University Science, Engineering
and Technology, Inc.
8000 Westpark Drive, McLean, VA 22102
Tel: 703/821-2030 Fax: 703/821-2049
Reply to: P. O. Box 901, Westport, CT 0688

July 18, 1988

Mr. Allen J. Sinisi III
Director
Office of Research and
Project Administration
Princeton University
New South Building
P. O. Box 36
Princeton, New Jersey 08544

Dear Al:

We are pleased to announce that the relationship between University Patents, Inc. and USET, Inc. has now been completed. From prior discussion, you are aware of the background of the new arrangement. USET's technology transfer group is comprised of University Patents' and University Technology Corporation's patent management businesses. All operations are centered at the Westport, Connecticut location formerly occupied by UPI. I have been named president and chief executive officer of USET.

As you can imagine, we have a lot of organizing to do, integrating the two entities and developing additional services which we believe will be of substantial benefit to you. In the meantime, however, please be assured that the services which UPI has rendered to Princeton University in the past will be continued without interruption. The UPI technology and licensing people with whom you have worked are all employees of USET, except for Sid Alpert, who is a consultant. We are joined by Carl Wootten and Norm Latker, both of whom are undoubtedly known to you. For the moment, nothing else has changed. I will call you shortly for an appointment. When we visit, I want to review our practices and procedures with you, as we now have an excellent opportunity to address your concerns and improve our services.

Sincerely,

USET, INC.

By: Bill
L. W. MILES, President and
Chief Executive Officer

LWM:jh

Solutions Thru Technology

University Science, Engineering
and Technology, Inc.
8000 Westpark Drive, McLean, VA 22102
Tel: 703/821-2030 Fax: 703/821-2049

TELECOPIER

TRANSMITTAL SHEET

DATE: 21-July 88

TO: Carl Wooten

FROM: Mo Lather

SUBJECT:

NUMBER OF PAGES (INCLUDING THIS COVER): 2

Solutions Thru Technology

GKSS-FORSCHUNGSZENTRUM GEESTHACHT GMBH
Max-Planck-Straße
2054 Geesthacht
Tel.: 04152/87-0 Tx.: 0218712 gkssg Telefax: 04152/871618

TELEFAX

An: USET attention
Mr. Carl B. Wootten

Faxe-Nr.: 0017038212049

Anzahl der Seiten: 2
(einschl. Deckblatt)

Betr.: USET visit

Datum: 07.09.88

Absender GKSS-Abteilung: TT/Am
Bearbeiter: C. Schröder

GKSS

FORSCHUNGSZENTRUM GEESTHACHT GMBH

GKSS, Postfach 1160, 2054 Geesthacht

Max-Planck-Straße, 2054 Geesthacht
Telefon: 04152/87-0
Telex: 0218712 gkssg
Telegramm: GKSS Geesthacht
Telefax: 04152/871618 - Geschäftsführung
04152/871403 - Fernmeldezentrale

Telefax to

USET
attention
Mr. Carl B. Wootten

Ihr Zeichen:	Ihre Nachricht vom:	Unser Zeichen:	Bearbeiter:	Telefon-Durchwahl:	Datum:
		SJD-Schr/Am	Claas Schröder	04152/87 1685	07.09.88

Re.: USET visit

Dear Carl,

thank you for your letter of July 1, 1988 and the xerox copies of the slides you presented. Having discussed the item with my management I would like to inform you, that the basic structure of cooperation as outlined in our meeting ist beeing accepted by GKSS as fair and reasonable. We would therefore appreciate very much to receive USET's specific proposal.

Looking forward to hearing from you.

Regards to Dr. Altieri and Mr. Latker.

Sincerely,
C. Schröder
Claas Schröder

Rechtsform: Gesellschaft mit beschränkter Haftung, Sitz in Hamburg, Amtsgericht Hamburg HRB 7808, Vorsitzender des Aufsichtsrates: Ministerialdirigent Dr. Ing. Werner Menden
Geschäftsführer: Dr. Ing. Dietrich Morgenstern, Dr. Claus Waldherr

Bankverbindungen	BLZ	Kto.-Nr.
Commerzbank Geesthacht	200400 00	9479008
Deutsche Bank Geesthacht	200700 00	5800404
Dresdner Bank Hit Bergedorf	200800 00	1729019

University Patents, Inc.

VIA FACSIMILE
No. 011 33 14 7059966

July 12, 1988

Mr. Alain Weil
Directeur des Relations Industrielles
Institut National de la Recherche Agronomique
147, rue de l'Universite
75341 Paris
Cedex 07, FRANCE

Dear Mr. Weil:

Re: Agency Servicing Agreement

Thank you for your letter of July 1, replying to Mr. Alpert's letter of June 30. We fully recognize that INRA has the right, under Section 8B of the INRA/UPI agreement, to withhold consent to the assignment of the agreement to USET. In the following paragraphs, I will explain who USET is and why we believe it can successfully represent INRA in North America. Parenthetically, may I say that USET is using UPI letterhead until our new stationery (with new telephone numbers) is ready.

