

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

March 20, 2008

ACTION REQUEST

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

This proposed option agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Victor Elner and Howard Petty are both employees of the University of Michigan ("University") and partial owners and officers of OcuSciences, 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. Howard Petty and Victor Elner, both Professors in Ophthalmology and Visual Sciences, are the partial owners of a for-profit company called OcuSciences, Inc. ("OSI"). Drs. Elner and Petty also are officers to OSI. OSI was formed to commercialize certain devices and methods for discovering and developing new drugs and desires to license the following technologies from the University:

UM OTT File No. 2573, entitled: "Method of Evaluating the Metabolism of the Eye" (Petty and Elner)

UM OTT File No. 3881, entitled: "Applications of Ocular Flavoprotein Fluorescence" (Petty and Elner)

Parties to the Agreement:

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

License Terms Include:

License terms include giving OSI an exclusive royalty-bearing license to the technologies. 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. 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. Elner and Petty arise from their ownership interest in OSI.

Net Effect:

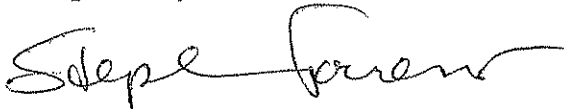
The Office of Technology Transfer has negotiated and finalized the terms of a license agreement for patents related to UM OTT File Nos. 2573 and 3881 for the fields of use of ophthalmic devices and therapeutics.

OSI will obtain license 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 License Agreement between the University and OcuSciences, Inc.

Respectfully Submitted,



Stephen R. Forrest  
Vice President for Research

March 2008