

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

November 17, 2006

ACTION REQUEST

Subject: Amendment to License Agreement between the University of Michigan and Accord Biomaterials, LLC

Action Requested: Approval of Amendment

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 Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was then developed by this Board and agreed to by the parties involved.

This proposed license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Emeritus Robert Bartlett is both an employee of the University of Michigan ("University") and a partial owner of and consultant to Michigan Critical Care Consultants, Inc. ("MC3"), a for-profit company. Accord Biomaterials, LLC ("Accord"), formerly known as MC3 Biomaterials, LLC, is a wholly owned subsidiary of MC3. 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. Bartlett, a Professor Emeritus in the Department of Surgery, is the partial owner of MC3. MC3 was formed to commercialize nitric oxide (NO) releasing polymers and its subsidiary, Accord, desires to license the following technology from the University:

UM OTT File No. 3210, entitled: "Nitric Oxide Generating Biomedical Coatings" (Sangyeul Hwang, Himabindu Nandivada, Mark Meyerhoff, Joerg Lahann)

UM OTT File No. 3220, entitled: "In Situ Generation of Nitric Oxide at Substrate/Blood Interface and Detection of S-Nitrosothiol" (Wansik Cha, Sangyeul Hwang, and Mark Meyerhoff)

Parties to the Agreement:

The Regents of the University of Michigan and Accord Biomaterials, LLC

Amendment Terms:

Terms include giving Accord an exclusive license with the right to grant sublicenses to these added files. Accord 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 Agreement 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. Bartlett arises from his ownership interest in MC3. For these specific files (3210 and 3220), Dr. Bartlett is not an inventor and will not be considered for any share of revenue received by the University.

Net Effect:

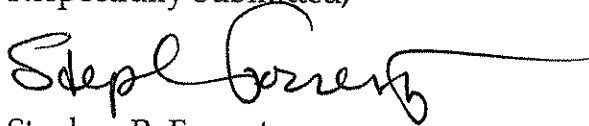
The Office of Technology Transfer has negotiated and finalized the terms of an amendment to the existing world-wide exclusive license agreement adding patents related to UM OTT File No. 3210 & 3220 for all fields of use.

Accord 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. 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 Amendment Agreement between the University and Accord Biomaterials, LLC.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

November 2006