(1) USET is a corporation which was formed in early 1988 by the Maxwell Group at the direction of its Chairman, Robert Maxwell. Mr. Maxwell, since his service as a Member of Parliament in Great Britain some years ago, has been concerned that inadequate technology transfer has impeded the progress of mankind, particularly in the areas of health care and food supply. To help remedy this situation, he has applied his corporate resources to the creation of USET, an entity modeled after UPI to transfer technology. Additionally, USET will create a computer-based marketplace for university/industry technology through its data base subsidiary company.

Technology Transfer. The Technology Transfer portion of USET comprises the merger of University Patents, Inc.'s technology transfer business with University Technology Corporation formerly of Durham, North Carolina ("UTC"). UTC was formed several years ago to do precisely the same work which UPI has done, and with which you are familiar. UTC represents, as exclusive technology transfer manager, the University of Iowa, the University of Connecticut, the

1465 Post Road East • P.O. Box 901 • Westport, CT 06881 (203) 255-6044 Telex 501985 Fax (203) 254-1102

University of Maryland, Georgia Tech and Kansas State University. UTC operates with on-campus representation and central office evaluators and marketeers of technology. UTC's staff and operations will be consolidated in Westport, Connecticut with that of UPI.

The technology transfer personnel of UPI have transferred, intact, to USET, except for Sidney Alpert, who will remain with UPI for the indefinite future. The president of USET is L. W. Miles. Mr Miles was the founder, Chairman and Chief Executive Officer of UPI for almost twenty years. His assumption of the management of USET was a requirement of the Maxwell Group. As a consequence of the two acquisitions, our collective staff includes the people with whom you are familiar at UPI: Patent Attorneys Yahwak and Shimei, and the undersigned; and licensing executives from UTC with similar backgrounds. Additional professional staff is being recruited which will provide capabilities in all major technical disciplines. Mr. Carl Wootten, founder and former President of UTC, who was license administrator at Duke University for many years, remains with USET.

In summation, we can say that USET's technology transfer division is a stronger, more broadly based, better financed UPI with more clients and the ability to grow successfully under strong financial auspices.

Technology Information Center. As an adjunct to its Technology Transfer business, USET acquired a computer software developer ("TIC"). TIC is developing a data base to provide access to subscribing industrial clients information about technologies available for licensing from the USET portfolio. Also available to industry will be research funding opportunities from university investigators. In addition, the data base will include listings of technology "wants" from industry. All of this information will be coded and will move through USET as the marketplace. It is our belief that TIC will enhance technology transfer of inventions, such as INRA's, while simultaneously identifying support for projects needing funding. INRA may wish to make use of this service, as well.

(2) If we have INRA's consent, all projects previously undertaken by UPI will be transferred to USET without any changes. Thus, those items which UPI has elected will be assumed by USET. Those which have been under consideration by UPI will be elected or returned by USET.

(3) All of the personnel heretofore involved with INRA's affairs have been transferred to USET, except for Mr. Alpert. Mr. Alpert is a consultant to USET and will continue in that capacity for the foreseeable future.

(4) UPI, without its technology transfer business, has various on-going activities, including a continuing financial interest in technologies which were in its portfolio prior to the sale. In addition, UPI has investments in three affiliated companies--University Optical Products Co., University Communications, Inc. and Plasmaco, Inc.--which Mr. Alpert will oversee.

Mr. Weil, I believe that the sale of UPI's Technology Transfer business to USET puts INRA's portfolio in stronger hands with greater capabilities than those which UPI could provide. With more manpower and greater resources, USET can only do a better job than could UPI. We would like to retain our relationship and hope that you will agree. If there are any additional questions, please don't hesitate to ask them.

Sincerely,

ROBERT I. SIEGEL
Counsel

RIS:sb
cc: Mr. L. W. Miles
cc: A. Sidney Alpert, Esq.

MAXWELL
COMMUNICATION CORPORATION plc

1987 Report and Accounts

FINANCIAL HIGHLIGHTS

	1987	1986
Sales (£m)	**884.1**	461.7
Operating profit (£m)	**120.4**	67.0
Profit before taxation (£m)	**166.0**	80.3
Profit before taxation as a percentage of sales	**18.8%**	17.4%
Earnings per share	**26.7p**	23.2p
Dividends per share	**14.0p**	12.9p
Total assets (£m)	**1783.8**	1145.8
Net assets (£m)	**1014.3**	527.3
Return on net assets	**16.4%**	15.2%
Shareholders' funds (£m)	**1003.4**	522.2
Average number of employees	**16,992**	12,626
Sales per employee (£)	**52,030**	36,567
Operating profit per employee (£)	**7086**	5306
Net assets per employee (£)	**59,693**	41,763

"In 1987 the Corporation passed a number of important milestones on the road to achieving our goal of becoming a global information and communications company before the end of the decade, with annual revenues of £3-5 billion with profit growth to match"

