

SUBMISSION FORM

University System/Employee Intellectual Property Joint Participation MUSP 407

This form is to be submitted with any Board of Regents item whereby a campus seeks the approval of an agreement with or arrangement regarding an employee pursuant to 20-25-109 MCA and Regents Policy 407.

When the submission concerns matters of trade secrets or confidential business information, or any other matter entitled to privacy under state or federal law (e.g., the federal statute known as Bayh/Dole) the submitting campus may request consideration of the submission, in whole or in part, in executive session.

The submitting campus should also provide the Commissioner a copy of the contract(s) that form the basis for the cooperative arrangement for which approval is sought. Submission of the contract does not indicate a conclusion that all or part of the contract is a public document and the question of whether it is in whole or in part protected from public disclosure will be evaluated on a case by case basis.

1. **Summarize the nature of the intellectual property that was developed by the employee seeking approval. Indicate the sources of funding for the research that resulted in this invention.**

Employee was hired on September 19th to begin operations for The Legal Atlas Initiative, based on the intellectual property contributed by The Legal Atlas, LLC under the framework of a joint venture agreement with the UM. The employee was involved in creating intellectual property during 2010 and the first half of 2011 as a TLA, LLC Principal. Employee has not produced additional intellectual property while working for the University since efforts have been focused in project initiation activities, recruitment and or agreement development with UM students and international consultants, coordination of the website prototype, and project fundraising.

2. a. **Name(s) of the university employee(s) involved.**

Maria Pascual, MSc.

- b. **Name(s) of business entity(ies) involved.**

The Legal Atlas, LLC with two Principals, Maria Pascual and James Wingard with equal shares of 50% of interest each.

3. a. The university and employee(s) are seeking approval for (check as many as appropriate):
 - b. The employee to be awarded equity interest in the business entity.
 - c. The employee to serve as a member of the board of directors or other governing board of the business entity.
 - d. The employee to accept employment from the business entity.
 - e. Other. Please explain.
4. a. **Summarize the nature of the relationship between the university and the business entity (e.g., the entity is licensing the intellectual property from the university, the entity is co-owning the intellectual property with the university)**

Both entities will cooperate under a joint-venture agreement to bring to life a global initiative designed and proposed by The Legal Atlas, LLC to the UM. By creating this public-private partnership, the partners become uniquely positioned to jointly implement a global center for international legal research and development.

- Legal Research and Consulting methods are part of the intellectual property brought by The Legal Atlas, LLC to the venture, along with the trademark and web domains for the virtual knowledge platform to be created. Intellectual property created on the framework of these methods by interns, clinical program students, faculty members, TLA Principals or international consultants will be maintained in the joint venture for the life of the agreement. After the extinction of the partnership, the joint venture intellectual property will be transferred to The Legal Atlas, LLC, granting permanent free-royalty access to UM.
- TLA, LLC will fundraise exclusively for the Joint Venture. It is anticipated that UM will play the role of the prime administrator of grants and consulting contracts to fund the joint-venture initiative in almost all the cases.
- Upon availability of resources and depending on the nature of the tasks to be performed, the other Principal of TLA, LLC (James Wingard) will be hired as an independent consultant by the University or through the LLC to fill project positions or produce deliverables for the project.
- The joint venture includes one non-profit activity (an open free virtual knowledge platform, to be funded by grants) and one for-profit activity (an international consulting service, to be funded by commercial contracts). Net gains from the for-profit side will be distributed at the end of each fiscal year among the parties.

b. The proposed duration of the agreement or arrangement:

Seven years, with as many additional extensions as the Parties may agree to. The knowledge platform has the vocation of being a permanent service to the international development community. The University will decide, after the first seven years, if it prefers to spin-off the initiative entirely to the private sector or if it prefers to remain involved through the joint venture.

c. The conditions under which the agreement may be terminated or dissolved:

An extract of section F. Termination of the agreement is included:

1. This Agreement may be terminated by the Parties before its expiration only for cause.
2. Termination for cause shall be limited to the following grounds:
 - a) Lack of funding to support the operations of the Joint Venture during any twelve (12) consecutive months falling within the term of this Agreement or any renewal thereof;
 - b) Financial mismanagement by a Party;
 - c) Inability of a Party to provide the contributions, services or obligations stipulated in this Agreement;
 - d) It is or becomes unlawful for the parties to carry on the Joint Venture activities with one or more of the Parties;

