

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents  
July 19, 2007

ACTION REQUEST

Subject: Materials Transfer Agreement between the University of Michigan and Compendia Bioscience, Inc.

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Division of Research Development and Administration while reviewing the proposed agreement which 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 by the Board and agreed to by the parties involved.

This proposed amendment ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Arul Chinnaiyan is both an employee of the University of Michigan ("University") and a partial owner of Compendia Bioscience, Inc. ("Compendia"). Research Investigator Daniel Rhodes also is a partial owner of Compendia and the Chief Scientific Officer of Compendia. 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. Chinnaiyan, a Professor in Pathology and Urology, and Dr. Daniel Rhodes, a Research Investigator in Pathology, are the partial owners of Compendia, a for-profit company. Both serve as consultants to Compendia, and Dr. Rhodes also is the Chief Scientific Officer of Compendia. Compendia was formed to commercialize databases related to oncology, human protein interaction maps, and molecular concepts maps (all currently web-based applications). The University wishes to provide data to Compendia which will be curated and added to other data. The refined data will be made available to the University by Compendia at no charge. A technology license previously disclosed under separate Regental Action describes Compendia's rights to commercial use of the data.

Nature of the Agreement:

Compendia has received a license from the University that relates to the subject of the Agreement. The proposed project involves provision of data to Compendia

by the University in return for access to proprietary data mining and development tools of Compendia.

Agreement Terms:

The terms of the proposed Agreement conform to University policy. No transfer of funds is involved. Compendia will provide Michigan with the access to data tools. Matthias Kretzler, M.D., Associate Professor of Internal Medicine, and Arul Chinnaiyan will provide the initial data to Compendia. The Agreement includes a provision allowing extension and modification upon mutual agreement of the parties. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Impact of the Agreement:

This evaluation will provide further information that will assist Compendia and the University in developing data mining and analysis tools.

Recommendation:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board. In light of the disclosure made in this document and our finding that the Agreement was negotiated in conformance with standard University practices,

I recommend that the Board of Regents approve of the University's entering into this Agreement with Compendia Biosciences, Inc.

Respectfully submitted,



Stephen R. Forrest  
Vice President for Research

July 2007