ROBERT MAXWELL

Latker
University Science, Engineering and Technology, Inc.
8000 Westpark Drive, McLean, VA 22102
Tel: 703/821-2030 Fax 703/821-2049

Reply to:
1465 Post Road East
Westport, CT 06880
Tel: 203/255-6044 Fax: 203/254-1102

September 19, 1988

Dr. Sam Conti
Vice Chancellor for Research
University of Massachusetts
Lederle Graduate Research Center
8217 Lowrise
Amherst, MA 01003

Re: USET Technology Transfer Services

Dear Sam:

As we discussed by phone, University Technology Corporation has now been merged with USET, and we would like to officially re-open the dialogue with you concerning our handling of your technology transfer needs. I think that, with our expanded capability, we can now offer a proposal to you for both the Amherst and, if appropriate, the Medical Center and Boston campuses which we hope will meet your needs. As you know, USET now consists of UTC, the technology transfer arm of University Patents, Inc., and TIC, a software company in Houston, Texas. USET itself is a wholly-owned subsidiary of Maxwell Communications, a multi-billion dollar company, which provides the stability and long-term financial capability to provide a wide variety of services.

As we discussed by telephone, the following services would be provided, in return for a right of first refusal to all of the technology that the University may acquire arising from its research, to include the following:

1. The services of a professional Technology Liaison Officer (TLO) on a regular "as needed" basis. The TLO's responsibility will include providing patent-related educational services for campus investigators and interviewing investigators to search out new inventions and help prepare invention disclosures. The TLO will provide liaison with our licensing staff, be available on-campus on a regular basis for interviews with investigators, and generally be available to respond to technology management and research

proposal inquiries from campus investigators and administrators. The TLO will visit your campuses on a scheduled but part-time basis. The only cost to the University will be for providing an office and administrative assistance in arranging appointments and the like. The cost of the TLO and the people who will perform the actual licensing functions will be entirely borne by USET.

2. Through our subsidiary, TIC, we are planning the creation of a database incorporating university technology. As I described to you, this system would enable us to widen the scope of our licensing activities on your behalf. At your discretion, the system may enable University investigators to solicit research funding from industry or other nontraditional-funding sources. USET also plans to promote the licensing of software, biological and engineering materials through the database system. These services will be available at no cost to the University, other than the normal sharing of income. Since we are not providing a full-time TLO for the campuses, we would share any option fees, license fees, royalty or other income generated from our licensing efforts, on the basis of 60% to the University and 40% retained by us. In addition, USET would receive from the University 10% of the amount of any industrial research grant generated by USET for utilization by University investigators.

3. On inventions selected by USET on its right of first refusal mentioned above, USET would file, pay for and own patent applications throughout the world on these inventions. The only caveat would be that the foreign filing prosecution and maintenance costs will be deductible from royalties or other income derived from these inventions prior to any income distribution. Inventions which USET elects not to file, pay for and own, the University may file, pay for and retain. If you should so desire, we will market such inventions as we would other technology, except that the University would recover its patent costs prior to sharing royalty or other income with USET.

4. The election of ownership mentioned in "3" above would be accomplished within 6 months of receipt of a complete invention disclosure, at which time we will notify the University of election or nonelection (or request an extension should the circumstances warrant). For incomplete disclosures, the invention would be put "in-abeyance" which would toll the time period mentioned above until such time as the invention was complete. Under mutually agreeable

circumstances, the University may request the return of an invention.

5. USET would monitor all licenses and collect funds due to the University, paying the University its share on a semi-annual basis.

If you agree, we propose an initial term of this Agreement for 5 years, subject to automatic 1 year-rollovers unless terminated by either party after the 5 year initial term.

I trust that the foregoing summary of terms and conditions will provide you with sufficient details upon which to act. Obviously, if additional information is required, or if you wish us to make a presentation personally to the appropriate people at the University, we would be happy to meet with you at your convenience.

If you have any questions or comments regarding our proposal, please don't hesitate to call me. If you would like to have a proposed Agreement for consideration, we would be pleased to provide one but would like work that out together before actually sending you the legal document.

I imagine this seems as long and drawn out to you as it does to me, since we have been talking about this Agreement for approximately two years. Hopefully, we can now get the necessary people together so that the University's technology can start getting out to industry to the benefit of both yourself and to USET.

Sincerely,

Carl

CARL B. WOOTTEN
Vice President

CBW:sb
cc: Robert I. Siegel, Esq.
Norman J. Latker, Esq.
Dr. Billie S. Willits

DRAFT

MAXWELL COMMUNICATION CORPORATION plc

The Reverend Mr. Juri Karner, Rector
Tartu State University
18 Ülikooli Street
Tartu 202400
Estonian SSR, USSR

[Verify Title and Address. See Tartu State University Letterhead]

August 31, 1988

Dear Reverend Karner:

We here look forward with great anticipation to a continuation of the mutual progress initiated by our visits in Estonia, July last. To that end, I have enclosed a suggested Joint Agreement, our Maxwell Technology Program, and a brief ~~Discussion~~of our Science and Technology Service Agreement. Further, I will bring with me, for our discussions, copies of our existing agreements with universities in the United States, ~~our Technology Service Agreement and~~ materials on Stanford Seminard

descriptive

These documents should be regarded as advance materials for discussions we wish to hold with you and your colleagues to implement our exciting projects. Mr. Simon May of my London office will call to confirm arrangements for our meeting.

