Washington University in St. Louis
Chemical Engineering Department
Campus Box 1198
St. Louis, Missouri 63130

Attention: Dr. R. L. Motard

Gentlemen:

_____ (COMPANY) is pleased to offer Washington University in St. Louis (UNIVERSITY) a grant in the amount of _____ in support of the Center for Computer Aided Process Engineering (CCAPE).

This grant is to support the CCAPE programs as presented in the charter attached to Professor Motard's letter of _____ addressed to _____, and is in effect from the date accepted by the UNIVERSITY until _____. The UNIVERSITY may use the grant as it deems necessary to accomplish the goals of those CCAPE programs. In consideration of this grant, the UNIVERSITY and the COMPANY agree to the following:

1. COMPANY technical representative will be _____ _____. The UNIVERSITY agrees to permit _____ and/or his designee(s) to make reasonable periodic visits to the UNIVERSITY to discuss the progress of research under this grant.

2. The UNIVERSITY agrees to communicate progress to the COMPANY technical representative as appropriate during the period of this grant. Manuscript copies of scientific and technical papers and reports prepared under this grant will be forwarded upon their completion.

3. The UNIVERSITY hereby grants to the COMPANY, for its operations and the operations of companies which the COMPANY owns or controls at least fifty percent, a non-exclusive royalty-free right to use the information developed and/or any patents covering any inventions resulting from research under the grant.

4. The UNIVERSITY retains the rights to publish the results of the research under the grant, but agrees that any mention of the COMPANY in any publication shall be cleared beforehand.

5. The COMPANY agrees that no computer software obtained from the UNIVERSITY, either in source code or in converted code will be incorporated into marketed products. None of this information in any form, either electronic or hard copy, will be transferred outside of the companies covered in paragraph 3.

Washington University in St. Louis

The COMPANY intends to follow the results of research under the grant and to consider whether the results justify a next-year grant, either smaller or larger, and under the same or different terms.

The COMPANY will pay the full amount of the grant promptly in 198_ after acceptance of this agreement by the UNIVERSITY and receipt of an invoice. Please indicate your approval and acceptance of the terms of this letter agreement by executing the duplicate originals and returning one executed copy to _____
_____.

Very truly yours,

_____ COMPANY

By _____

ACCEPTED:

WASHINGTON UNIVERSITY IN ST. LOUIS

FOR CENTER FOR COMPUTER AIDED PROCESS ENGINEERING

By _____

Date _____

APPENDIX B. Draft Contract for Member Companies

ATTACHMENT A

UNIVERSITY - INDUSTRY SPONSORED RESEARCH AGREEMENT NEGOTIATION CASE

Omni Polytechnical Institute and Medi-Systems

Medi-Systems is a subsidiary of International Medical Therapeutics Corporation (IMT), a multi-national pharmaceutical company. Medi-Systems was formed in January, 1980 by IMT to explore, develop and commercialize several new drug-delivery systems which had initially been conceptualized within IMT in the late 1970's. Medi-Systems' center-piece project - the one which its and IMT's executives believe will ultimately make or break the new company - is a slow-release polymeric delivery system for a new anti-ulcer drug tentatively called "Calmidol™".

Medi-Systems was formed with an initial IMT cash investment of $12 million (plus an additional $8 million from other investors) and IMT patents on a new drug (Calmidol™) and a slow-release polymer which can deliver this drug in mammalian systems for period of up to 30 days. IMT's initial animal trials with Calmidol™ revealed problems with toxicity and side effects; the release system appeared to work well. Also, Calmidol™, which was produced through traditional pharmaceutical industry fermentation processes, was extremely expensive to manufacture - so much so that a major reduction in cost will be necessary to make the product commercially viable.

Medi-Systems' research and development, now in its third year, is stalled and pressure is building within the company and IMT to explore alternatives to the in-house program.

One of the original premises of Medi-Systems' creation was the accessing of technological know-how and brain power in academic institutions. Thus the company has employed a prestigious board of scientific advisors - most of whom are academic scientists - from its inception. Several of these advisors own 2% to 4% of the company's "founder's" stock. The scientific board was selected and recruited by IMT's senior executives and Medi-Systems' original entrepreneurs who had known several of the board members on a personal basis for many years.

Medi-Systems' internal discussions, which have included members of the scientific advisory board, have resulted in a decision to sponsor research at a university with the hope that the resulting technological and scientific insights (including patentable inventions) will significantly aid in moving the company's Calmidol™ program forward. Medi-Systems has selected two academic scientists at Omni Polytechnical Institute (OPI), Drs. John Wolf and Eric Bannister, as the preferred principal investigators for the project they seek to support. This choice is predicated on the work of these scientists during the period 1974 to the present, work which has concentrated on the use of recombinant DNA techniques to grow large quantities of proteins - potential anti-ulcer compounds specifically - in Bacillus Subtillus, a sporulating bacteria commonly used in the manufacture of anti-biotics.

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