

D. J. H.

Research Agreement

Agreement made this day of , , by and between the Massachusetts Institute of Technology (hereinafter referred to as "the Institute"), a corporation organized under the laws of the Commonwealth of Massachusetts, having its principal place of business in Cambridge, Massachusetts; and Honeywell Information Systems, Inc., (hereinafter referred to as "the Sponsor,") a Delaware corporation having a place of business within the Commonwealth of Massachusetts at 200 Smith Street, Waltham, Massachusetts.

The Institute will undertake a research program for the Sponsor as follows:

1. THE FIELD OF RESEARCH. The field of research will be computer systems security, *considered to be jointly conducted by the parties.*
2. PERIOD. This program will continue for six (6) months from January 1, 1974, and will be subject to renewal at six (6) month intervals until July 1, 1977, contingent on the availability of related Department of Defense funds to the Sponsor. The Sponsor will inform the Institute by April 1, 1974, of its ability to renew this program on July 1, 1974.
3. TERMINATION. This work may be terminated by either party by written notice at least ninety (90) days prior to each renewal date as described in Section 2, above, subject to conditions and/or restrictions imposed by the use of U.S. Government funds. In the case of termination by the

Institute, the Sponsor will be reimbursed all prepaid funds unspent under Section 4.

4. SPONSOR'S COMMITMENTS. The Sponsor will pay the cost of the research. This payment will be made on execution of this agreement and will include:

- (a) that portion of salaries paid by the Institute to staff properly chargeable to the project and the wages of any others used by the project.
- (b) the cost of all materials, services, equipment, and travel contracted for by the project.
- (c) a charge for indirect costs in accordance with the Institute's customary accounting methods.

Program coordination and technical guidance within the scope of ~~work~~ ^{this Agreement} will be provided by the Sponsor's Program Manager.

5. INSTITUTE'S COMMITMENTS.

- (a) The research program will be under the supervision of Professor Jerome H. Saltzer, Principal Investigator for this research.
- (b) The scope and tasks of this research program are defined generally in Attachment I, Statement of Work for Computer Systems Security Research. The Statement of Work will be amended within 60 days of the execution of this agreement to more definitively describe the scope and tasks. ^{FURTHER,} The Statement of Work will be

such amendment to be in writing and signed by the parties.

reviewed by the Principal Investigator and the Program Manager, and modified by mutual agreement prior to each renewal period.

(c) The cost of the research as defined in Attachment I has been generally established in a mutually agreed upon budget included as Attachment II to this agreement. The Institute will not exceed this budget in

total without specific written authorization. Prior to each renewal period, the budget will be reviewed by the Principal Investigator and the Program Manager and modified by mutual agreement to reflect changes to the Statement of Work and/or other new conditions. The estimated cost of the initial six (6) month period of this program is \$200,000.

(d) The Institute shall conduct monthly review meetings, as required by the Program Manager. The Institute will present reports of progress and projected tasks for completion of the effort.

(e) All data and reports required under this agreement are specified in the Statement of Work. The Institute will forward a copy of all reports produced during this research program directly to the Program Manager: Randall R. Spitzer, Honeywell (G1169), 2701 Fourth Avenue South, Minneapolis, MN. 55408

this budget will be amended within 60 days of the execution of this agreement to more definitively describe the budgeted items, such amendment to be in writing and signed by the parties.

subject, however
Prior *The cost imposed is shown in Attachment II here*

6. PATENTS

- (a) Title to any invention made in the performance of this research shall jointly vest in the Institute and the Sponsor, whether such invention was made solely by Institute personnel, or solely by Sponsor personnel, or jointly by both Institute and Sponsor personnel.
- (b) With respect to inventions made in the performance of the research, the parties shall promptly and fully disclose in writing to each other each such invention. The Institute shall have the first election to file a patent application on an invention and to be responsible for the prosecution thereof, provided, however, that the Institute's election to prosecute must be conveyed to the Sponsor in writing within six months after an invention disclosure is made by either of the parties. If the Institute elects not to prosecute a patent application either in the United States or foreign countries or to discontinue the prosecution or maintenance thereof, the Institute shall timely inform the Sponsor and the Sponsor may elect to so prosecute or maintain.
- (c) The cost of securing a patent, and any maintenance fees, hereinafter called prosecution costs, for each invention shall be determined and agreed to by consultation between the parties prior to the commitment or expenditure of funds, and such costs shall be apportioned equally between the parties. If the