We are delighted that the breadth of our proposed cooperation is much in keeping with the spirit of *Koinonea* and the freer exchange of scientific ideas we believe is evolving at last between scientists and nations of the West and those of Eastern Europe. We look forward to advancing the science and technology ~~of a wide range~~ of Estonian instititions.

Until our next meeting, I am,

Yours truly [His preferred close]

Kevin Maxwell, Chief Executive
Maxwell Pergamon Publishing
Corporation

Enclosures: ~~Four~~ (4), as stated
~~Five~~ (3)

MAXWELL SCIENCE AND TECHNOLOGY TRANSFER PROGRAM
TO ASSIST TARTU STATE UNIVERSITY AND
THE ESTONIAN ACADEMY OF SCIENCES

Introduction

A society's capacity and standard of living is, in large part, dependent upon its science and technology and its willingness to apply and invest in them. Our science and technology transfer effort is offered to assist you in a climate of increasing need for development and application of results, ~~for establishing~~ new research collaboration, and ~~for~~ sources of ~~review~~ revenue for further research.

During this decade and the foreseeable future, emerging technologies, the increasing need for foreign trade, and the needs, tastes, as well as changing values of this and following generations of Estonians, will undoubtedly reconfigure practically all facets of Estonian commerce, services, employment and, yes, daily life. ~~These~~ individual ~~and Estonian~~ aspirations will exert great pressure ~~the~~ institutions and government to meet them. An important part of Estonia's capacity to respond to challenge is its intellectual, scientific and technological fabric which should allow creation of the wealth necessary to elevate the standard of living.

Can the adjustments be made so that the coming technological changes will not create undue stress on any given segment of the government and its people?

The proper, pragmatic management of technology and innovation combined with a clear vision of what is needed can greatly enhance the effectiveness of Estonian science and technology programs. Therefore recognizing these to be essential for trade and economic goals, I am setting out below our science and technology transfer programs and the capacity of our organization to assist you in achieving those goals.

Objectives

This is to offer you a brief insight into my efforts to facilitate application of intellectual and tangible properties and unique technologies. Our single objective is to bring the fruits of research and development expeditiously to mankind, **including** its commerce, **for its benefit.**

Specifically, my efforts are directed to:

- **helping government research institutions and laboratories, universities, and industry apply their know-how and technology** within their own settings and on national and international scales;

- **identifying, protecting and then making known specific intellectual and tangible properties,** such as research reagents and computer programs, while preserving the incentives for the inventor, the laboratory, and his or her country; and,

- for the identified technologies, **finding targeted applications within industry** (without regard to national boundaries) and facilitating adaptation of those technologies to products.

These efforts are designed to translate more rapidly technological achievements into commercial success, and to promote teamwork from innovation through application.

Purpose

Why have I undertaken this venture into technology management, and why now? The answer is quite simple.

I have launched this effort to improve productivity, create additional incentives for all parties involved in the technology transfer process from inventor to producer, and to enhance business opportunities and trade activities among countries at a time when the emerging climate for technology transfer between government and industry and among governments has become more favorable. In the West, and in particular the United States, the cooperative spirit between government and industry is spurred by a lack of growth in R&D financing and the need to enhance competitiveness by providing better links between scientific and technological capacity, productivity and economic growth. Joint ventures between universities and U.S. industry have created additional revenue streams necessary for the support of further research and for the universities that play a unique role in getting the research results applied. Further, competition posed to the Western countries from the rest of the world is emerging. This competition requires collaboration and sharing of R&D costs to yield new, improved products for commerce. This competition is affecting not only nations in the West and Far East but Eastern Bloc countries as well.

This venture, technology management and transfer, which is not an easy one, recognizes:

(1) the diversity of organizations with different missions and operational principles that function in the technology transfer continuum, from innovation to practical application;

(2) the different cultural and political atmospheres in which those diverse organizations operate under varying governmental structures; and,

(3) the complexity of the technology transfer process itself, which includes four basic steps: identification, transfer, commercialization and communication.

We define those terms as follows: for, identification - selecting from an array inventions and discoveries for commercial development, either on-site at the universities and other research centers where they emerged or from an electronically stored data bank; transfer - communicating and conveying applied technologies to potential individuals and institutional users; commercialization - testing, refining and otherwise readying the applied technologies for market and economic returns; and, communication - developing effective communication links and networks to establish a critical mass of technological information and of research and industrial organizations for targeted, high priority areas.

The technology transfer process is shown in greater detail in Figure 1.

