

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents
February 17, 2011

ACTION REQUEST

Subject: License Agreement between the University of Michigan and Atrial Innovations, 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 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 and approved by this Board and agreed to by the parties involved in this plan.

This proposed license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Hakan Oral and Fred Morady are both employees of the University of Michigan ("University") and partial owners of Atrial Innovations, Inc. 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:

Drs. Oral and Morady are both professors in the Department of Internal Medicine, and are partial owners of a for-profit company called Atrial Innovations, Inc. (the "Company"). The Company was formed recently to commercialize a left atrial appendage closure device and cardiac monitoring (diagnostic) system and desires to license from the University of Michigan the University's rights associated with the following technology:

UM OTT File No. 4872, entitled: "Device for Left Atrial Appendage Closure for Prevention of Thromboembolic Events and ECG and Hemodynamic Monitoring" (Hakan Oral and Fred Morady).

The Office of Technology Transfer selected the Company as a University partner and negotiated the terms of the proposed Agreement in accordance with University policy and its accepted licensing principles.

Parties to the Agreement:

The Regents of the University of Michigan and Atrial Innovations, Inc.

Agreement Terms Include:

Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The Company 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 Agreement may be amended by consent of the parties, such as adding related technology. 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 Drs. Oral and Morady arise from their ownership interests in Atrial Innovations, Inc.

Net Effect:

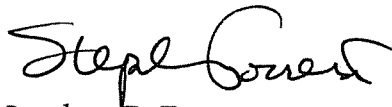
The Office of Technology Transfer has negotiated and finalized the terms of a world-wide exclusive license agreement for patents related to UM OTT File No. 4872 for the fields of therapeutic and diagnostic uses.

Atrial Innovations, Inc. 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 Agreement between the University and Atrial Innovations, Inc.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

February 2011