

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

July 19, 2007

ACTION REQUEST

Subject: Non-Disclosure Agreement between the University of Michigan and Fusion Therapeutics, Inc.

Action Requested: Approval of Non-Disclosure Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the 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 non-disclosure agreement ("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 and Chair of the Scientific Advisory Board of Fusion Therapeutics. 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, is the partial owner and Chair of the Scientific Advisory Board of a for-profit company called Fusion Therapeutics, Inc. ("Company"). The Company was formed to develop prostate cancer therapeutics and desires to obtain confidential information on a number of invention files owned by the University.

Parties to the Agreement:

The Regents of the University of Michigan and Fusion Therapeutics, Inc.

Non-Disclosure Terms:

Agreement terms include granting the Company the ability to review certain confidential information for a defined period of time and to provide it to other third parties under agreement with the Company. The University will retain ownership of the disclosed 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. 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 interest of Dr. Chinnaiyan arises from his ownership interest in Fusion Therapeutics, Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a non-disclosure agreement for patents related to UM OTT File No. 3199, 2146, 2146d1, 3727, 3728, 3741, 3657, 3547, and 3552.

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 Fusion Therapeutics.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

July 2007