Organizational Structure

To efficiently undertake this venture into technology management, I have established two separate but related organizational entities with their respective knowledgeable experts:

- **University Science, Engineering and Technology, Inc. (USET) a for-profit;** and,
- **Technology and Science Center, a non-profit.**

USET is structured to identify and market a spectrum of intellectual and tangible property advances to industry on a worldwide basis.

USET is part of the Maxwell Pergamon Publishing Corporation[1], under the direction of Mr. Kevin Maxwell, its Chief Executive Officer.

The Technology and Science Center is structured to work closely with a broad array of government laboratories, universities, industries, and foundations who work more comfortably with non-profits to build the necessary bridges for technology transfer.

The Center, under the direction of Dr. Lowell T. Harmison, an officer of the Maxwell Foundation, is part of the Maxwell Foundation, a charitable organization.

Our view of research and development resources in the technology transfer process is shown in Figure 2.

In Attachment I entitled "Maxwell Science and Technology Transfer Services to Assist Tartu State University and The Estonian Academy of Sciences," I am outlining the services and

[1]The Maxwell group of organizations, hereafter called Maxwell, encompasses Maxwell Pergamon Publishing Corporation.

describing in some depth **how** we could support and work with your research institutes, universities, and government laboratories, and **what** the benefits of our collaboration might be to Estonia.

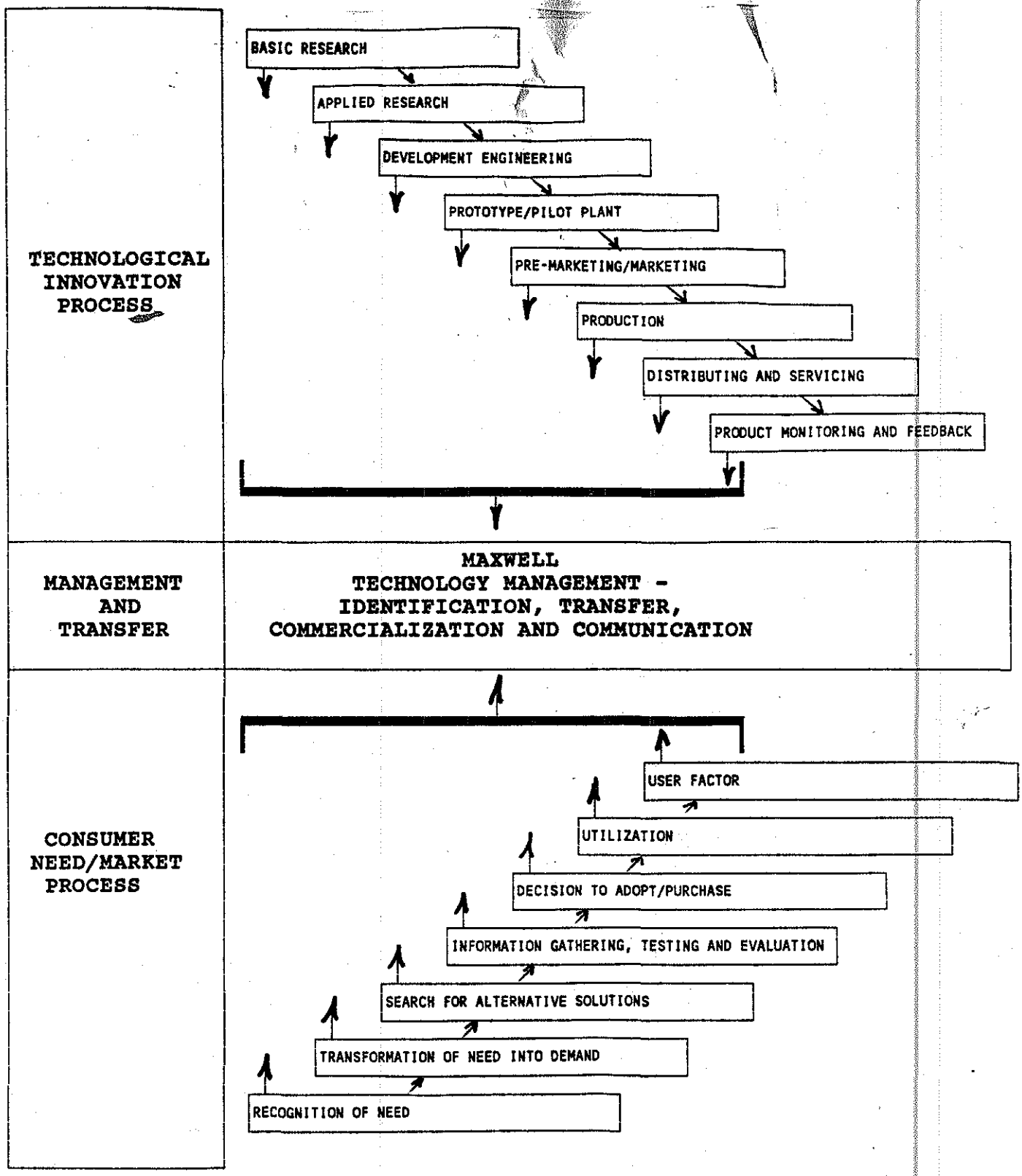
In essence, we would work with you by: managing technologies arising from research, establishing an educational program for researchers and administrators to raise awareness of technology transfer opportunities and benefits, and providing access to Maxwell's inventory of existing and emerging technologies.

