

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents
December 17, 2009

ACTION REQUEST

Subject: Material Transfer Agreement between the University of Michigan and 3D Biomatrix, Inc.

Action Requested: Approval of Material Transfer 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 Material Transfer Agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Nicholas Kotov is both an employee of the University of Michigan ("University") and a partial owner, Director and member of the Board of Director's of 3D Biomatrix, 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. Nicholas Kotov, Professor in Departments of Chemical Engineering, Biomedical Engineering and Materials Science and Engineering, College of Engineering, is the partial owner, Director and member of the Board of Director's of a for-profit company called 3D Biomatrix, Inc. The Company is evaluating the following technology from the University and wishes to obtain certain materials (spheroid array plates) as part of their evaluation prior to making a decision whether or not to obtain a license from the University:

UM File No. 4451, entitled: "Array Plate for Hanging Drop Cell Cultures"
(Shuichi Takayama and Yi-Chung Tung)

Parties to the Agreement:

The Regents of the University of Michigan and 3D Biomatrix, Inc.

Agreement Terms:

Agreement terms include giving the Company the materials for a defined period of time for internal scientific research and evaluation. The University will retain ownership of the materials 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. Kotov arises from his ownership interest in the Company.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a material transfer agreement granting the Company access to the materials related to UM OTT File No. 4451 for research purposes.

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 Material Transfer Amendment between the University of Michigan and 3D Biomatrix, Inc.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

December 2009