

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents
July 19, 2007

ACTION REQUEST

Subject: License Agreement between the University of Michigan and Omni Sciences, Inc

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 which 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 by this Committee and agreed to by the parties involved.

This proposed license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Mohammed Islam is an employee of the University of Michigan ("University") and is a partial owner of Omni Sciences, Inc. 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. Mohammed Islam, a Professor in the Electrical Engineering and Computer Science Department, is a partial owner of a for-profit company called Omni Sciences, Inc. Omni Sciences, Inc was formed to commercialize mid infrared technology for applications that include telecommunications and chemical sensing and desires to license the following technology from the University:

UM OTT File No. 2765 entitled: "Application of Mid-infrared Light Sources" (Mohammed Islam)

Parties to the Agreement:

The Regents of the University of Michigan and Omni Sciences, Inc

License Terms:

License terms include giving Omni Sciences, Inc an exclusive license with the right to grant sublicenses. Omni Sciences, Inc will pay a royalty on sales and reimburse patent costs. 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 conflict of interest review will be done as appropriate.

Pecuniary Interest:

The pecuniary interest of Dr. Islam arises from his ownership interest in Omni Sciences, Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a world-wide exclusive license agreement for patents related to UM OTT File No. 2765 for all fields of use.

Omni Sciences, Inc will obtain use and commercialization rights to the above listed University technology.

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 License Agreement between the University and Omni Sciences, Inc.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

July 2007