Our arrangement could extend such benefits as expanded opportunities for technology application, increased trade and economic opportunities, and enhanced avenues for scientific and technological collaboration on a worldwide basis.

I believe that our creation of a joint venture into science and technology transfer and its attendant scientific and commercial benefits will offer significant, intrinsic cultural and societal value of the most basic kind and that this type of mutually beneficial joint venture deserves our full support.

.../...

FIGURE 1
TECHNOLOGY APPLICATION AND INNOV ION SERVICES FOR THE ESTONIAN SSR



This is a stage model of the supply and demand sides of technological innovation and application. Basic research is done without practical objective, producing knowledge for its own sake. Applied research has a practical goal, establishing a concept in the laboratory. In development/engineering, apparatus for experimenting with the concept are fashioned. If successful in laboratory demonstration, a working model prototype or pilot process is constructed to test the innovation under field conditions at a small scale. The innovation is then scaled up until it reaches the intended size and complexity of the full scale product or production process. Marketing follows. To the extent that at least one stage of this process is done by different people, different parts of an organization, different organizations, and different nations, than those doing a preceding or succeeding stage, technology is transferred. The demand side of technology innovation/application begins with a recognized need transformed into a market demand, where potential customers would pay for an innovation under specified performance and price conditions. Once a demand is present, alternative solutions may be sought, by information gathering, testing, and evaluation of other approaches, products, and services. At some point, a decision to adopt or purchase an innovation occurs. Utilization follows. Gradually the innovation is assimilated into the routines of its users.

A DISCUSSION OF THE MAXWELL SERVICING AGREEMENT

This paper is being offered as explanation in advance of a number of terms and conditions to be found in our Technology Servicing Agreement.

Under the Agreement that Maxwell is seeking to effect with the State Committee for Science and Technology and Academy of Sciences of the USSR, Maxwell would provide certain technology management services for ten (10) years and, in return, would receive a percentage of the royalties and other considerations from the translation of the technology into practical application.

Maxwell Services

Maxwell would deliver these services:

1. **An Educational Program for Research Institutes, Universities and Other Research Laboratories Staff and Research Investigators,**

describing the services available to the University, the benefit of managing University technology, and the process of identifying, protecting, and licensing such technology.

2. **Consulting on Intellectual and Tangible Property Issues in Connection to Specific Institute and University Technology or Research Grants, Contracts or Collaborations,**

3. **A Licensing Program for Technology Covered by the Agreement,**

on the basis of the technology's commercial potential and the availability of intellectual property protection, to include:

- the planning of licensing strategies,
- the filing and, where necessary, the prosecution of patents, and
- the maintenance of any patents issuing as a result of the Maxwell program.

The licensing program and tangible property Agreements are the **heart** of the Agreement.

4. **Bookkeeping of Income and Receipts and Periodic Reporting on the Status of Maxwell Activities.**

Complete Disclosure By the University

It will be necessary that the **Institute/University*** receive promptly disclosures of pertinent technologies from its inventors and that it forward them promptly to **Maxwell.** It may also be true that University employees will disclose directly to Maxwell. Copies of such disclosures will be promptly given to the University. In both cases, the disclosures will be used to evaluate the commercial potential of the technology. At the same time, the University should advise Maxwell of any outstanding commitments or obligations which might prevent such technology from being subject to the Agreement or which might limit Maxwell's ability to license the technology. These would include any pertinent publications.

Maxwell Diligent Pursuit of Licensing

Within six months of a complete disclosure from the University, **Maxwell** will notify the University of whether or not it chooses to pursue a licensing program. If it does so choose, the University will need to assign to Maxwell its entire right and the title to such technology. On the other hand, if Maxwell does not choose to pursue a licensing program, the University of course retains right and title to the technology.

Within twelve months of Maxwell's choice to conduct a licensing program for a technology, Maxwell will do one of the following:

- Complete a patent novelty search for the technology;
- Elect to file a patent application or pursue other means of intellectual property protection; or,
- Notify the University of Maxwell's termination of interest in doing so.

Within a year after that twelve-month period, Maxwell will either:

- Complete timely filing of patent application(s) for the invention in any country of the world;
- Establish other means of intellectual property protection; or,
- Notify the University that Maxwell is no longer interested in pursuing the protection needed for the technology.

*University ~~should~~ shall mean Institute, University or ~~other~~ research institution when used in this document.

Maxwell-University Cooperation

In order for Maxwell to best conduct the licensing program, certain mutual understandings and procedures must be reached. These are as follows:

- The University and Maxwell need to act in a timely manner and should not engage in burdensome, costly, or time-consuming procedures that inhibit transfer or the exercise of their responsibilities by licensed industrial participants.

