

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and Prove Concepts, LLC

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 that then triggered a review by 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 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 Professor Peter Ma is both an employee of the University of Michigan (“University”) and a partial owner of Prove Concepts, LLC. 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. Peter Ma, a Professor in the Department of Biologic and Materials Science, is a partial owner of a for-profit company called Prove Concepts, LLC (the “Company”). The Company was formed recently to commercialize implantable long term pulsatile delivery systems and related technology and desires to option from the University of Michigan the University’s rights associated with the following technologies:

UM OTT File No. 5933, entitled: “Injectable and Self-Integrating Hydrogels” (Inventors: Peter Ma, Sen Hou)

UM OTT File No. 6259, entitled: “Nanofibrous Spongy Microspheres, Their Composition and Fabrication” (Inventors: Peter Ma, Zhanpeng Zhang)

UM OTT File No. 7203, entitled: “Implantable Long Term Pulsatile Delivery System” (Inventors: Peter Ma, Laurie McCauley, Ming Dang)

UM OTT File No. 7501, entitled: “Biomimetic Microspheres and the Methods of Making the Same” (Inventors: Peter Ma, Ming Dang, Laurie McCauley)

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 Prove Concepts, LLC

Agreement Terms Include:

Agreement terms include granting the Company an option to negotiate an exclusive license with the right to grant sublicenses.

The University will retain ownership of the optioned 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 Dr. Peter Ma arise from his ownership interest in Prove Concepts, LLC.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an option to negotiate a worldwide exclusive license agreement for patents related to UM OTT File Nos. 5933, 6259, 7203, and 7501 for all fields of use. Prove Concepts, LLC will obtain an option to negotiate a license to use and commercialization rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by 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 Prove Concepts, LLC.

Respectfully submitted,



S. Jack Hu
Vice President for Research

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