parties fail to agree on the prosecution costs for a particular patent either in the United States or in foreign countries, then the party electing to proceed with the prosecution per paragraph B above shall bear all the costs thereof.

- (d) All income and royalties earned by licensing, leasing, and/or selling of an invention on which a patent application is pending or a patent has issued shall be apportioned between the Institute and the Sponsor according to the schedule of paragraph of Amendment I to the MULTICS Software Agreement of February 13, 1973, during the first seven years after the CHANGEOVER DATE, as defined therein, said Amendment I being executed simultaneously with the execution of this Research Agreement.

All royalties and/or income earned after the expiration of seven years from the CHANGEOVER DATE, shall be apportioned equally between the parties, provided the parties have equally shared the prosecution costs per paragraph C above.

Where a party elects not to share in the prosecution costs of an invention, such party shall not share in any royalties or income earned after the expiration of seven years from the CHANGEOVER DATE on the licensing, leasing and/or selling of such invention.

7. PUBLICATION. The Institute shall be free to publish papers dealing with results of research under this Agreement, after giving a copy of the paper to the Sponsor.

8. COPYRIGHTS. All software developed in the performance of this research shall be marked with statutory copyright notices jointly in the names of the Institute and the Sponsor, and such notices applied to each separately copyrightable element shall have the form specified in Appendix B to the MULTICS Software Agreement of February 13, 1973.

9. SOFTWARE. Rights in software developed in the performance of this Research shall be disposed of according to the terms of Amendment I to the February 13, 1973, MULTICS Software Agreement, said Amendment I to be executed simultaneously with the execution of this Research Agreement, and the terms and conditions of which to be incorporated herein by reference.

10. USE OF THE NAME OF THE INSTITUTE. The Sponsor agrees not to use the name of the Institute or any member of its staff in sales promotion work or advertising, or in any form of publicity without the written permission of the Director of the Division of Sponsored Research, which permission shall not be ~~unnecessarily~~ ^{unreasonably} withheld.

In witness whereof the parties have affixed their hands and seals the date above written.

HONEYWELL INFORMATION SYSTEMS INC.

MASSACHUSETTS INSTITUTE OF
TECHNOLOGY

By _____

By _____

ATTACHMENT I

Statement of Work for Computer
Systems Security Research

To be provided by Randall R. Spitzer of HIS

Estimated BudgetPeriod 1/1/74 - 6/30/74

Salaries and Wages	<u>Number</u>	<u>Full time Equivalent</u>	<u>Cost</u>
Faculty	5	1.0	
Staff	5	1.7	\$ 18,925
Graduate Students	6	1.6	20,300
Undergraduate Students	5	.5	13,460
Support Staff (secretarial)	3	.5	3,120
			<u>3,695</u>
Total			\$ 59,500
Overhead 63.0%			37,485
Employee Benefits 17.3% (excluding students)			<u>7,425</u>
Total Salaries and Wages			\$ 104,410

Computer time, to be purchased from M.I.T. Information Processing Center

	Cost per month	
On-line computing - 750 hr/mo. X \$ 12/hr	\$ 9,000	
On-line storage - 8 records X \$.50/rec/mo.	<u>4,000</u>	
	\$ 13,000 X 6	78,000

Other:

Terminals	
Travel	9,000
Reproduction	2,000
Telephone	2,500
Miscellaneous	1,500
	<u>2,590</u>
Total of "other" category	\$ 17,590

Total estimated budget for period 1/1/74 - 6/30/74 \$ 200,000