

ACTION REQUEST

Subject: Amendment to License Agreement between the University of Michigan and Ascenta Therapeutics, Inc.

Action Requested: Approval of Amendment

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 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 Professors Marc Lippman, Shaomeng Wang and Dajun Yang are employees of the University of Michigan ("University") and partial owners of Ascenta Therapeutics, Inc. ("Ascenta"). Drs. Lippman and Wang are also Directors and members of Ascenta's Scientific Advisory Board. Dr. Yang is also an employee and Officer of Ascenta. 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:

Drs. Marc Lippman, Professor and Chair of the Department of Internal Medicine, Shaomeng Wang, Associate Professor of Internal Medicine and Assistant Professor of Pharmacy, and Dajun Yang, Associate Professor of Internal Medicine, are the partial owners of a for-profit company called Ascenta. Drs. Lippman and Wang are also Directors and members of Ascenta's Scientific Advisory Board. Dr. Yang is also an employee and Officer of Ascenta.

Ascenta entered into a license agreement with the University on September 29, 2003 to commercialize a variety of compounds with anti-cancer applications. Ascenta wishes to add the following technologies from the University to its existing license agreement:

UM OTT File No. 3295, entitled: "Conformationally Constrained, Bivalent Small-molecule Smac Mimetic" (Wang, Haiying Sun, Dongguang Qin, Jianfeng Lu, Su Qiu, Yuefeng Peng)

UM OTT File No. 3414, entitled: "Non-Peptide Small Molecule Inhibitors" (Wang, Zaneta Nikolovska-Coleska, Qin, Yipin Lu)

Parties to the Agreement:

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

Amendment Terms Include:

The Agreement adds the above-referenced technology files which were developed under a sponsored research agreement with Ascenta. Current license terms include giving Ascenta an exclusive license with the right to grant sublicenses. Ascenta will pay a royalty on sales and reimburse patent costs. 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 Agreement may be amended by consent of the parties. 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. Lippman, Wang and Yang arise from their ownership interests in Ascenta.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an amendment to the existing world-wide exclusive license agreement for patents related to the UM OTT File numbers listed above in the field of human therapeutics.

Ascenta will obtain use and commercialization 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 Amendment to License Agreement between the University and Ascenta Therapeutics, Inc.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

September 2006