

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

ACTION REQUEST

EXH	MOTION <i>Brandon</i>
	SECOND <i>White</i>
	APPROVED BY THE REGENTS
NOTE:	APR 21 2005

Subject: License Agreement between the University of Michigan and Nanobiologics, LLC

Action Requested: Approval of License Agreement

Preamble:

Nanobiologics and the University of Michigan entered into a license agreement August 21, 2000. The parties have determined that it is in their best interest to amend and restate the license agreement.

At the time of the original license agreement, a 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's Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was developed by the committee and agreed to by the parties involved in this plan.

This proposed Agreement falls under the State of Michigan Conflict of Interest Statute because Professor James Baker and Dr. Tarek Hamouda are both employees of the University and partial owners of Nanobiologics. 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.

Background:

Research conducted in the laboratories of Dr. Baker resulted in the development of non-toxic nanoparticle emulsions useful in the elimination of microorganisms from surfaces and liquids. Nanobiologics, LLC was formed as a holding company for the protection of intellectual property rights from business and liability risks, and Nanobio, a C-corporation, was formed to sublicense intellectual property from Nanobiologics to make, have made and sell products. The technologies licensed to the company are:

UM File No. 1479 entitled: "Methods of Inactivating Bacteria Including Bacterial Spores"

UM File No. 1780 entitled: "The Use of Microbial Emulsions as an Adjuvant for Mucosal Vaccines"

Parties to the Agreement:

The Regents of the University of Michigan and Nanobiologics, LLC.

License Terms Include:

License terms include giving Nanobiologics an exclusive license with the right to grant sublicenses. Nanobiologics 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.

Pecuniary Interest:

The pecuniary interests of Drs. Baker and Hamouda arise from their ownership interest in Nanobiologics. 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 revised and amended world-wide exclusive license agreement for patents related to UM File Nos. 1479 and 1780 for all fields of use.

Nanobiologics will obtain use and commercialization rights to the above listed UM technology.

Recommendations:

This Agreement has been reviewed and approved by the Medical School's 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 Nanobiologics.

Respectfully Submitted,



Fawwaz T. Ulaby  
Vice President for Research

April 2005