

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

January 22, 2009

ACTION REQUEST

Subject: Patent License Agreement between the University of Michigan and Seventh Sense Biosystems, Inc. (formerly known as Uptech, Inc. and LS13, Inc.)

Action Requested: Approval of Patent License Agreement

Preamble:

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

This proposed patent license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Joerg Lahann is both an employee of the University of Michigan ("University") and a partial owner of Seventh Sense Biosystems, Inc. (formerly known as Uptech, Inc. and LS13, Inc.) ("company"). 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. Joerg Lahann, an Associate Professor in the Department of Chemical Engineering, is a partial owner of the for-profit company. The company was formed to commercialize multi-phasic nanoparticle technology and desires to license the following technology from the University:

UM File No. 2932, entitled: "Biphasic Nanoparticles" (invented by Joerg Lahann, David Martin and Kyung-Ho Roh)

UM File No. 3335, entitled: "Multi-Phasic Colorants as Functional Elements in Paints, Coatings, Plastics or Displays" (invented by Joerg Lahann and Kyung-Ho Roh)

UM File No. 3452, entitled: "Multi-Phasic Bioadhesive Nano-Objects as Biofunctional Elements in Drug Delivery Systems" (invented by Joerg Lahann)

UM File No. 3778, entitled: "Multi-Phasic Capsules" (invented by Joerg Lahann and Abbass Kazemi)

UM File No. 3831, entitled: "Biphasic Biodegradable Microparticles with Controlled Shapes" (invented by Joerg Lahann and Srijanani Bhaskar)

Parties to the Agreement:

The Regents of the University of Michigan and Seventh Sense Biosystems, Inc.

License Terms:

License terms include giving the company an exclusive license with the right to grant sublicenses. The company will pay for ongoing patent expenses, perform technical diligence, pay royalties on sales and provide equity in the company to the University. 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. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of Dr. Joerg Lahann arise from his ownership interest in Seventh Sense Biosystems, Inc.

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 OTT File No. 2932, 3335, 3452, 3778 and 3831 for the all fields of use.

Seventh Sense Biosystems, Inc. will obtain use and commercialization rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee. 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 Seventh Sense Biosystems, Inc.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

January 2009