

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.

The intellectual property is related to a portable device for on-demand deposition of high-surface-area materials that have applications for wound treatment, infection prevention, photovoltaics, energy storage, and water filtration, among other applications. Its invention was funded by the Army Research Laboratory and the Slater Family Research Trust.

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

Jack L. Skinner, Associate Professor and Department Head of Mechanical Engineering at Montana Technological University, and

Jessica M. Andriolo, Post-Doctoral Researcher at Montana Technological University

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

Alpha Technology, LLC, and its affiliates and subsidiaries, 648 South Arizona Street, Butte, Montana 59701.

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).

Alpha Tech and its affiliates and subsidiaries would license the technology using an exclusive license agreement for wound treatment and biomedical applications. Currently Alpha Tech has a Laboratory Use Agreement with Montana Tech, which allows Alpha Tech to use Montana Tech facilities and compensate the University for this use. Alpha Tech has a license agreement with the University for a related technology for mitigation of symptoms associated with common microbial infections, for which Dr. Skinner and Dr. Andriolo are two of the four inventors. Joint participation for this previous intellectual property was approved by the Board of Regents in November 2018 (see ITEM 181-1504-R1118).

b. The proposed duration of the agreement or arrangement.

Up to 20 years, providing no breach of the agreement or termination of the agreement has occurred.

c. The conditions under which the agreement may be terminated or dissolved.

1. The Agreement would remain in effect until the last patent for the Licensed Technology has expired or been abandoned, or up to four years longer, if Alpha Technology is actively generating revenues and royalty streams at that time.
2. Montana Tech may terminate the Agreement as follows:
 - a. if Licensee does not make a payment due hereunder and fails to cure such non-payment within forty-five (45) days after the date of notice in writing of such non-payment by Montana Tech;
 - b. if Licensee shall become insolvent, shall make an assignment for the benefit of creditors, or shall have a petition in bankruptcy filed for or against it (in such case, termination shall be effective immediately upon Montana Tech giving written notice to Licensee);
 - c. if an examination by Montana Tech's accountant shows an underreporting or underpayment by Licensee in excess of twenty percent (20%) for any twelve (12) month period;
 - d. If Licensee fails to pay the legal fees and other costs needed to maintain the integrity of the patent(s) after they are granted or to make reasonable progress toward commercialization, production, and sales.
 - e. if Licensee fails to satisfy the Performance Milestones as set forth in the Agreement without prior negotiation for deadline extension; or
 - f. if Licensee breaches any material term of the Agreement.
3. Licensee may terminate the Agreement by giving ninety (90) days advance written notice of termination to Montana Tech. Upon termination, Licensee shall submit a final Royalty Report to Montana Tech and any royalty payments shall become immediately payable.

5. Explain specifically how the University System or the State of Montana will likely benefit from the agreement or arrangement.

- a. This agreement supports the University System's explicit commitment (Policy 407) to facilitate the efficient transfer of knowledge and technology from its campuses to the private sector in service of the public interest and to promote local and statewide economic development. Part of the University System's mission is to apply scientific knowledge to address state, national, and global challenges and to promote entrepreneurship.
- b. License fees and royalty payments will benefit Montana Tech and the inventors in accordance with BOR Policy 401.2.
- c. Alpha Tech is located in Butte, Montana, so the success of commercialization of the technology can produce high-wage employment opportunities in Southwest Montana, and enhance Montana's reputation in biotechnology and as a location for biotech firms. In addition, student-internship opportunities for 2-year college students, bachelor's students, and graduate students would be expanded in Butte, where the firm plans to locate its manufacturing facilities.

6. Summarize the financial terms of the agreement or arrangement. Include:

a. The value, nature and source of the University's contribution.

Montana Tech discovered the intellectual property, and Montana Tech is paying to protect this intellectual property. The inventors are Dr. Andriolo and Dr. Skinner, who were assisted by two Montana Tech graduate students (Emily A. Kooistra-Manning and Lane G. Huston). Montana Tech is the owner of the patent and is paying for patent filing and associated costs. The University also has laboratory facilities, which Alpha Tech can use for its development activities under an existing facility use agreement and pricing.

b. The value and nature of the employee's contribution.

Dr. Andriolo and Dr. Skinner are the two inventors and they are interested in and committed to commercializing it through their affiliation with Alpha Tech.

c. The anticipated revenue to be generated by the project and the time line for generating such revenue.

The project is anticipated to generate limited revenue to Montana Tech over the first five years of the agreement due to the time needed to obtain required FDA clearances, and royalties of up to 4% of net sales thereafter. Based on the company's estimate, these royalties could exceed \$1 million over the following 15 years.

d. The manner in which revenue and expenses will be shared by the parties.

Montana Tech has paid the patenting and related IP costs to date and will continue to do so through the granting of the Patent by the US Patent and Trademark Office. After the patent is granted, Alpha Tech

will pay all legal fees related to maintaining the integrity of the patent. Alpha Tech is responsible for the the expenses of developing and commercializing the invention, including market analysis and laying the groundwork for its diverse biomedical applications, including wound treatment and infection prevention. For the biomedical uses, Alpha Tech is also responsible for any documentation, experiments, and clinical trials necessary to obtain approval from the Food and Drug Administration. Alpha Tech will pay an annual license fee and royalties to Montana Tech. Distribution of royalty revenue within Montana Tech will follow applicable Board of Regents and institutional policies.

e. The nature of each party's equity interest in the project. If none, so indicate.

Montana Tech has no equity interest. Dr. Skinner holds 100 % equity in Alpha Tech, and Dr. Andriolo holds no equity interest in Alpha Tech.