

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

ACTION REQUEST

July 19, 2007

Subject: License Agreement between the University of Michigan and NeuroNexus 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 which 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 the Committee and agreed to by the parties involved.

This proposed amendment ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Drs. Daryl Kipke and Jamille Hetke are both employees of the University of Michigan ("University") and partial owners of NeuroNexus LLC. Dr. Kipke also serves as President and Dr. Hetke is an employee of NeuroNexus LLC. 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. Daryl Kipke, Associate Professor, Biomedical Engineering, David J. Anderson, Professor Emeritus, Electrical Engineering and Computer Science, Jamie Hetke, Assistant Research Scientist, EECS are partial owners of a for-profit, Michigan startup Corporation called NeuroNexus LLC. In March, 2004 NeuroNexus obtained a license to certain technologies out of the College of Engineering. NeuroNexus now would like to enter into a separate license for the following technologies:

UM File No. 0953, entitled: "Microchannel system for fluid delivery" (Kensall Wise and Jingkuang Chen)

UM File No. 2533, entitled: "Flexible polymer microelectrode" (Daryl Kipke and David S. Pellinen)

UM File No. 2728, entitled: "Intracranial Neural Interface" (Daryl Kipke and Jamille Hetke)

Parties to the Agreement:

The Regents of the University of Michigan and NeuroNexus.

License Terms:

License terms include giving NeuroNexus an exclusive license with the right to grant sublicenses to UM files 2533 and 2728 and a non-exclusive license to UM 0953. NeuroNexus will reimburse patent costs, pay a license fee and royalties on sales. 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 the changes will be followed and additional conflict of interest review will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of Drs. Kipke and Hetke arise from their ownership interest in NeuroNexus.

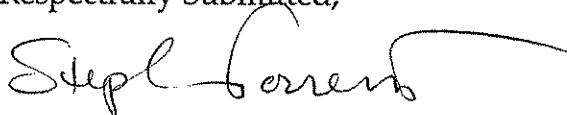
Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a license agreement for patents related to UM OTT File Nos. 0953, 2533, 2728 for the fields of human therapeutics, medical devices and research devices.

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 License Agreement between the University and NeuroNexus.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

July 2007