

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents  
September 17, 2009

ACTION REQUEST

Subject: Master Roundtable Research Agreement between the University of Michigan and Coherix, Inc.

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Division of Research Development and Administration while reviewing the proposed agreement. This 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 will be developed by the Committee and agreed to by the parties involved in each project.

The proposed Master Roundtable Research Agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Dr. Mohammed N. Islam is both an employee of the University of Michigan ("University") and holds founders stock and is an officer of Coherix, Inc. ("Company"). 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. Mohammed N. Islam, Professor, Department of Electrical Engineering and Computer Sciences (EECS), holds founders stock and is Chief Technology Officer of Optics for the Company. The Company wishes to have the University participate in various projects that the Company will support independently or from grants from federal or other agencies related to technology licensed or optioned to the Company by the University. The role of Dr. Islam in each project will be described in a separate project statement and a conflict of interest management plan.

Agreement Terms:

The terms of the proposed Master Roundtable Research Agreement conform to University policy and will be for an eight-year period. The Agreement is for various projects to be funded over an eight-year period with the total costs not to exceed \$1,000,000. The initial subcontract includes a provision for extensions of the time period and scope of work and is likely to be expanded to include additional projects. Dr. Islam will not participate in the project in his capacity as

a Coherix Officer. Additional review by the OVPR Conflict of Interest Review Committee will be done as appropriate.

Impact of the Agreement:

The agreement enables research to be performed to provide a new productivity-enhancing image-processing software tool that will accelerate development of biomedical research results across many biomedical specialties and thereby contribute to advancement of public health. It will also enable significantly faster and consistent clinical laboratory processing of specimen sample, culture sample, X-ray and other biomedical images, reducing the cost of those laboratory services to the public, as seen in direct consumer costs, insurance costs and government health care expenditures.

Recommendation:

These matters will be reviewed by the OVPR Conflict of Interest Review Committee and a plan will be developed for the management of the conflicts of interest risks associated with each project that will be implemented under the terms of the Master Roundtable Research Agreement prior to the University's acceptance. In light of the disclosure made in this document and our finding that the Agreement was negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this Master Roundtable Research Agreement with Coherix, Inc.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is fluid and cursive, with a large initial "S" and "F".

Stephen R. Forrest  
Vice President for Research

September 2009