

January 20, 2006

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

ACTION REQUEST

Subject: License Agreement between the University of Michigan and Compendia, Inc.

Action Requested: Approval of License Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement which then triggered a review by the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was then developed by the Board and agreed to by the parties involved.

This proposed license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Arul Chinnaiyan is both an employee of the University of Michigan ("University") and a partial owner of Compendia, Inc. ("Compendia"). Daniel Rhodes, a University student, also is a partial owner of Compendia and will serve as Chief Scientific Officer of Compendia. The law permits such an Agreement provided it is disclosed to the executive officers and approved in advance by a 2/3 vote of the Regents of the University of Michigan.

Background:

Dr. Chinnaiyan, a Professor in Pathology and Daniel Rhodes, a University student, are the partial owners of a for-profit company called Compendia. Mr. Rhodes will also serve as the Chief Scientific Officer of Compendia. Compendia was formed recently to commercialize databases related to oncology, human protein interaction maps, and molecular concepts maps (all currently web-based applications). Compendia desires to license the following technologies from the University:

UM OTT File No. 2658, entitled: "Cancer Microarray Compendium and Data-Mining Platform (ONCOMINE)" (Arul Chinnaiyan and Daniel Rhodes)

UM OTT File No. 3266, entitled: "HiMAP (Human Interactome Map) Database and Web Application" (Chinnaiyan and Rhodes)

UM OTT File No. 3272, entitled: "MCM (Molecular Concept Map) Database and Web Application" (Chinnaiyan and Rhodes)

Parties to the Agreement:

The Regents of the University of Michigan and Compendia, Inc.

License Terms:

License terms include giving Compendia an exclusive license with the right to grant sublicenses. Compendia will pay a royalty on sales. The University will retain ownership of the licensed technology and may continue to further develop it and use it internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreement. Standard disclaimers of warranties and indemnification apply, and the contract may be amended by consent of the parties. Additional review by the Medical School Conflict of Interest Board will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of Dr. Chinnaiyan and Mr. Rhodes arise from their ownership interest in Compendia. They have waived any personal participation in the sharing of revenue received by the University.

Net Effect:

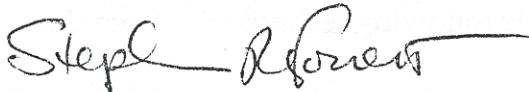
The Office of Technology Transfer has negotiated and finalized the terms of a world-wide exclusive license agreement for patents related to UM File Nos. 2658, 3266 and 3272 for all fields of use.

Compendia will obtain use and commercialization rights to the above listed UM technology.

Recommendations:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board. In light of this disclosure and our finding that the Agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve the License Agreement between the University and Compendia.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

January 2006