

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

March 17, 2006

ACTION REQUEST

Subject: License Agreement between the University of Michigan and MedSpoke LLC

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 Robert Merion and Mr. James Dean are both employees of the University of Michigan ("University") and partial owners and directors of MedSpoke LLC. 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. Merion, a Professor in Surgery and Clinical Transplant Director, and Mr. James Dean, a Business Systems Analyst with MCIT, are both partial owners and directors of a for-profit company called MedSpoke LLC ("MedSpoke"). MedSpoke was formed recently to commercialize OTIS (Organ Transplant Information System) and desires to license the following technology from the University:

UM File No. 2867, entitled: "Organ Transplantation Information System (OTIS)" (Dean and Merion)

Parties to the Agreement:

The Regents of the University of Michigan and MedSpoke LLC

License Terms Include:

License terms include giving MedSpoke an exclusive license with the right to grant sublicenses. MedSpoke 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 Conflict of Interest Board will be done as appropriate.

Pecuniary Interest:

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

Net Effect:

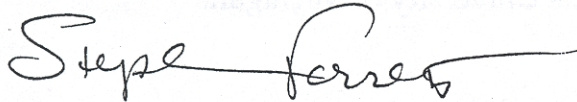
The Office of Technology Transfer has negotiated and finalized the terms of a world-wide exclusive license agreement for software related to UM File No. 2867 for all fields of use.

MedSpoke 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 MedSpoke LLC.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

March 2006