

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and Neurable, 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 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 Ramses Alcaide is both an employee of the University of Michigan (“University”) and a partial owner of Neurable, 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:

Mr. Ramses Alcaide, a PhD Student of Neuroscience in the Medical School, is the partial owner of a for-profit company called Neurable, LLC (the “Company”). The Company was formed recently to commercialize Brain Computer Interface technology and desires to option from the University of Michigan the University’s rights associated with the following technology:

UM OTT File No. 6101, entitled: “A Direct Selection Brain-Computer Interface for Multiple Choice Testing” (Inventors: Jane Huggins, Seth Warschausky and Ramses Alcaide)

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 Neurable, LLC

Agreement Terms Include:

Agreement terms include granting the Company an exclusive option agreement with exclusive rights to evaluate the market potential of the technology.

The University will retain ownership of the optioned 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 Ramses Alcaide arise from his ownership interest in Neurable, LLC.

Net Effect:

The Office of Technology Transfer is negotiating the terms of a worldwide exclusive option agreement for patents related to UM OTT File No. 6101 for all fields of use. Neurable, LLC will obtain evaluation 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 Agreement between the University and Neurable, LLC.

Respectfully submitted,



S. Jack Hu
Interim Vice President for Research

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