

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and Advanced Battery Control, LLC.

Action Requested: Approval of Option 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 OVPR Conflict of Interest Review Committee. 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 Professor Kang Shin and Hahnsang Kim are both employees of the University of Michigan ("University") and partial owners of Advanced Battery Control. 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. Shin, a Professor of Computer Science and Electrical Engineering, and Hahnsang Kim, a Senior Research Fellow in EECS, are partial owners of a for-profit company called Advanced Battery Control, LLC (the "Company"). The Company was formed recently to commercialize rechargeable battery control systems and desires to obtain an option from the University of Michigan to the University's rights associated with the following technology:

UM OTT File No. 4302, entitled: "Dynamic Reconfiguration of a Large-Scale Battery System" (Shin and Kim)

UM OTT File No. 4442, entitled: "Scheduling of Battery Charge and Discharge" (Shin and Kim)

UM OTT File No. 4625 entitled: "Dependable, Efficient, Scalable Architecture for Management of Large-scale Batteries " (Shin and Kim).

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 Advanced Battery Control, LLC.

Agreement Terms Include:

Agreement terms include granting the Company an exclusive option to the technologies including the rights to make products for evaluation purposes based on these 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, 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 Dr. Shin and Mr. Kim arise from their ownership interest in Advanced Battery Control, LLC.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an option agreement for patents related to UM OTT File Nos. 4302, 4442, 4625.

Advanced Battery Control, LLC will obtain development and limited use 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 Agreement between the University and Advanced Battery Control, LLC.

Respectfully submitted,



Stephen R. Forrest
Vice President for Research

March 2011