

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

ACTION REQUEST

EXH	MOTION <i>White</i>
	SECOND <i>Deitch</i>
	ACTION APPROVED BY THE REGENTS
DATE:	MAY 19 2005

Subject: Option Agreement between the University of Michigan and Incept Biosystems

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 which then triggered a review by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflicts of interest was then developed by the committee 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 Professors Takayama and Smith are both employees of the University of Michigan ("University") and partial owners of Incept Biosystems. 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.

Background:

Shuichi Takayama, an Assistant Professor in Biomedical Engineering and Gary Smith, an Associate Professor in the Medical School, are the partial owners of a for-profit company called Incept BioSystems. Incept BioSystems was formed recently to commercialize microfluidics hardware and software including applications to assisted reproductive technology, and desires to license the following technology from the University:

UM File No. 2284, entitled: Microfluidic Device for Separating Motile and Non-motile Particles (Takayama, Smith, Schuster, Cho)

UM File No. 2498, entitled: Refreshable Braille Display-based Microfluidic Control (Takayama, Gu, Cho)

UM File No. 2935, entitled: Integrated Microfluidic Control Via Indirect Valving by Programmable Tactile Actuators (Takayama, Gu, Meiners, Chen)

UM File No. 2945, entitled: Software for Microfluidics (Takayama, Gu, Futai)

UM File No. 2362, entitled: Rapid Nanopatterning of Multiple Materials on a Substrate (Takayama, Zhu, Bahng, Liu, Shim, Cho)

UM File No. 3092, entitled: Cracking Fabrication of Reconfigurable Protein Matrices (Takayama, Thoviesi, Zhu, Mills)

Parties to the Agreement:

The Regents of the University of Michigan and Incept Biosystems.

Option Terms Include:

Option terms include giving Incept Biosystems an exclusive option to obtain an exclusive license in certain fields of use. 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 contract may be amended by consent of the parties. University procedures for approval of these changes will be followed and additional review by the Conflict of Interest Review Committee will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of Drs. Takayama and Smith arise from their ownership interest in Incept Biosystems. They have waived any personal participation in the sharing of revenue received by the University.

Net Effect:

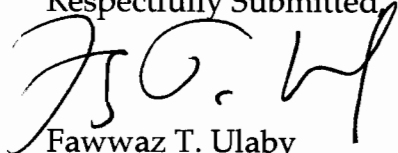
The Office of Technology Transfer has negotiated and finalized the terms of an exclusive option agreement for patents related to UM OTT File Nos. 2284, 2498, 2935, 2945, 2362, and 3092 .

Incept Biosystems will evaluate the technologies and determine if it wishes to exercise its option and enter into a license agreement for the above listed University technologies.

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 Option Agreement between the University and Incept Biosystems.

Respectfully Submitted,



Fawwaz T. Ulaby  
Vice President for Research

May 2005