- The University and Maxwell need to work cooperatively with University inventors and research staff in order that necessary background information, support, and know-how are provided to facilitate commercialization of its intellectual and tangible property.

- The University and Maxwell should work cooperatively to identify constraints and remove them in order to advance the efforts of both.

- The University will refrain from executing licenses on the technologies covered by the Agreement and it will not provide research results related to the technology covered by the Agreement for any commercial purpose.

Payments and Consideration

In return for Maxwell Technology Management, Maxwell will receive forty percent (40%) of the royalties, fees or other income from the licensing, sale, or other uses of any technology covered by the Agreement; the University should receive sixty percent (60%).

In return for the Technology Transfer Education Program and Consultation on Intellectual and Tangible Property Issues, Maxwell would expect to be paid on a fee for services basis.

In return for access to Maxwell's unique data base on intellectual and tangible properties, Maxwell would expect to be paid on a fee for services and/or royalty basis.

If Maxwell files for foreign patents, Maxwell would first deduct the foreign filing, prosecution and maintenance costs from royalties or other income, and the remainder would be shared on the 40:60 percent basis described above.

If a technology covered by the Agreement becomes involved in litigation, litigation expenses would likewise be deducted from any royalties or other income related to the technology with the balance of the recovery or the remainder of such royalties to be shared on the 40:60 percent basis.

Royalties and other payments received by Maxwell and attributable to the licensing of inventions will be accumulated by Maxwell and amounts due to the University would be paid semi-annually.

Other Considerations

It is important to note that either **Maxwell** or the **University** can end the Agreement by providing written notice ninety (90) days before the end of the Agreement term, which should be for a ten-year period. Even so, Maxwell would still manage those patents issuing before the end of the Agreement until their expirations, and Maxwell would still receive and pay out its and the University's shares of income received from royalties, licenses and sales on patents already acquired.

If Maxwell were to go out of business or into receivership, the rights and titles to the technologies covered by the Agreement would automatically revert to the successor organization and then to the University.

Joint Venture Technology Agreement Between

The State Committee for Science and Technology and Academy of Sciences of the Union of Soviet Socialist Republics

and

Maxwell Communication Corporation plc and Foundation

The State Committee for Science and Technology and Academy of Sciences (hereafter USSR/STC) of the Union of Soviet Socialist Republics, and Maxwell Communication Corporation plc and Foundation (hereafter Maxwell);

In keeping with their 1988 General Agreement on Cooporation in Science, Technology, Culture, Education, Communications and Other Fields;

Realizing the value of joining in common efforts to further the development and promotion of Soviet technology with its attendant economic, commercial and trade benefits;

Determined to strengthen and broaden the cooperation already effected through application of Soviet research and technology application worldwide, thereby promoting better understanding between us and improving the human condition, business opportunities, and trade activities at a time when the USSR's present economic situation and future outlook are positive and the international climate for cooperation between governments and industry has become favorable;

Have agreed as follows:

ARTICLE I
Definitions

1. The Term "**Technology**" shall mean inventions, invention disclosures, know-how, trade secrets, computer software and data bases, biological, chemical and engineering materials, integrated circuit chips, prototype devices, and equipment, whether or not subject to intellectual property protection, patents and patent applications. In addition, the term shall include disclosures of specific research projects that the USSR/STC believes may result in any of the above categories of technology. The term shall also mean technology which arises from research by specific, single Soviet institutions or from collaborative agreements entered into by two or more Soviet institutions or organizations, and other technology which the parties hereafter mutually agree to in accordance with this AGREEMENT.

2. The term "**Intellectual Property**" shall mean patents, copyrighted technology, trademarks, trade secrets, or the protection of semiconductor chip products.

3. The term "Tangible Property" shall mean biological materials, computer software, computer data bases, circuit diagrams, engineering drawings, integrated circuit chips, prototype devices, equipment, and properties distinct from intellectual properties.

ARTICLE II
General Principles

1. This Agreement establishes the policy framework, impetus for implementation, and overall monitoring framework for Maxwell and USSR/STC collaboration in applying Soviet technology worldwide.

2. The Parties will undertake to develop and extend technology initiatives with all Soviet research institutes, universities and institutions engaged in research and development activities and provide equitable and mutually beneficial cooperation in technology between those institutions and Maxwell.

3. The Parties will promote this Joint Venture Agreement by: a) providing technology management services to USSR research institutions; b) encouraging preparation, publication, printing, distribution and sale of books, journals, magazines, documentary films and other publications media devoted to scientific and technical subjects; and, c) facilitating contacts, exchanges and cooperation in the field of technology among scientists, engineers, and writers of scientific and technical works.

ARTICLE III
Specific Areas of Cooperation

The Parties agree to direct their initial joint efforts toward:

1. Technology Management Services, to include: identifying, evaluating, protecting and then making known specific intellectual and tangible properties; for the identified Soviet technologies, licensing, promoting and finding targeted applications in foreign and Soviet domestic markets; and, facilitating adaptation of those technologies to products.

