

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: License Agreement between the University of Michigan and Global Health Management Research Core, LLC

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 that then triggered a review by the Medical School Conflict of Interest Board and the UMOR 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 Board and Committee and agreed to by the parties involved in this plan.

This proposed license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Louis Tze-Ching Yen, Lingzhi Chen, Jerome Schatzle, Wei Zhou, Jin Park, and Lixin Yan are employees of the University of Michigan ("University") and partial owners of Global Health Management Research Core, LLC (GHMRC). 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:

Dr. Yen, Associate Research Scientist, Ms. Chen, Business Process Technology Analyst, Mr. Schatzle, Data Control Associate Supervisor, Mr. Zhou, Systems Analyst Staff Specialist, Health Management Research Center, School of Kinesiology; Ms. Park, Research Area Specialist Lead, University Cancer Center; and Lixin Yan, App System Analyst/Program Staff Specialist, UMH PACE, are partial owners of a for-profit company called GHMRC (the "Company"). The Company was formed recently to commercialize the Health Risk Assessment and desires to license from the University of Michigan the University's rights associated with the following technologies:

UM OTT File No. 1294, entitled: "Health Risk Assessment / Trend Management" (Inventor Dee Edington)

UM OTT File No. 5044, entitled: "Health Risk Appraisal System" (Inventors Dee Edington, Chi-Fung Chen Lu, Yan, Yen, Stephen B. Kinzler)

UM OTT File No. 5046, entitled: "Next Generation Health Risk Appraisal System" (Inventors Dee Edington, Allyssa B. Schultz, Lu, Yan, Yen)

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 GHMRC

Agreement Terms Include:

Agreement terms include granting the Company a non-exclusive license. The Company will pay a royalty on sales. The University may receive equity in the Company, along with the right to purchase more equity.

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, 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 Yen, Chen, Schatzle, Zhou, Park, and Yan arise from their ownership interest in GHMRC.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide non-exclusive license agreement for technology related to UM OTT File No. 1294, 5044, and 5046 for all fields of use. GHMRC will obtain use and commercialization rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board and the UMOR 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 Global Health Management Research Core, LLC.

Respectfully submitted,



S. Jack Hu  
Vice President for Research

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