

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

February 19, 2009

ACTION REQUEST

Subject: Amendment to License Agreement between the University of Michigan and Accord Biomaterials, LLC.

Action Requested: Approval of Amendment to License Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement that 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 this 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 Emeritus Robert Bartlett is both an employee of the University of Michigan ("University") and a partial owner of MC3, of which Accord Biomaterials Incorporated, formerly known as MC3 Biomaterials, is a wholly owned subsidiary. 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. Bartlett, a Professor Emeritus in Surgery, is the partial owner of a for-profit company called MC3. MC3 was formed to commercialize nitric oxide (NO) releasing polymers. It's subsidiary, Accord Biomaterials Incorporated, desires to license the following technology from the University:

UM File No. 4174, entitled: Provisional Patent Application 61/090,197 "Novel Manufacturing Techniques for Creating Nitric Oxide Surfaces" (Mark Meyerhoff and Jun Yang)

Parties to the Agreement:

The Regents of the University of Michigan and Accord Biomaterials, LLC.

Agreement Terms:

License terms include giving Accord Biomaterials, LLC an exclusive license with the right to grant sublicenses to the added technology. Accord Biomaterials, LLC will pay a royalty on sales and reimburse patent costs. 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. Robert Bartlett arise from his ownership interest in MC3. For this specific file (4174), Dr. Bartlett is not an inventor and will not be considered for any share of revenue received by the University.

Net Effect:


The Office of Technology Transfer has negotiated and finalized the terms of an amendment to the existing world-wide exclusive license agreement adding patents related to UM OTT File No. 4174 for all fields of use.

Accord Biomaterials, LLC will obtain use and commercialization rights to the above listed University 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 Amendment Agreement between the University and Accord Biomaterials.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest", with a long, sweeping underline that extends to the right.

Stephen R. Forrest
Vice President for Research

February 2009