

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.

This application seeks BOR 407 approval for technology license between Montana State University (“MSU”) and NWB Sensors (“NWB”). The intellectual property (“IP”) involved refers to inventions created at MSU that are licensed by NWB. The first of the technologies relates to imaging from agricultural harvesters for the purpose of measuring crops and weeds during harvest. Information gathered will then be used to develop maps to assist farmers with crop production. The second technology relates to thermal imaging of clouds to detect cloud cover and cloud thickness. Both of these technologies are being developed into products by NWB.

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

- Dr. Paul Nugent
 - 1.0 FTE Research Faculty, Research Assistant Professor in the College of Agriculture at Montana State University
 - Past and potential inventor of MSU IP
 - Founder and Owner of start-up company, NWB Sensors

The MSU Office of Research Compliance is working with Dr. Nugent to develop a Conflict of Interest Management Plan. The purpose of the plan is to accurately describe the potential conflicts in writing, create explicit agreements to protect against actual conflicts, and to facilitate oversight. A Plan Manager will be assigned to review the case annually and whenever major changes in circumstance occur.

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

NWB Sensors, Inc., is based in Bozeman, MT and was registered as a Domestic Profit Corporation on December 30, 2008. NWB is in Active-Good Standing status with the Montana Secretary of State.

2. 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.

3.

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).

NWB Sensors, Inc. is a business entity partially formed and owned by Dr. Nugent focusing on developing high accuracy environmental sensors, currently developing imaging from agricultural harvesters for the purpose of measuring crops and weeds. Currently, there is a license to Dr. Nugent's company for the imagery that was collected while the project was at MSU. The license is only for the imagery, and not for the software or other aspects of the system.

b. The proposed duration of the agreement or arrangement.

The proposed arrangement goes from February 1, 2022 to February 1, 2023. The arrangement can be extended or renewed with a written agreement from both MSU and NWB Sensors, Inc. The Option to License shall be exercisable by NWB Sensors, Inc. for a period of six (6) months after disclosure of any inventions and improvements, unless said option is otherwise declined by NWB Sensors, Inc. in writing.

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

- 1. If LICENSEE does not make a payment due hereunder and fails to cure such non-payment within forty-five (45) days after the date of notice in writing of such non-payment by MSU;
- 2. If LICENSEE shall become insolvent, shall make an assignment for the benefit of creditors, or shall have a petition in bankruptcy filed for or against it. Such termination shall be effective immediately upon MSU giving written notice to LICENSEE;
- 3. If an examination by MSU's accountant pursuant to Article 8 shows an underreporting or underpayment of LICENSEE in excess of twenty percent (20%) for any twelve (12) month period; and
- 4. If LICENSEE fails to sell the product or services.

All License Agreements (and possible future licenses as provided for by Option Agreements) issued by the MSU Technology Transfer Office in which the inventor seeks business participation are contingent upon this BOR 407 approval. This is stated in the License Agreement.

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

- a. Technical advances in the field with public and private contribution provides both academic and economic development
- b. Collaborative research opportunities for Montana State University and its students.

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

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

MSU will provide software and other electronic data files as provided to the Montana State University Technology Transfer Office by the inventors under the 2016 invention disclosures entitled:

- "Infrared Cloud Imaging Data Processing Software," TechID NPW-2016-CLOUD-S
- "Infrared Cloud Imager Design Documentation". TechID NPW-2016-CLOUD-D
- "MAPPING GRAIN FIELDS USING LOW-COST, GPS-ENABLED CAMERAS DURING EXISTING FARM ACTIVITIES", TechID NPW-2016-WEED

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

As an MSU inventor, Dr. Nugent will provide the software and other electronic data files described above.

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

The license agreement will set performance milestones for sales of the licensed technology, as well as annually due sales and marketing reports. There is no way to determine anticipated revenue at this early stage.

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

Royalty revenues will be shared by MSU and the inventors after payment of a development fee to MSU and collection of any unreimbursed legal costs. All expense information will be detailed in the confidential agreement language.

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

Dr. Nugent holds 1/3 equity in NWB Sensors, Inc.