

MICHIGAN STATE UNIVERSITY

December 3, 2013

MEMORANDUM

To: Trustee Policy Committee

From: June Youatt, Acting Provost

Re: Approval of Contract Terms: *CourseWeaver, Inc.*

Recommendation:

BE IT RESOLVED that the Trustee Policy Committee recommends to the Board of Trustees that it approve a service agreement with *CourseWeaver, Inc.*, consistent with earlier public notice given at a Board meeting and with the "Service Agreement Term Sheet" now presented to the Board for inclusion in its minutes.

Background:

In compliance with State law, public notice of the University's intent to negotiate contracts with *CourseWeaver, Inc.*, a Delaware corporation based in East Lansing, was given at the Board of Trustees' meeting on September 13, 2013. The terms of a service agreement are now being presented for approval.

Dr. Gerd Kortemeyer, an Associate Professor in the Department of Physics & Astronomy, and his family own or have options to buy an ownership interest of more than 1% of the company. Dr. Wolfgang Bauer, a Professor in the Department of Physics & Astronomy, and his family own or have options to buy an ownership interest of more than 1% of the company.

The attached "Service Agreement Term Sheet" summarizes the agreement that MSU has negotiated with *CourseWeaver, Inc*

Cc: Trustee Finance Committee
President Lou Anna K. Simon
Executive Vice President Satish Udpa
Vice President Mark Haas
Vice President Steve Hsu
Vice President Robert A. Noto
Vice President and Secretary Bill Beekman
Dr. Terry May
Deputy General Counsel Kristine Zayko
Assistant General Counsel Lee Bollinger



OFFICE OF THE PROVOST

Michigan State University
430 Administration Building
East Lansing, MI 48824-1046

517-355-6550
Fax: 517-355-9601
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SERVICE AGREEMENT TERM SHEET

Party: CourseWeaver, Inc.

Agreement: CourseWeaver to provide support services to Michigan State University's online learning management system LON-CAPA (Learning Online Network with Computer-Assisted Personalized Approach).

Term: One year, beginning January 1, 2014, with a one year renewal option at MSU's discretion.

Contract Terms: CourseWeaver to provide technical and user support services for MSU's LON-CAPA system, including system updates, installation of software and hardware, and faculty orientation sessions on the LON-CAPA system.

Payment Terms: MSU to pay CourseWeaver based on the number of student users of the LON-CAPA system, governed by the attached pricing schedule. Pricing may be converted from one based on the number of users to a flat rate, provided that the change does not affect the financial consideration of the parties. Under a separate sponsored research agreement that the parties anticipate entering into in early 2014, Dr. Gerd Kortemeyer, an Associate Professor in the Department of Physics & Astronomy, and Mr. Stuart Raeburn, a Research Specialist in the Department of Physics & Astronomy, will assume responsibilities related to CourseWeaver's LON-CAPA support services.

Services Provided: By CourseWeaver to MSU: LON-CAPA support services.

By MSU to CourseWeaver: none under contemplated agreement.

Use of University Facilities/Personnel:

None.

Organization Type: CourseWeaver is a Delaware corporation based in East Lansing.

Personnel Interest: Dr. Gerd Kortemeyer, an Associate Professor in the Department of Physics & Astronomy, and his family own or have options to buy an ownership interest of more than 1% of the company. Dr. Wolfgang Bauer, a Professor in the Department of Physics & Astronomy, and his family own or have options to buy an ownership interest of more than 1% of the company.

CourseWeaver MSU LON-CAPA Support Pricing		
# of University Student Users	Price per Student	Annual Total
10,000	\$10	\$100,000
25,000	\$9	\$225,000
35,000	\$8	\$280,000

MICHIGAN STATE
U N I V E R S I T Y

December 3, 2013

MEMORANDUM

To: Trustee Policy Committee
From: June Youatt, Acting Provost 
Re: Approval of Contract Terms: *CourseWeaver, Inc.*

Recommendation:

BE IT RESOLVED that the Trustee Policy Committee recommends to the Board of Trustees that it approve a license agreement with *CourseWeaver, Inc.*, consistent with earlier public notice given at a Board meeting and with the "License Agreement Term Sheet" now presented to the Board for inclusion in its minutes.

Background:

In compliance with State law, public notice of the University's intent to negotiate contracts with *CourseWeaver, Inc.*, a Delaware corporation based in East Lansing, was given at the Board of Trustees' meeting on September 13, 2013. The terms of a license agreement are now being presented for approval.

Dr. Gerd Kortemeyer, an Associate Professor in the Department of Physics & Astronomy, and his family own or have options to buy an ownership interest of more than 1% of the company. Dr. Wolfgang Bauer, a Professor in the Department of Physics & Astronomy, and his family own or have options to buy an ownership interest of more than 1% of the company.

The attached "License Agreement Term Sheet" summarizes the agreement that MSU has negotiated with *CourseWeaver, Inc*

Cc: Trustee Finance Committee
President Lou Anna K. Simon
Executive Vice President Satish Udpa
Vice President Mark Haas
Vice President Steve Hsu
Vice President Robert A. Noto
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LICENSE AGREEMENT TERM SHEET

Party: CourseWeaver, Inc.

License: Non-exclusive license to patent rights in connection with the online learning management system LON-CAPA (Learning Online Network with Computer-Assisted Personalized Approach).

Term: One year, renewable for additional one-year periods upon mutual agreement of the parties.

Technology: MSU Invention Disclosure No. TEC1998-0029, "Multimedia Collaborative Content Creation"

U.S. Patent No. 8,504,482, "System and Method for Preparing Educational Materials";
U.S. Patent Application Serial No. 13/743,840, "System and Method to Facilitate Creation of Educational Information"; and U.S. Patent Application Serial No. 13/775,862, "System and Method for Preparing and Delivering Informational Content"

Technology's Potential Commercial Utilization:

Online learning management systems.

Payment Terms: \$5000 a year

The parties may add or remove technologies under the agreement provided that the change does not affect the financial consideration of the parties or the nature or extent of any pecuniary interest of MSU personnel.

Services Provided: By MSU to CourseWeaver: None under contemplated agreement

By CourseWeaver to MSU: None under contemplated agreement

Organization Type: CourseWeaver is a Delaware corporation based in East Lansing.

Personnel Interest: Dr. Gerd Kortemeyer, an Associate Professor in the Department of Physics & Astronomy, and his family own or have options to buy an ownership interest of more than 1% of the company. Dr. Wolfgang Bauer, a Professor in the Department of Physics & Astronomy, and his family own or have options to buy an ownership interest of more than 1% of the company.