

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.

HazardReady, LLC uses a template and work process for developing and serving location-specific natural hazard information and education. For a specific region, publicly available geotechnical hazard data are analyzed and then used as the basis for customized reporting of hazards, risk, and preparedness recommendations at single-address resolution through a web interface. The data analysis, data workflow, and web interface design were initially developed as part of a M.S. project in the Department of Geosciences at the University of Montana.

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

Dr. Rebecca Bendick

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

HazardReady, LLC

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 business is seeking an intellectual property licensing agreement from the Univ. of Montana for the HazardReady, LLC service concept and the product concept and design.

- b. The proposed duration of the agreement or arrangement.

The licensing should be for a period of up to ten years, with an option to extend.

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

License agreements used by the Univ. of Montana provide for termination in the event of licensee bankruptcy or material breach. The licensee may terminate at-will with six months' notice.

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

- a. In the event of commercial activities related to implementation of HazardReady, LLC, software business model, financial gains through royalty or milestone payments may accrue to the Univ. of Montana. Such financial gains are used by the Univ. of Montana, in accordance with MUS policy, to incentivize commercialization of inventions, to cover intellectual property prosecution costs and to provide start-up funding for faculty members engaged in academic research.
- b. The mission of HazardReady, LLC is to support resilient communities through broad access to information about natural hazards and preparedness. Implementation of HazardReady, LLC's software and services for Montana and broader Northern Rockies communities will contribute to Univ. of Montana's reputation for supporting sustainability and resilience education.

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

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

Potential patent option or license agreements would contemplate the exclusive or non-exclusive license of intellectual property owned by the Univ. of Montana. The value of such license rights is difficult to quantify, especially in the earliest stages of commercialization. Accordingly, such agreements seek to require good-faith efforts of the licensee to pursue commercial opportunities while preserving the financial interests of both parties to increase the chances of a durable and successful relationship.

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

Dr. Bendick and several UM graduate students created the concept and workflow for the software and service implementation that will be employed by HazardReady, LLC.

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

Intellectual property option agreements, typically no more than two years in term, generally contemplate a one-time, up-front option fee from the option holder. Such agreements also seek to share expenses, if any, associated with intellectual property development or prosecution. As the agreement matures to a license, the licensee is generally required to reimburse the university for all expenses born by the university. Negotiated royalty and milestone payments depend heavily on the licensed subject matter, territoriality, and breadth of exclusivity as well as the manner in which revenue and future expenses will be shared by the parties.

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

Rebecca Bendick has a 33% ownership stake in HazardReady, LLC.