

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

September 22, 2006

ACTION REQUEST

Subject: License Agreement between the University of Michigan and Immunomics, Inc.

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 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 license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Arul Chinnaiyan and David Beer are both employees of the University of Michigan ("University") and partial owners of Immunomics, Inc. ("Immunomics"). 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. Arul Chinnaiyan, a Professor in Pathology, and Dr. David Beer, a Professor in Surgery, are the partial owners of a for-profit company called Immunomics. Immunomics was formed recently to commercialize protein signature-based diagnostic tests for cancer and desires to license the following technology from the University:

UM OTT File No. 2791, entitled: "Phage Microarray Profiling of the Humoral Response to Cancer" (Chinnaiyan and Xiaoju Wang)

Parties to the Agreement:

The Regents of the University of Michigan and Immunomics, Inc.

Agreement Terms:

Agreement terms include giving Immunomics an exclusive license with the right to grant sublicenses. Immunomics 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. Chinnaiyan and Beer arises from their ownership interest in Immunomics. They have waived any personal participation in the sharing of revenue received by the University.

Net Effect:

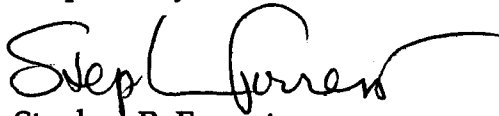
The Office of Technology Transfer has negotiated and finalized the terms of a world-wide exclusive license agreement for patents related to UM OTT File No. 2791 for the field of use of in vitro diagnostics.

Immunomics 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 License Agreement between the University and Immunomics, Inc.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

September 2006