

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 a technology license between Montana State University (“MSU”), Applied Nano Technologies, LLC., and Dr. Joshua Heinemann. The intellectual property (“IP”) involved refers to inventions created by Dr. Heinemann at MSU for which Applied Nano Technologies, LLC. has the option to license. The technology involves a microfluidic device for synthesis of silver nanoparticles, which potentially could be used in a sprayer for coating materials with silver nanoparticles at some point. Silver nanoparticles have antibacterial and antiviral activity that can allow them to be incorporated into existing materials.

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

- Dr. Joshua Heinemann
 - 1.0 FTE Research Scientist, Montana Nanotechnology Facility, in the Department of Electrical and Computer Engineering at Montana State University;
 - Inventor of MSU IP; the IP disclosure for this invention was made to tech transfer as MSU Docket ID HJV-2022-BIONAN.

The MSU Office of Research Compliance is working with Dr. Heinemann 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.

Applied Nano Technologies, a Domestic Limited Liability Company, is based in Kalispell, MT at 1001 S. Main St., Ste. 6000, 59901, and was registered on February 17, 2023. Applied Nano Technologies, LLC. 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 employees to be awarded equity interests in the business entity
- b. The employees to serve as a members of the board of directors or other governing board of the business entity
- c. The employees 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).

- Applied Nano Technologies, LLC. is a business entity interested in licensing Dr. Heinemann's technology created at MSU, the IP disclosure for this invention was made to tech transfer as MSU Docket ID HJV-2022-BIONAN.

Contingent upon Montana Board of Regents Policy 407 approval pursuant to § 20-25-109, Montana Code Annotated, this will be an exclusive license option agreement for technology developed at MSU. Should a 407 application be rejected by the BOR, this Agreement will be voided in its entirety.

b. The proposed duration of the agreement or arrangement.

The proposed arrangement shall remain in effect for one year. During the time of the option the company may negotiate a license agreement with a longer duration. The proposed arrangement shall remain in effect for one year. During the time of the option the company may negotiate a license agreement with a longer duration (At any time within the Option Period, Company may exercise or decline its option by providing a written notice of Company's intention and ability to develop the Licensed Technology for public use as soon as practicable, consistent with sound and reasonable business practices and judgment.)

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

1.1. This Agreement shall terminate upon:

- a. MSU's receipt of Company's written notice declining the option; or
- b. the end of the Option Period unless the option is exercised in accordance with subsection 4.1 [*option to license*] above, in which event this Agreement will terminate at the end of the stipulated negotiation period or upon execution of a license agreement, whichever occurs first.

1.2. MSU shall have the right to terminate this Agreement immediately, without the obligation to provide notice, if Company 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 Company, a third party on behalf of the Company, or a third party at the written urging of the Company.

1.3. MSU may terminate this Agreement if Company breaches any material term of this Agreement.

1.4. Termination of this Agreement shall terminate any Company rights provided hereunder relating to the Licensed Technology.

1.5. Provisions which survive termination or expiration of this Agreement are those relating to limitation of liability, indemnification, and others which by their nature are intended to survive.

4. 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.

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

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

MSU owns the copyright for the intellectual property. MSU will own the intellectual property associated with Applied Nano Technologies, LLC. as described along with all derivative works and retains the right to use the technology for academic research or other not-for-profit scholarly purposes.

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

As an MSU inventor, Dr. Heinemann will provide to MSU, its successors and assigns, for good and sufficient consideration, the receipt of which is acknowledged herein, the entire right, title and interest in and to any and all of the following that exist as of the date hereof: (a) all Intellectual Property owned and/or developed by or on behalf of Dr. Heinemann; (b) any and all Intellectual Property Rights claiming or covering such Intellectual Property, and (c) any and all causes of action that may have accrued to the undersigned in connection with such Intellectual Property and/or Intellectual Property Rights.

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.

The option fee 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. Heinemann does not currently own an equity interest in the company, Northmen Ventures DBA Applied Nano Technologies, that will have the option to license the technology.