

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and ParaBricks, Inc.

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 UMOR 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 in this plan.

This proposed option agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professor Scott Mahlke, Dr. Ankit Sethia, and Dr. Mehrzad Samadiarakshbahr are employees of the University of Michigan (“University”) and partial owners of ParaBricks, Inc. 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:

Dr. Mahlke, the Associate Chair and Professor in the Department of Electrical Engineering and Computer Science – CSE Division, Dr. Ankit Sethia, a Research Fellow in the Department of Electrical Engineering and Computer Science – CSE Division, and Dr. Mehrzad Samadiarakshbahar, a Research Fellow in Electrical Engineering and Computer Science – CSE Division, are partial owners of a for-profit company called ParaBricks, Inc. (the “Company”). The Company was formed to develop certain high performance computing solutions and desires to option from the University of Michigan the University’s rights associated with the following technologies:

UM OTT File No. 6360, entitled: “Transparent Single Kernel Execution Across Multiple Devices” (Inventors: Janghaeng Lee, Mehrzad Samadiarakshbahr, and Scott Mahlke)

UM OTT File No. 6375, entitled: “The Illusion of a Large Memory Space for GPUs” (Inventors: Janghaeng Lee, Mehrzad Samadiarakshbahr, and Scott Mahlke)

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 ParaBricks, Inc.

Agreement Terms Include:

Agreement terms include granting the Company an exclusive option. The Company will pay a royalty on sales and reimburse patent costs. The University may receive equity in the Company, along with the right to purchase more equity.

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 Drs. Mahlke, Sethia, and Samadiarakhsbahar arise from their ownership interest in ParaBricks, Inc.

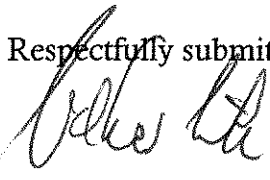
Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive option agreement for patents related to UM OTT Files 6360 and 6375 in all fields of use. ParaBricks, Inc. will obtain use and commercialization rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the UMOR 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 Option Agreement between the University and ParaBricks, Inc.

Respectfully submitted,

for 

S. Jack Hu
Interim Vice President for Research

July 2015