UNIVERSITY SCIENCE, ENGINEERING and TECHNOLOGY, INC.

USET

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April 25, 1988

via fax
C. Wotten
D. Mapother

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

Dear Dr. Bender:

At our recent meeting Sid Alpert indicated that we would present a proposal to continue UPI's patent management services to the University when our planned acquisition of UPI reached and appropriate stage. We have now executed a letter of intent which is intended to be concluded shortly.

We are, therefore, now able to propose an arrangement along the lines of the previous University of Illinois - University Patents, Inc. Servicing Agreement which will include additional very valuable services.

In exchange for a first right of refusal to the exclusive authority to license on behalf of the University the rights that the University may acquire in inventions arising from its research, we propose to provide at our expense to the University the following:

(i) The services of a professional technology transfer individual, subject only to the University paying office expenses. This individual's responsibility 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) Incorporation of all University technology disclosures in 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. If you should like, the system will also enable University Investigators to solicit research funding from industry or other non-traditional funding sources. In addition, if you should like, we will promote the licensing of software and biological and engineering materials, such as monoclonal antibodies, through the data base system. These services

will be available at no cost to the University 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.

(iii) The 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) A six-months evaluation period from our receipt of a complete disclosure, at which time we will notify the University of election or non-election, or request an extension which will not be unreasonably withheld. 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 University/UPI Agreement.

(v) With respect to inventions subjected to our agreement, a 40/60 division of royalty income, paying over to the University 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 the University on a quarterly basis.

If you agree, 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.

We trust that the foregoing summary of terms and conditions will provide your Intellectual Property Committee with sufficient details upon which to act. Obviously, if additional information is required or you wish to discuss alternatives to our proposal we will be promptly available. Also, as noted above, the "boiler plate" provisions will be basically those as set forth in the existing University/UPI Servicing Agreement.

Finally you should know that we plan to use the same personnel as University Patents, Inc. now employs, supplemented as we discussed at our recent meeting, by additional personnel in a variety of fields. Of course, as the need arises, other USET employees with appropriate backgrounds may be employed to facilitate handling the University inventions in the most expeditious way.

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.

Sincerely,

Norman J. Latker,

Esq.

Vice President for
Legal and Technology

Affairs

NL/ac

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September 19, 1988

Dr. Jacob K. Goldhaber
Dean, Graduate Studies and Research
The University of Maryland
South Administration Building, Room 2133
College Park, MD 20742

Re: Maryland Biotechnology Institute Inventions

Dear Jack:

In Bill's absence, he asked me to respond to your letter to him of September 8th concerning the MBI agreement, for which we thank you very much. I know that it is, from your standpoint, not the optimum way of handling this situation, but we very much appreciate your willingness to work with us on both this and the Smithsonian Institution arrangements. I apologize again for the change in signals which we experienced since our meeting with you concerning the USET/UTC merger but, as you might imagine, this was out of our hands.

Thanks again, and we look forward to our continuing efforts to put the UMCP program on a profit-making basis.

Best regards,

Carl

CARL B. WOOTTEN
Vice President

CBW:dfr
cc: Norm Latker
Kris Snajder

P.S. We have also now gotten the approval on the 1988/1989 budget, and the remainder of the first quarter's payment in the amount of $7,945.00 is enclosed herewith. This takes into account the quarterly payment of $31,356.00 minus the amount already paid and minus the $411.00 left over from fiscal 1987/1988. The next check in the fall quarterly amount will be coming to you shortly after October 1st.

CBW