

ACTION REQUEST

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

Action Requested: Approval of Amendment to License Agreement to ImBio, LLC

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

This proposed amendment to the license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Brian Ross and Alnawaz Rehemtulla are both employees of the University of Michigan ("University") and partial owners of ImBio, LLC. 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. Ross, a professor of Radiological Sciences, Department of Radiology and professor of Biological Chemistry, Medical School and Dr. Rehemtulla, a professor of Radiology and Radiation Oncology, Medical School, are the partial owners of a for-profit company called ImBio, LLC (the "Company"). The Company was formed recently to commercialize software and reagents useful in molecular resonance imaging diagnosis of human pathologies and has already licensed a number of technologies from the University. The Company desires to license from the University of Michigan the University's rights associated with the following technology:

UM OTT File No. 5181, entitled: "Voxel-Based Approach for Disease Detection and Evolution," (Brian Ross, Thomas Chenevert, Craig Galban, Benjamin Lemasson)

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 ImBio, LLC

Agreement Terms Include:

Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The Company 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, 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 Drs. Ross and Rehemtulla arise from their ownership in ImBio, LLC.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive license agreement for patents related to UM OTT File No. 5181 for the fields of use of detection of human and animal diseases by diffusion magnetic resonance imaging.

ImBio, LLC 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 to License between the University and ImBio, LLC.

Respectfully submitted,



Stephen R. Forrest  
Vice President for Research

February 2012