

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 intellectual property is titled “Metabolite extraction chip for the automated real time digitization of metabolomic patterns from living systems.” The technology can be used for detection and diagnostics. The invention was disclosed to the Montana State University Technology Transfer Office (MSU TTO) in March of 2014. Funding was provided by NSF.

2.

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

- Brian Bothner
 - Co-Inventor of intellectual property
 - Professor and Mass Spectrometry Director in the Chemistry and Biochemistry Department at MSU
 - Co-Owner of start-up company

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

Biorobotics LLP, a new start-up based in Bozeman, Montana

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 intellectual property and its patents are owned by MSU with a current Exclusive License Agreement with Biorobotics executed February 27, 2015. This confidential document is available upon request.

b. The proposed duration of the agreement or arrangement.

The license agreement will remain in effect until the last patent has expired or abandoned, unless terminated as described below.

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

MSU may terminate this AGREEMENT as follows:

- 1. If Biorobotics does not make a payment due and fails to cure such nonpayment within forty-five days after the date of notice in writing of such nonpayment by MSU.
- 2. If Biorobotics 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 Biorobotics.
- 3. If an examination by MSU's accountant shows an underreporting or underpayment of Biorobotics in excess of twenty percent for any twelve month period.
- 4. If Biorobotics fails to satisfy the performance milestones.
- 5. Without the obligation to provide notice, if Biorobotics files a claim, including in any way the assertion that any portion of the patent rights is invalid or unenforceable where the filing is by the Biorobotics, a third party on behalf of the Biorobotics, or a third party at the written urging of the Biorobotics.

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

- a. In-state economic development and partnerships spurred by Biorobotics
- b. Technical advances in automated biological assays, also offered as a business service
- c. 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 pay for patent costs and will be reimbursed by Biorobotics per the License Agreement. TTO is pursuing patent prosecution and has filed one provisional patent. The TTO has provided marketing services and personnel hours.

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

Biorobotics will pay to MSU a license issue fee, license maintenance fees, and amendment fees.

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

The License Agreement sets a performance milestone for sales of the licensed technology to commence within four years of the effective date, 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.

Expenses will be shared as described above, and Biorobotics will pay MSU a royalty of net sales and a percentage of all sublicensing income as detailed in the License Agreement.

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

Dr. Bothner has 50% equity share in Biorobotics, LLP.