

SUBMISSION FORM

**University System/Employee Intellectual Property Joint Participation
MUSP 407**

This form is to be submitted with any Board of Regents item whereby a campus seeks the approval of an agreement with or arrangement regarding an employee pursuant to 20-25-109 MCA and Regents Policy 407.

When the submission concerns matters of trade secrets or confidential business information, or any other matter entitled to privacy under state or federal law (e.g., the federal statute known as Bayh/Dole) the submitting campus may request consideration of the submission, in whole or in part, in executive session.

The submitting campus should also provide the Commissioner a copy of the contract(s) that form the basis for the cooperative arrangement for which approval is sought. Submission of the contract does not indicate a conclusion that all or part of the contract is a public document and the question of whether it is in whole or in part protected from public disclosure will be evaluated on a case by case basis.

1. Summarize the nature of the intellectual property that was developed by the employee seeking approval. Indicate the sources of funding for the research that resulted in this invention.

Dr. Running has received funding for the last 25-30 years from NASA and NSF for the development of computer models capable of describing the structure and function of ecosystems. Intellectual property developed from these efforts is in the form of copyrighted software tools. Per the federal funding agreements, the federal agencies elected to retain the copyright and distribute the tools to the public domain. Dr. Running is working towards developing intellectual property in the form of a patentable application of this modeling software.

2. a. Name(s) of the university employee(s) involved.

Dr. Steven W. Running, Regents Professor of Forestry

- b. Name(s) of business entity(ies) involved.

Terradynamics, Inc., a Montana corporation

**ITEM 141-1001-R1108
ATTACHMENT**

3. The university and employee(s) are seeking approval for (check as many as appropriate):

- a. The employee to be awarded equity interest in the business entity.
- b. The employee to serve as a member of the board of directors or other governing board of the business entity.
- c. The employee to accept employment from the business entity.
- d. Other. Please explain.

4. a. Summarize the nature of the relationship between the university and the business entity (e.g., the entity is licensing the intellectual property from the university, the entity is co-owning the intellectual property with the university).

The benefits to U of M and the State of Montana arising from the proposed research and activities of Terradynamics are:

The first relationship sought will be to allow Terradynamics to lease computer lab facilities UM for a one-year period for the purpose of developing early-stage computer modeling at a level to demonstrate the capabilities of the computer model and to attract potential investors to this technology. (The proposed Lease Agreement may be terminated by mutual agreement of the parties, or by the University if Terradynamics fails to comply with the Agreement or University policies.)

From this relationship, Terradynamics potentially has the opportunity to patent and license specific software applications. Agreements on specific technologies between Terradynamics and UM are contemplated and can result in shared ownership rights. No specific agreements are possible at this time, since no invention disclosures have been filed. However, there is a strong likelihood that patentable intellectual property will emerge from the development work contemplated under this proposal.

By allowing this University-private sector relationship to be established, intellectual property developed by University faculty can be used to grow a Montana-based company, will set an example for other entrepreneurs from the University looking for opportunities for commercialization of their innovations and creations, and will generate goodwill for University employees and the private sector. The University will incur no net cost by entering into the propose lease agreement.

It is expected that at some future date patents will be filed and shared between Terradynamics and UM. At this time there are no revenue projections. The relationship with Terradynamics brings a new collaboration and the possibilities for patents. This is also an opportunity to broaden the research landscape at UM and the region, while providing the potential for economic development.