

## 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.

*The IP was developed under NSF grant #1552240 and comprises a system for collecting user segmentations of mass spectrometry data.*

2. a. Name(s) of the university employee(s) involved.  
*Associate Professor Robert Smith (Computer Science)*
  - b. Name(s) of business entity(ies) involved.  
*Prime Labs, Inc.*
3. The university and employee(s) are seeking approval for (check as many as appropriate):
  - a. The employee to be awarded equity interest in the business entity.
  - b. The employee to serve as a member of the board of directors or other governing board of the business entity.
  - c. The employee to accept employment from the business entity.
  - d. 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)  
***The entity is exclusively licensing the IP from the university.***
  - b. The proposed duration of the agreement or arrangement:  
***The term of the license is for ten (10) years, or until the expiration date of the patent, whichever is greater.***
  - c. The conditions under which the agreement may be terminated or dissolved:  
***Non-payment of royalties and/or annual maintenance fee by entity.***
5. Explain specifically how the University System or the State of Montana will likely benefit from the agreement or arrangement.
  - a. ***Revenue from royalties.***
  - b. ***High paying jobs for current students and alumni.***
  - c. ***Supporting the University of Montana's mission statement, which includes fostering entrepreneurship.***
6. Summarize the financial terms of the agreement or arrangement. Include:
  - a. The value, nature and source of the University's contribution.  
***The university contributes the rights to the IP. There is no known financial contribution.***
  - b. The value and nature of the employee's contribution.  
***The employee, outside of time required to fulfill normal duties as UM employee, will ensure through his relationship to Prime Labs Inc. that reasonable means are used to develop and market the planned software products making use of the IP.***
  - c. The anticipated revenue to be generated by the project and the time line for generating such revenue.  
***Prime Labs expects to generate \$500,000 in sustainable annual revenues per year 3 years from now, some share of which will be related to the IP under consideration. The University of Montana will earn a royalty rate of 2% on the net revenues.***
  - d. The manner in which revenue and expenses will be shared by the parties.  
***The IP agreement with the university states that Prime Labs will bear the expenses related to the IP. Net royalty income will be share in accordance with BOR Policy 401.2.***
  - e. The nature of each party's equity interest in the project. If none, so indicate.  
***Dr. Robert Smith holds 100% equity in Prime Labs, Inc.***