiled versions where applicable. Dynland software products offer full workflow for different audiences: desktop version, command line executable, QGIS plug-in, Restful API access, GIS available through web. Trademark “Dynland”, extensive brand book with visual materials, color codes for land cover classes and know-how about the work with algorithms are also a part of IP license.

2. List of items comprising the intellectual property

A. Algorithms in the form of their theoretical and mathematical description (protected as know-how):

1. Data clustering algorithm (non-parametric, unsupervised),
2. Automatic classification by assigning classes to clusters.

B. Software products (protected through copyrights):

1. Clustering Algorithm,
2. Classification Algorithm,
3. Command line Executable (DynlandClustering) – providing the access Dynland clustering algorithm,
4. Dynland desktop application – Windows or Linux standalone application with built in DynlandClustering and GUI covering full workflow from raw image till classified result,
5. OpenAPI access to Dynland processing engine (DynAPI) with integrated authentication and task queue management,
6. Dynland WebGIS app for thematic classification of satellite imagery,
7. Dynland QGIS plugin for classification of multispectral imagery.

C. Trademark Dynland (trademark registration process has been initiated) with respective *.com domain with website and full brand book.

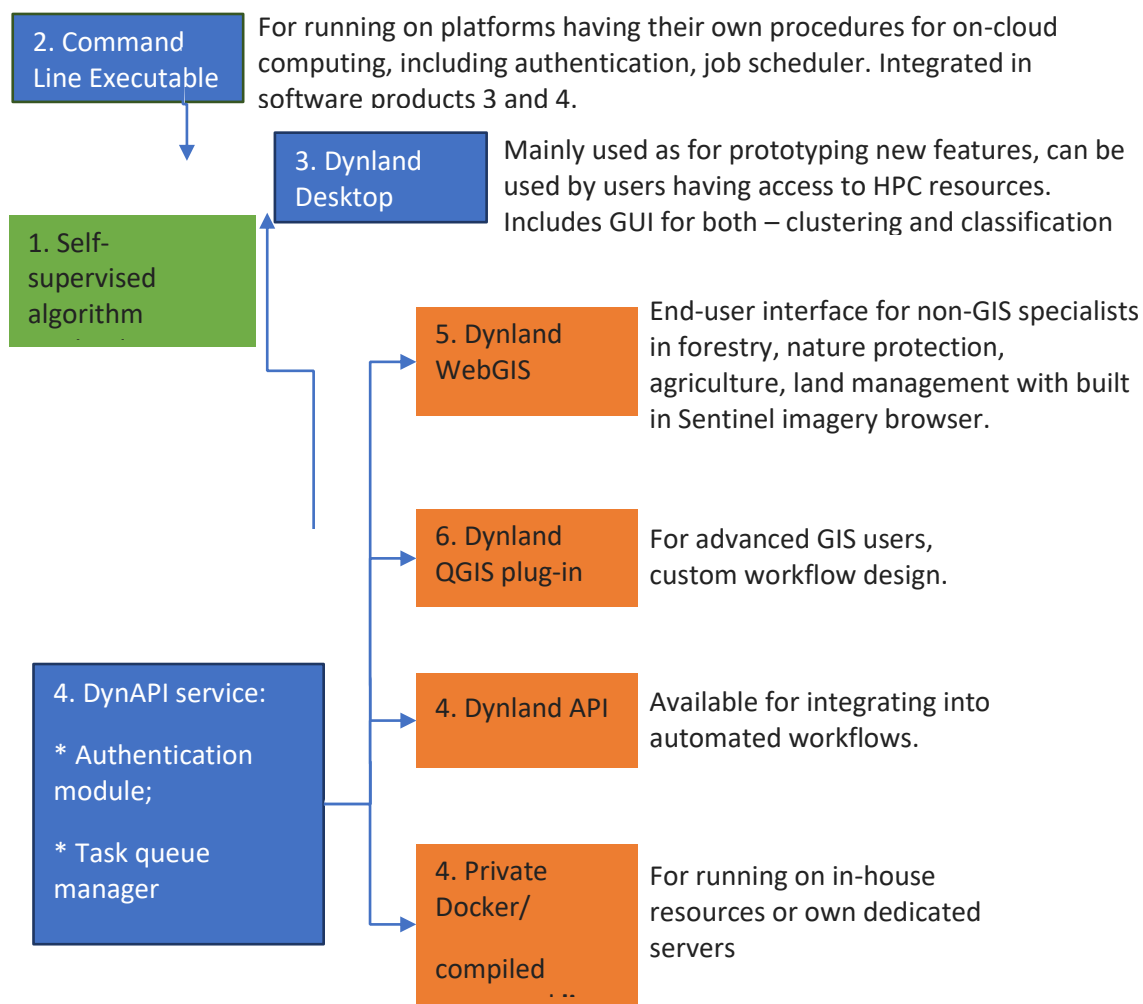
D. Know-how regarding the marketing and usage of Dynland technology: promotion of Dynland (CRM contacts, marketplaces) and tooltips in application of the Dynland technology in practical tasks, performance metrics for different imagery sizes and computational resources employed.

