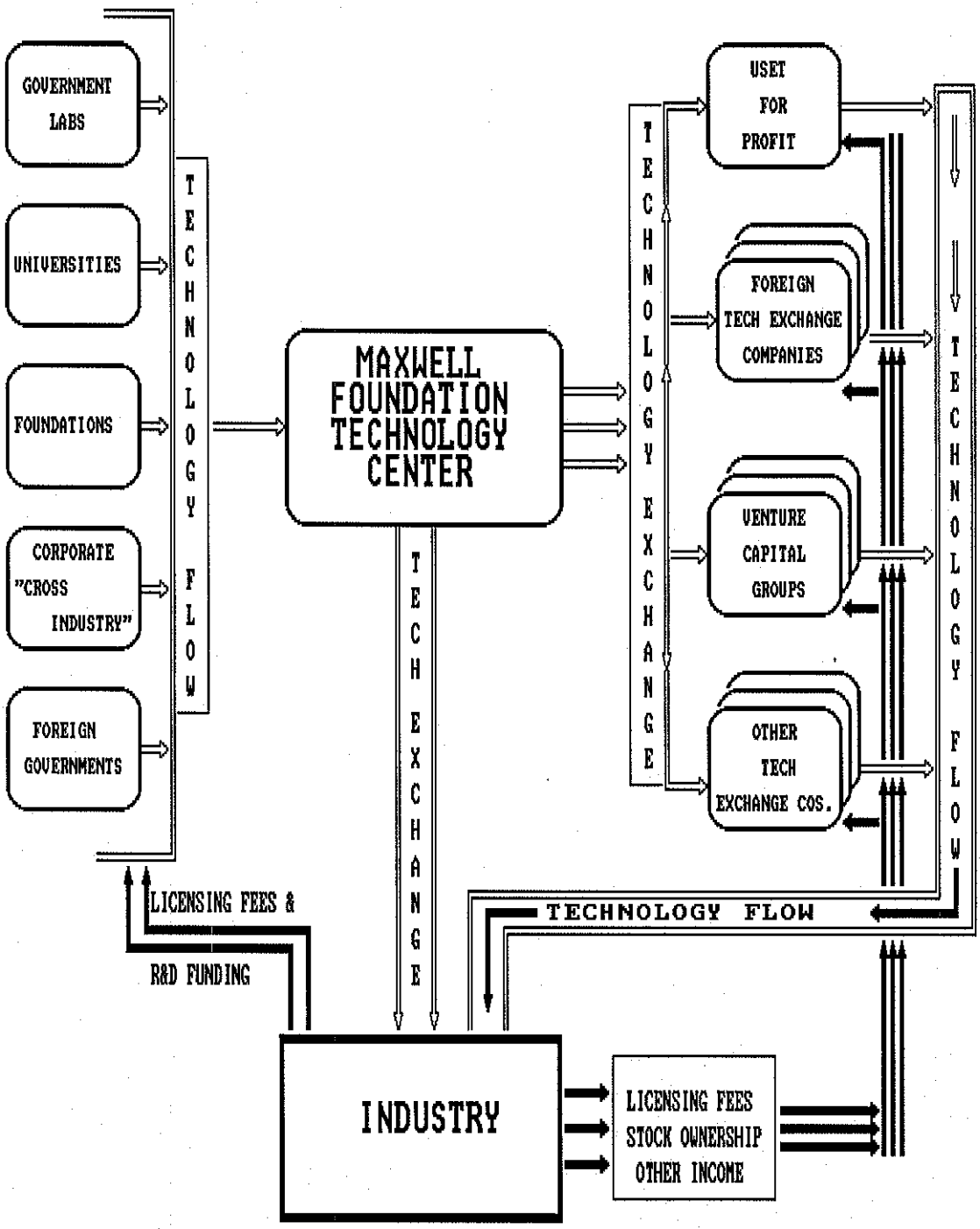

GOVERNMENT LABS
UNIVERSITIES
FOUNDATIONS
CORPORATE "CROSS INDUSTRY"
FOREIGN GOVERNMENTS
TECHNOLOGY FLOW
MAXWELL FOUNDATION TECHNOLOGY CENTER
TECH EXCHANGE
TECHNOLOGY EXCHANGE
USET FOR PROFIT
FOREIGN TECH EXCHANGE COMPANIES
VENTURE CAPITAL GROUPS
OTHER TECH EXCHANGE COS.
TECHNOLOGY FLOW
LICENSING FEES & R&D FUNDING
TECHNOLOGY FLOW
INDUSTRY
LICENSING FEES
STOCK OWNERSHIP
OTHER INCOME

STRUCTURING PROPOSAL AS SUGGESTED BY USET

1. Case-by-case submissions for targeted marketing will be handled exclusively by USET for one year anywhere in the world not already licensed by GKSS.

2. Targeted marketing costs will ~~be~~ shared ~~by GKSS at a~~ rate of $30,000 per year.

3. In addition to marketing costs, income including royalties will be shared at ~~50/50~~ 30/70 rate.

4. All other technology can be included at GKSS election in the USET technology information data base. If a prospective licensee finds technology through the data base, GKSS retains right to negotiate all licenses. However, 7 1/2% of all income negotiated will be returned to USET. At GKSS's election USET will undertake negotiation of any license GKSS's identifies at the rate of an additional 7 1/2% of the income negotiated under such license.

- Will provide you with specific proposal in 30 days.