2. Design, Development, and Delivery of educational programs to raise awareness of the benefits of technology and technology transfer for USSR Universities, Research Institutes, Research Centers, Academies of Science, or Consortia of same among Soviet scientists, science administrators, and engineers.

3. Consulting on Intellectual and Tangible Property Issues in connection to specific technologies for USSR research organizations or consortia of research organizations.

4. Printing, Storage, Distribution, and Sale of scientific, technical, and medical books, journal(s), and data bases.

ARTICLE IV
Implementation of Cooperative Efforts

1. The Cooperation provided for in this Joint Venture Technology Agreement may be implemented by creating specific joint venture agreements between Soviet research institutions, universities and other research and development organizations.

2. These joint ventures will include establishing a Technology Officer to be the link between the Soviet institutions and Maxwell; and organizing joint conferences, colloquia, workshops, lectures, and other exchanges.

3. In the course of implementing this Agreement, other forms of cooperation may also be determined by mutual agreement.

4. All activities under this Joint Venture Technology Agreement will be carried out in accordance with the international obligations and the national laws and regulations of the Parties.

ARTICLE V
Management of Joint Venture and Other Cooperative Activities

1. Each Party shall appoint an Executive Agent for this Technology Joint Venture. The two Executive Agents will be responsible for the management and operation of all specific agreements or joint ventures and issues related thereto, and for keeping the Joint Executive Committee informed of the status of their specific joint venture or cooperative agreements.

2. The Executive Agents will establish (a) Technology Officer(s) who will promote exchanges and cooperation, identify and effect technology transfer, and review and report on an as needed basis to the Agents on each research institution with which a specific technology agreement is developed.

ARTICLE VI
Special Considerations

1. Each Party will identify constraints to its Executive Agent and work to resolve them to effectively advance the cooperative work undertaken by both parties.

2. The USSR/STC or the appropriate Soviet institution will act in a timely manner and will not engage in burdensome, costly, or time-consuming procedures that inhibit Maxwell or licensed industrial participants from the exercise of their responsibilities.

3. The USSR/STC or the appropriate Soviet institution will work cooperatively with Maxwell in order that the Soviet institution's inventors and research staff provide background information, necessary support, and know-how to facilitate Maxwell commercialization of its intellectual and tangible property.

4. The USSR/STC or the appropriate Soviet institution will refrain from executing licenses on the technology covered by the Agreement and it will not provide research results related to the technology covered by the Agreement for any commercial purpose.

5. Title to inventions, patents and other technology will be transferred to Maxwell for greatest incentive to minimize industrial uncertainty and delay in reducing to practice the invention or other intellectual and tangible property.

6. Maxwell will have the exclusive right to the international markets developed by the specific development or commercial joint ventures.

7. In the case of specific agreements concerning Maxwell technology transfer management for USSR research organizations or consortia thereof; (a) the research organization will collect sixty percent (60%) of the royalties, fees or other income from the licensing, sale, or other uses of any technology covered by the Agreement; Maxwell will collect forty percent (40%); (b) the research organization will pay Maxwell on a fee for services basis for the Maxwell Technology Transfer Education Program or Consulting on Intellectual Property Issues; and, (c) the research organization will pay Maxwell on a fee for services and/or royalty basis for access to Maxwell's data base on intellectual and tangible properties.

8. All matters relating to compensation of a joint venture's employees, acquisitions, divestitures, material contracts, capital transactions and the issuance, purchase or sale of interests in the joint venture, shall be subject to the approval of Maxwell. Maxwell agrees that all determinations as to the compensation of a joint venture's employees shall be made on a reasonable basis under the circumstances.

ARTICLE VII
Treatment of Information and Intellectual and Tangible Property

1. Scientific and technological information derived from joint cooperative activities under this Agreement, other than information not disclosed for commercial or industrial reasons, will be made available, unless otherwise agreed in writing, to the world community through customary channels, and the normal practices and regulations of the Parties.

2. Protection of intellectual property and rights thereto, financial consideration and other pertinent matters, will be as set forth in Annexes to be developed by the Parties and made a part of this Agreement.

3. Issues that arise between the parties under this Agreement regarding the treatment of information, inventions, discoveries, writings, or other matters under this Agreement will be settled by the Joint Executive Committee and the Parties.

ARTICLE VIII
General Conditions of Agreement

1. This Agreement shall enter into force upon signature and shall remain in force for ten (10) years, after which it will be extended for successive five-year increments unless one Party notifies the other of the termination thereof not less than six months prior to its expiration.

2. Expiration of this Agreement will not affect the implementation of any cooperative activity undertaken pursuant to the Agreement and not fully executed before expiration occurs.

3. This Agreement may be modified by mutual agreement of the Parties.

Done on _____, 19___ in Moscow [Verify place of signature.], in duplicate, in the English and Russian languages, both texts being equally authentic.

For Maxwell Communication Corporation plc and Foundation

_____[1]

Chairman of the Board

For The Government of The Union of Soviet Socialist Republics

_____[1]

[Verify Signatories.]

[1]Robert Maxwell

[1][To be determined]