2.1. Role of each software product in the technology stack of Dynland

Dynland technology stack is composed from several software products, each designed to match the needs of particular users and their use cases. Software products offer full workflow from clustering a to classification for manual, semi-automatic and automatic workflows using cloud computing, in-house, open-sourced GIS programs or Windows/Linux based desktop apps.

An overall view of the software products, their interaction and use cases is shown in Figure 1. The numbers next to the software product name in the drawing correspond to the numbering used in the detailed description of items.

Figure 1 Interaction and complementarity of software products



3.Trademark

The Dynland name can be used to brand and name the set of tools used with this purpose in the geospatial community. In that sense it is useful, even if not used as the name of the company. Dynland names have been used to communicate the unsupervised nonparametric clustering and classification technology since April 2019, starting from GeoBusiness events in London.

Trademark Dynland (trademark registration process has been initiated) with respective *.com domain with website and full brand book. The trademark has been submitted for registration at EU level covering the following goods and services:

1. Class 9:
 - a. Computer software for land use and cover classification
 - b. Digital image processing software
 - c. Data clustering software
 - d. Data classification software
2. Class 42:
 - a. Land use and land cover classification
 - b. Providing temporary use of on-line non-downloadable operating software for land use and land cover classification
 - c. Software as a service [SaaS] featuring software for machine learning
 - d. Image processing software design
 - e. Provision of geographical information
 - f. Mapping services
 - g. Geographical data analysis services

For trademark the brand book has been developed covering the following items:

1. Slogan in English: 1 text version implemented in 4 visual versions in two and three rows,
2. Logo: compact version, extended and dynamic (kinetic). All versions come with and without slogan in grayscale and colored,
3. Booklet mock-up: 1 layout with 6 pages in A5 format,
4. Two-sided business cards: 1 layout prepared according to printing requirements,
5. Exhibition stands: 1 layout version for area 2*1.5 m and 2 designs for booth roll-ups,
6. Color codes for land covers: 10 tones for six main land cover types (artificial surfaces, agricultural areas, forest, open spaces with little or no vegetation, wetlands, water) - total 60 tones. Color codes also include 2 contrast codes, for highlighting the region of interest as well as 12 contrasting tones to emphasize target classification areas,
7. Web pages design: 6 layouts,
8. Record-keeping and communication material templates (working documents (A4 template), e-mail signature; document folder (size A4)),
9. Microsoft PowerPoint Presentation templates (visual solution for presentation cover page, split pages, slide page, end page, and appendix page): 1 presentation template, 27 slide versions,
10. Newsletter mock-up design: 1 layout for two A4 pages,

Brand book comes in two versions – compact with the main visual identity rules and full covering the items listed above.

Brand book also contains two fonts selected as the most corresponding to Dynland style: Montserrat and Roboto.

4. Know-How

Know-how regarding the marketing of Dynland technology comprises the information about the commercial side of Dynland technology (potential business models, customer contacts) and application side of technology (application in practical tasks and performance metrics).

4.1. Commercial side of Dynland technology

Information about business models contains potential routes and preconditions for successful commercial exploitation of the technology. This is in no way an exhaustive or complete description nor should it be interpreted as an instruction or roadmap for the licensee. During the development of Dynland technology several business models for the potential licensee were created. They fall into two broad groups: a) one or few large sub-licensees (custom agreements, potential handover of software and/or source) and b) large number of smaller end users (SaaS as the more appropriate business model), with or without specific industry applications. Each of these groups are described in terms with potential licensees, their motivations, key requirements and steps required to approach them. The description will be made available to the buyer of intellectual property after the purchase.

Customer contacts provided as a part of the package contains the list of 118 persons kept in the customer relationship database, last fully renewed at the end of 2020. The list covers such origins as Copernicus Masters(2018/2019 (19 contacts); Intergeo 2018 (18 contacts); Intergeo 2019 (29 contacts); Paris Space Week 2021 (12 contacts), other comes for ESA Phi-Week 2020 and GeoBusiness 2019. These contacts represent 99 different companies and organizations. Their HQs are located in Germany (20 companies), UK (18 companies), France (9), Latvia (9), Italy (5), other countries are represented in less than 5 companies.

