

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents
November 19, 2009

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and TruEnamel, LLC

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. 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 option agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Brian Clarkson is an employee of the University of Michigan ("University") and an owner of TruEnamel LLC ("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. Brian Clarkson, a Professor of Dentistry, Department of Cariology, Restorative Sciences and Endodontics, School of Dentistry, is an owner of a for-profit company called TruEnamel, LLC. The Company was formed to commercialize high-throughput screening tools for the discovery of drug polymorphs and desires to option the following technologies from the University:

UM File No. 4336, entitled: "Synthesis of Fluorapatite Nanorods under Ambient Conditions" (Clarkson and Kenichi Kuroda)

UM File No. 2826, entitled: "Manufacture of Synthetic Dental Enamel" (Clarkson and Haifeng Chen)

Parties to the Agreement:

The Regents of the University of Michigan and TruEnamel, LLC.

Agreement Terms:

Agreement terms include giving the Company an exclusive option to the technology. The Company will pay an option fee and reimburse patent expenses. The University will retain ownership of the optioned 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 contract 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 interest of Dr. Clarkson arises from his ownership interest in TruEnamel, LLC.

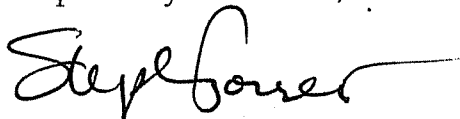
Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an option agreement for patents and patent applications related to UM OTT File Numbers 4336 and 2826 for all fields of use. The Company will obtain use and evaluation rights to the above listed University technologies.

Recommendation:

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 Option Agreement between the University and TruEnamel, LLC.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

November 2009