

**ITEM 141-2002-R1108 Authorize Request For Employee Participation In Company Under Regents Policy 407; MSU-Bozeman**

**THAT:** The Board of Regents of Higher Education approves MSU-Bozeman employee Paul Nugent's ownership of an equity interest, board of director position, and employment in a new company to be formed as a Bozeman, Montana company, in accordance with board policy, state law, and in accordance with the license agreement with MSU.

**EXPLANATION** Paul Nugent, a research engineer, is a .875 FTE employee of MSU-Bozeman. He seeks approval of his part-time employment with, equity ownership in, and board membership on a new company to be formed for the purpose of commercializing technology which he co-created as part of his duties at MSU. The new company intends to negotiate to license this intellectual property developed by Nugent and Dr. Joe Shaw at MSU-Bozeman. The intellectual property will be utilized in accordance with a license agreement to be negotiated with MSU. MSU has drafted a conflicts management plan to govern any potential for conflict resulting from Nugent's participation in the new company. Under Policy 407 and MCA 20-25-109, university employees must have board approval to serve as officers, employees, or members of a governing board, or to hold equity in a company which has an agreement with, or shares ownership of intellectual property with, the university, relating to the development, licensing or commercial exploitation of that intellectual property.

MSU benefits from this approval. MSU-developed technology will be licensed and commercialized with the potential for resulting royalties; useful technology will be transferred to a Montana-based business which has the potential to build and market novel cameras with heat sensing calibration capability; a new Montana-based business will have the use of new technology which may result in the company's growth; and the local economy may benefit, including jobs for Montana graduates and students.

**ATTACHMENT** 407 Submission Form