- e) A transfer of all or substantially all of a Party's Interest in the Joint Venture, other than a transfer for security purposes or a court order charging the Party's interest that has not been foreclosed;
- f) Dissolution, revocation, or suspension of a Party's right to conduct business by the jurisdiction of its incorporation, provided there is no revocation of the certificate of dissolution or no reinstatement of its charter or its right to conduct business;
- g) A Party's wrongful conduct that adversely and materially affects the Joint Venture;
- h) A Party's willful or persistent commission of a material breach of this Agreement or of a duty owed to the Joint Venture or the other Party;
- i) A Party's engaging in conduct relating to the Joint Venture that made it not reasonably practicable to carry on the activities of the Joint Venture with that Party;
- j) A Party becomes a debtor in bankruptcy; executes an assignment for the benefit of creditors; or seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of that Party or of all or substantially all of that Party's property and fails within 90 days after the appointment to have vacated or stayed the appointment of the trustee, receiver, or liquidator; or
- k) The TLA principals become deceased or incapacitated, or are otherwise unable to continue providing services to the Joint Venture for health reasons.

5. Explain specifically how the University System or the State of Montana will likely benefit from the agreement or arrangement.

- a. The Legal Atlas seeks to position the University of Montana, over the next 5 years, as a global centre for international legal development in the fields of environment, natural resources and agriculture, increasing its international recognition and prestige.
- b. Unique learning and practical experiences will be created for students by enhanced learning environments through the use of new materials and case studies, and internship/clinical program opportunities in a world-class research.
- c. Faculty members will benefit by enhanced curricula that borrows from and feeds into the creation of a global legal compendium of laws, tied to interactive features such as mapping and visual analytics. Also, capacity development through regular consulting opportunities that allow faculty to move from the classroom to field applications, focused forum for publication of scholarly works that are associated with and peer reviewed by a network of international legal development practitioners.
- d. TLA also anticipates enhancing UM network by partnering with companies and institutions with global significance (e.g., Google, IBM, US Library of Congress, UN, others)
- e. Once the platform is consolidated, additional benefits could include i) an increase in national and foreign student applications in the targeted TLA fields, ii) increased number

of additional international events and conferences, iii) the standardization of new in-campus services born as spin-offs of TLA experience including international legal translation services, tailored academic courses for foreign public servants and others, on-line legal training in several languages, etc. iv) an increase in the percentage of federal research funds channeled to UM and Montana, and v) new prestigious UM publications/journals related to environmental law.

6. Summarize the financial terms of the agreement or arrangement. Include:

The venture includes a pre-investment period up to one year with UM and TLA, LLC making contributions up to \$387,100. UM contributions amount to \$129,100 (33% of the total) while TLA, LLC contributions amounts \$258,000 (67% of the total, including 47% from TLA, LLC and 20% from a TLA, LLC technology partner). Amounts pre-invested are to be recovered by the parties when the joint venture generates its first net gains through consulting.

a. The value, nature and source of the University's contribution.

UM pre-investment contributions (\$129,000) are distributed between budgets from ORSP (\$79,000) and The Mansfield Center (\$50,000). They include budget for office space for a year in the MonTEC building, along with office services, supplies and basic equipment, and travel.

b. The value and nature of the employee's contribution.

TLA, LLC contributions (\$258,000) includes basic office equipment, an alliance with an IT company to develop a website prototype –estimated value of \$75,000-, and time commitment for the entire year from the two Principals in the form of 0.5 for Maria Pascual and 0.25 for James Wingard.

c. The anticipated revenue to be generated by the project and the time line for generating such revenue.

TLA, LLC Principals plan to attract \$50 million over the next 10 years to the University of Montana with this project. TLA, LLC has developed a 5-year business plan that estimates over \$22 million in grants plus over \$3 million in consulting contracts annually.

d. The manner in which revenue and expenses will be shared by the parties.

Parties will not make further contributions beyond the initial year and grants or contract revenues will cover any joint venture expenses.

The Joint Venture will produce net gain in the consulting side of the equation to be divided by the Parties. Over a \$1 million is the estimated net gain in the next 5 years. The Parties will use this gain to repay the pre-investment and the remaining will be distributed.

f. The nature of each party's equity interest in the project. If none, so indicate.

UM will receive 30% of the net gains from the consulting services and TLA, LLC will receive the remaining 70%.