

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents
September 19, 2013

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and Mountain Pass Solutions, 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 Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by this Board 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 Debra E. Komorowski, Sashidhar Guduri, Kimberley Leahy, Mark Schneyer, Bruce Meier, Claire Cabrera, Yue Liu and Margaret Gyetko are all employees of the University of Michigan (“University”) and partial owners of Mountain Pass Solutions, 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:

Margaret R. Gyetko, M.D., Senior Associate Dean for Faculty and Faculty Development and a Professor in the Division of Pulmonary and Critical Care in the Department of Internal Medicine in the Medical School, Debra E. Komorowski (Medical School, Office of Faculty Affairs), Sashidhar Guduri (Medical School Information Systems), Kimberley Leahy (Medical School Office of Faculty Affairs), Mark Schneyer (Medical School Information Systems), Bruce Meier (Medical School Information Systems), Claire Cabrera (Medical School Information Systems), Yue Liu (Medical School Information Systems), are partial owners of a for-profit company called Mountain Pass Solutions, Inc. (the “Company”). The Company was formed recently to commercialize M-ACE a Medical School Appointment, Credentialing, & Enrollment system and desires to obtain an option for an exclusive license to the University’s rights associated with the following technology:

UM OTT File No. #5856, entitled: “M-ACE Appointment, Credentialing, & Enrollment applications” (Inventors: Debra E. Komorowski, Sashidhar Guduri, Kimberley Leahy, Mark Schneyer, Bruce Meier, Claire Cabrera, Yue Liu and Margaret Gyetko)

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 Mountain Pass Solutions, Inc.

Agreement Terms Include:

Agreement terms include granting the Company an exclusive option to obtain a royalty bearing exclusive license. The Company will pay an option fee and perform certain evaluations during the option period.

The University will retain ownership of the optioned technology. The University will retain the right to further develop it internally in the event that specific requirements are needed that cannot or will not be provided by Mountain Pass Solutions, Inc. 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 Debra E. Komorowski, Sashidhar Guduri, Kimberley Leahy, Mark Schneyer, Bruce Meier, Claire Cabrera, Yue Liu and Margaret Gyetko arise from their ownership interest in Mountain Pass Solutions, Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive option agreement for intellectual property related to UM OTT File No. #5856 for all fields of use. Mountain Pass Solutions, Inc. will obtain use and evaluation 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 Agreement between the University and Mountain Pass Solutions, Inc.

Respectfully submitted,



Stephen R. Forrest
Vice President for Research

September 2013