

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

December 13, 2007

ACTION REQUEST

Subject: Non-Disclosure Agreement among the University of Michigan, Merck & Co., and Ascenta Therapeutics

Action Requested: Approval of Non-Disclosure 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 developed by this Board and agreed to by the parties involved.

This proposed non-disclosure agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Shaomeng Wang and Marc Lippman are both employees of the University and a partial owners, directors and members of the Scientific Advisory Board for Ascenta Therapeutics ("Ascenta"). 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:

Drs. Shaomeng Wang, Professor of Internal Medicine, Medical School, and Marc Lippman, an Adjunct Professor of Internal Medicine, Medical School, are partial owners, directors and members of the Scientific Advisory Board of a for-profit company called Ascenta.

Ascenta entered into a license agreement with the University on September 29, 2003 to commercialize a variety of compounds with anti-cancer applications. Additional technologies were added in 2006.

Ascenta is currently in discussions with Merck about a potential business relationship. Merck is requesting that all parties enter into a non-disclosure Agreement such that confidential information can be provided to all parties.

Parties to the Agreement:

The Regents of the University of Michigan, Ascenta and Merck & Co. ("Merck").

Agreement Terms:

The Agreement provides for the parties to disclose information relating to certain protein interaction inhibitors and related compounds for the sole purpose of permitting Merck to evaluate its interest in a potential arrangement for research, development and/or commercialization of these compounds.

Pecuniary Interest:

The pecuniary interests of Drs. Wang and Lippman arise from their ownership interest in Ascenta.

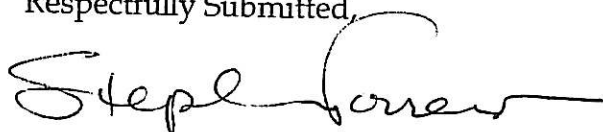
Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of the Agreement to share information related to certain information contained in the Ascenta licensed 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 among the University, Merck & Co. and Ascenta Therapeutics, Inc.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

December 2007