Approved by the Regents
April 18, 2013

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: License Agreement between the University of Michigan and PhasiQ, 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 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 Committee 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 Dr. Shuichi Takayama, Ms. Arlyne Simon and Mr. Joshua White are all employees of the University of Michigan ("University") and partial owners of PhasiQ, LLC. The law permits such an Agreement provided it is disclosed to the Board of Regents ("Regents") of the University of Michigan and approved in advance by a 2/3 vote.

Background:

Dr. Shuichi Takayama, a Professor in Biomedical Engineering, Ms. Arlyne Simon, a Graduate Student in Biomedical Engineering and Mr. Joshua White, a Graduate Student in Biomedical Engineering, are partial owners of a for-profit company called PhasiQ, LLC (the "Company"). The Company was recently formed to commercialize microarray plates and assays and desires to obtain a license from the University of Michigan for the University's rights associated with the following technologies:

> UM OTT File No. 3845, entitled: "Spatio-Temporally Controlled Reagent Delivery: Gene Expression and Gene Silencing in Mammalian Cells" (Inventors: Shuichi Takayama, Hossein Tavana, Andreja Jovic, Bobak Mosadegh)
>
> UM OTT File No. 4642, entitled: "Deyhrated Aqueous Polymer Solutions" (Inventors: Shuichi Takayama, Hossein Tavana, Arlyne Simon)
>
> UM OTT File No. 4710, entitled: "Homogeneous Immunoassay Microarrays for Multiplexed Biomarker Analysis" (Inventors: Shuichi Takayama, Nien-Tsu Huang, Katsuo Kurabayashi, Arlyne Simon)

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 PhasiQ, LLC.

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 may receive equity in the Company, along with the right to purchase more equity. 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 warrantees 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. Takayama, Ms. Simon and Mr. White arise from their ownership interest in PhasiQ, LLC.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive license agreement for patents related to UM OTT File Nos. 3845, 4642 and 4710 for all fields of use.

PhasiQ, LLC will obtain use and commercialization rights to the above listed University technologies.

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 PhasiQ, LLC.

Respectfully submitted,

Stephen R. Forrest
Vice President for Research

April 2013