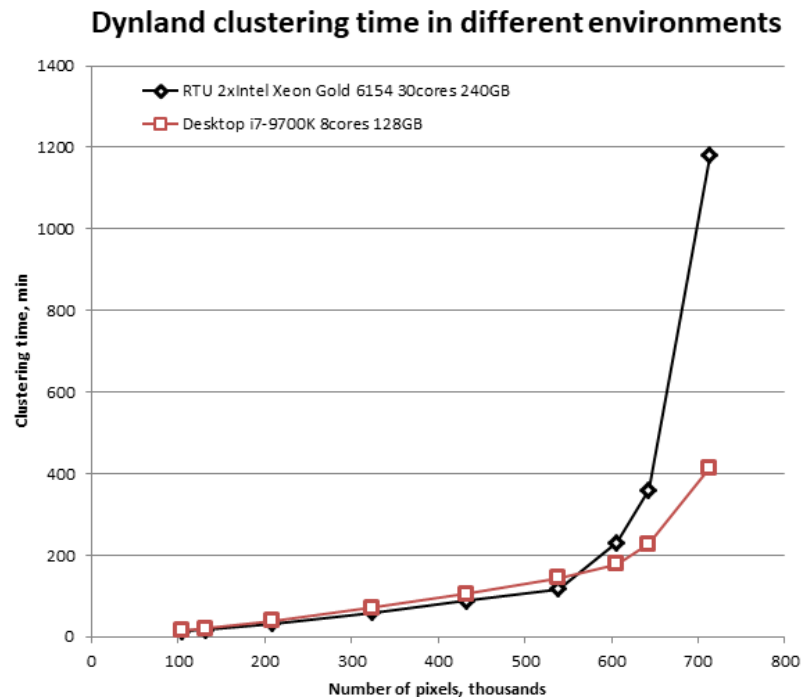
4.2. Application side of Dynland technology

Know-how regarding the application of the Dynland technology in practical tasks are structured according to problems/challenges faced. This list covers such challenges as tackling the lack of training data, poor discrimination among complex cases of interest (e.g., confuses different tree species or peat extraction habitats), large images need to be processed, references data contains very different and mixed data, reference data are not attributed to clusters, dealing with populated areas and infrastructure objects, capturing classes with small presence in region of interest.

For each of these problems there is a description of the solutions tried, a description of the final result accepted as well as suggestions for the future, if not yet implemented in the algorithmic form. The solutions cover such processes as using multi-temporal images, sampling and tiling of larger images, adding additional data layers to the clustering, improving the results of classification via hierarchical procedures and changing thresholds for minimal cluster size for increased accuracy levels.

Know-how also covers working with algorithms to cluster more advanced data like clustering client transactions together with client profile with interval, binary and nominal data.

Performance metrics for different imagery sizes and computational resources were captured in desktop and HPC cluster environments. Desktop machine was running CentOS 7 on a 8-core CPU Intel i7-9700K with 128GB RAM (algorithm was using a maximum 60GB of RAM). In the HPC cluster, 30 cores with up to 8GB RAM per core was requested within a single machine (2xIntel Xeon Gold 6154 CPU) to run the algorithm. Clustering of Sentinel-2 images (10m and 20m bands only) with different numbers of pixels was performed in these environments. The



results are presented below.

In general, Dynland clustering of data requires a lot of computation resources. Using multiple CPU cores, it is possible to perform computations faster but the difference is not significant because only part of the algorithm can exploit parallel computing in full. The main issue is memory. In particular, clustering of large images requires large amounts of RAM for storing 'pixels in clusters' matrix. The main conclusions are that the limitation of maximum RAM per core in HPC cluster, which is a requirement for this environment, badly affects computing time if the number of pixels to be clustered exceeds 500K. In addition, clustering time of images larger than this limit starts to grow nonlinearly if this limit is exceeded. Therefore it is recommended to avoid that by clustering each n-th pixel on both axes and using assignment of other pixels to already generated clusters on a spectral similarity basis. Such possibilities are implemented and can be used in the Dynland desktop tool, Webgis and QGIS plugin.

SCHEDULE 3

List of projects where Dynland technology is used by Licensor:

1. Contract with European Space Agency ‘Automated identification of mires and peatlands using multi-temporal satellite data (**MIRECLASS**)’ commenced on 2019-11, expected duration 24 months. Objective of the project: develop a protected mire habitat monitoring system based on analysis of Sentinel satellite data and Dynland machine learning technology.
2. Contract with European Space Agency ‘Object based context aware self-learning network for land cover classification:**Dynland-2**’, commenced on 2021-04, expected duration:14 months
Objective of the project is to do a feasibility study on expanding features of Dynland technology, namely multi-sensor, context aware land cover classification. We will validate the new features in forest tree species classification task.
3. Project ‘Satellite remote sensing- based forest stock estimation technology’, codename - **Woodstock**, financed by European Regional Development fund specific objective 1.1.1 "Improve research and innovation capacity and the ability of Latvian research institutions to attract external funding, by investing in human capital and infrastructure" 1.1.1.1. measure “Support for applied research”. Project commenced on 2019-03, expected duration: 36 months. Objective of the project is to build a technology prototype for forest stock estimation using satellite remote sensing data and machine learning technologies, including Dynland.