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**MEMORANDUM OF UNDERSTANDING**

**THIS MEMORANDUM OF UNDERSTANDING** is to document that the College of Science and Engineering (“CSE”) approval for Technology Commercialization (“Tech Comm”) to utilize funding under the MNBridge Program to advance intellectual property invented by University of Minnesota (“UMN”) faculty and employees from CSE on behalf of CSE, its departments, faculty and employees.

The MNBridge Program was established to incentivize commercialization gap funding at UMN, and this funding is focused on advancing technologies from the invention stage to commercialization stage. The MNBridge Program creates a decentralized structure where centers, departments, or collegiate units can create and control a commercialization investment fund while benefiting from the MNBridge Program’s structure. Participating funds receive an incentive of up to three times the grant award from future licensing revenue – to be used for future investments. Eligible technologies require the following criteria:

1. Currently un-licensed by Tech Comm.
2. UMN owns the technology outright or has approval from collaborating institutions to further development of the technology using MNBridge Program funding.
3. The proposed project’s milestone/objective steps the technology closer to being licensable or creates more expected value in a future license.
4. Employees associated with the technology including inventors and employees associated with grants funded by the MNBridge Program accept the terms of the MNBridge grant including the revised payment structure set forth below.

In order to provide continued funding under the MNBridge Program, the distribution of payments and net income differs from the formula in the Regent’s Policy on Commercialization of Intellectual Property Rights (the “Policy”). For payments received from third parties for technologies funded by a MNBridge Program grant, Technology Commercialization will (in order):

1. recover University’s out-of-pocket expenditures (including legal fees) to protect the technology.
2. Disperse 50% of remaining payments to the MNBridge funding organization, not to exceed three times the grant award.
3. Distribute remaining payments according to the standard Regent’s Commercialization Policy.

Tech Comm proposes to enter into Income Distribution Agreements with employees identified as inventors on existing IP to be advanced by the grant and those employees/students who will be funded under the grant.

By the signature of its authorized representative below, CSE approves the following:

1. CSE employees may apply for and receive MNBridge funding for projects that qualify as set forth in A-D above;
2. Authorized representatives of Tech Comm may enter into Income Distribution Agreements that follow the documented MNBridge incentive structure (i-iii above) with CSE employees identified as inventors on existing IP to be advanced by the grant and those employees/students who will be funded under the grant
3. Authorized representatives of Tech Comm may sign Income Distribution Agreements that follow the documented MNBridge incentive structure (i-iii above) on behalf of CSE where the Income Distribution Agreement directs that 8% of net income is directed to CSE and 25 1/3 % is directed to the department, division or center in which the principal investigator under the grant is a member.

**Technology Commercialization**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Richard Huebsch

 Executive Director

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**College of Science and Engineering**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Mos Kaveh

 Dean

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**APPENDIX A – MNBridge Program Overview**