- If GKSS wishes to proceed USET will visit GKSS at ~~its~~ GKSS expense in Germany.

Draft

Collaborative Agreement

Dr. Robert Bender, Director
Associate Vice President for
Academic Affairs
University of Illinois
363 Administration Building
506 E. Wright Street
Urbana, IL 61801

April 11, 1988

Dear Dr. Bender:

I am able to present the proposal that Sid Alpert mentioned during our recent meeting, as we have now concluded our negotiation with University Patents. We have executed a letter of intent which will lead to a final agreement by April 30, 1988. Accordingly, this letter represents our formal proposal to the University of Illinois setting forth the terms and conditions under which we propose to act as your agent to provide technology management services.

We propose an arrangement along the lines of the previous University of Illinois - University Patents, Inc. Servicing Agreement, but with additional, and we believe very valuable, services.

In exchange for a first refusal right to obtain the exclusive authority to license on behalf of UI, the rights UI may acquire in inventions arising from research at the UI/UC campus, we will provide the UI/UC campus with the following services:

(i) A professional technology transfer individual, at our expense, to be located on the UI/UC campus with UI/UC paying office expenses. This individual's responsibilities will include providing patent related educational services for campus Investigators, interviewing Investigators to search out new inventions and help prepare invention disclosures; providing liaison for our headquarters' personnel, making on-campus visits for Investigator interviews and licensing efforts; helping Investigators work with our electronic data base system (described below); and, generally being available to respond to technology transfer and research proposal inquiries from campus Investigators and Administrators.

(ii) Access to our electronic data base system. As described at our recent meeting, this system will enable us to widen the scope of our licensing activities on your behalf.

Further, on a purely voluntary basis, the system will enable your Investigators to solicit research funding from industry and have access to additional, non-traditional funding sources. In addition, and again on a voluntary basis, we plan to promote the licensing of software and biologic and engineering materials, such as monoclonal antibodies, through the data base system. This service will be available at no cost to UI other than our normal 40% share of royalty income from licensed technologies, together with a 15% share of overhead obtained from research grants generated through the system, in order to help defray system costs.

(iii) We shall bear the expense of filing patent applications throughout the world for elected inventions, prosecuting the patent applications and maintaining patents issuing therefrom. In addition, we shall bear the costs of licensing and other services, except as noted above and except that foreign filing, prosecution and maintenance costs will be deductible from royalties or other income derived from elected inventions.

(iv) As to timing, we propose a six-months evaluation period from our receipt of a complete disclosure, at which time we will notify UI of election or non-election, or request an extension which UI may, in its sole discretion, grant or refuse. Our election will require us to file a patent application for the elected invention. As to incomplete disclosures, we suggest that this be handled as set forth in Section 2.6 (a) of the UI/UPI Agreement.

(v) With respect to inventions subjected to our agreement, we propose a 40/60 division of royalty income, paying over to UI 60%. In addition, we will pay directly to your employee inventors the sum of $250 at the time a United States patent application is filed. We will distribute income to UI on a quarterly basis.

(vi) We propose an initial term of this agreement of three years, subject to automatic one-year rollovers, or renegotiation at the end of such initial term.

With respect to the UI/Chicago campus, we propose either of the following:

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If you have any questions or comments regarding the foregoing, I invite your direct inquiry to me. If you would like to have a proposed agreement for consideration now, we will be pleased to provide same. I look forward to our continuing relationships with your committee, the Intellectual Property Committee, and the University of Illinois at large.

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Vice President for
Legal and Technology Affairs

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ACTION ITEMS THAT SHOULD BE UNDERTAKEN

1. Standard Servicing Agreement

   I presume that this is my assignment to coordinate with Carl, Sid, Frank and you. Status - first draft but at least one full work day must be devoted to its completion - Highest Priority.

2. Proposal to U. of Illinois

   My assignment - status - first draft completed - needs some polishing - major problem is lack of stationary. High Priority.

3. Proposals to U. of Massachusetts, Maryland Medical School, and VA - also Georgetown

   With policy guidance from 4/18 meeting proposals can be drafted but a lot of information must be gathered before proposals can be drafted. High Priority. Stationary also a problem here. Also tied to the need for a general USET pamphlet which should accompany proposal.

4. USET Pamphlet

   First draft started - logistic assistance needed - delays in printing can be expected if we to through Maxwell printing - High Priority because we need this to accompany specific proposals.

5. Slide Show for USET

   Need this to approach new clients who have not been previously approached by UTC.- MASS, ILL, MD, VA were all given some type of show and tell. This is high priority but can wait until a "hit list" of prospective clients is developed.

6. "Hit List" of prospective clients

   Jay Liverman and I are in process of dumping all the NSF information on 400 Universities into a usable format so that a "hit list" based on your instructions can be constructed. This is ongoing and important but not high priority.

7. USET Business Plan

   Important and ongoing but not high priority.

8. Plan to handle software

   Frank with Norm's assistance

9. Letter that resolves question of TLO at Georgia Tech being our employee

   First draft from Carl

10. Formulation of proposal to renegotiate Georgia Tech contract

    Carl

11. Formulation of proposal to renegotiate U. of Kansas State contract

    Carl

12. Continued development of USET I electronic information system

    High Priority - ongoing. Norm

13. Closure of UPI option agreement

    High Priority - ongoing.

14. Smithsonian Contract

    Redrafting. Norm - John Fraser