

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents
September 17, 2009

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and Crossbar, 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. 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 was then developed and approved by this Committee and agreed to by the parties involved.

This proposed license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Prof. Wei Lu is both an employee of the University of Michigan ("University") and a partial owner of Crossbar, Inc. 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. Wei Lu, a Professor in Electrical Engineering and Computer Science, is the partial owner of a for-profit company called Crossbar, Inc. ("Company"). The Company was formed to commercialize a new architecture for computer memory, and desires to exercise its option to take a license from the University to the University's rights associated with the following technologies:

UM OTT File No. 3526, entitled: "Non-Volatile Solid State Resistive Switching"
(Dr. Wei Lu and Sung Hyun Jo)

UM OTT File No. 4182, entitled: "Silicon-Based Nanoscale Resistive Device With Adjustable Resistance" (Dr. Wei Lu, Sung Hyun Jo and Kuk-Hwan Kim)

UM OTT File No. 4183, entitled: "A Si-Based Nanoscale Crossbar Memory"
(Dr. Wei Lu, Sung Hyun Jo and Kuk-Hwan Kim)

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 Crossbar, Inc.

Agreement Terms:

Terms include granting the Company an exclusive license with the right to grant sublicenses. The Company 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 Dr. Wei Lu arise from his ownership interest in Crossbar, Incorporated.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive license agreement for patents related to UM OTT File Nos. 3526, 4182 & 4183 for all fields of use. Crossbar, Inc. will obtain use and commercialization rights to the above listed University technology.

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 Agreement between the University and Crossbar, Inc.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

September 2009