

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

ACTION REQUEST

Approved by the Regents

June 18, 2009

Subject: Amendment to Patent License Agreement between the University of Michigan and Seventh Sense Biosystems, Inc.

Action Requested: Approval of Amendment

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing a 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.

This proposed Amendment to Patent License Agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Joerg Lahann is both an employee of the University of Michigan ("University") and is a partial owner of Seventh Sense Biosystems, Inc. (formerly known as Uptech, Inc. and LS13, 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:

Dr. Joerg Lahann, Associate Professor in the Chemical Engineering Department, is a partial owner of a for-profit company called Seventh Sense Biosystems, Inc. ("Company"). The Company was formed to commercialize multiphase nanoparticle technology and desires to add one new technology file to its existing Patent License Agreement:

UM OTT File No. 4260, entitled: "Multiphase Microfibers for Spatially Guided Growth" (Joerg Lahann, Srijanani Bhaskar and Suparna Mandal)

Parties to the Agreement:

The Regents of the University of Michigan and Seventh Sense Biosystems, Inc.

License Terms:

License terms include giving the Company an exclusive license with the right to grant sublicenses. The Company will pay for ongoing patent expenses, perform technical diligence, pay royalties on sales and provide equity in the company to the University. 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. 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. Joerg Lahann arise from his ownership interest in Seventh Sense Biosystems, Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an amendment to the existing patent license agreement for patents related to UM OTT File No. 4260 for the all fields of use.

Seventh Sense Biosystems, Inc. will obtain use and commercialization 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 Amendment to Patent License Agreement between the University and Seventh Sense Biosystems, Inc.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

June 2009