

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the
Regents
February 20, 2014

ACTION REQUEST

Subject: License Agreement between the University of Michigan and
Li, Fischer, Lepech and Associates, LLC

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 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 license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Victor Li is both an employee of the University of Michigan ("University") and a partial owner of Li, Fischer, Lepech and Associates, LLC ("LFL"). 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. Victor Li, a Professor in Civil and Environmental Engineering, is the partial owner of a for-profit company called LFL (the "Company"). The Company was formed in 2007 as a consulting business, and now desires to commercialize engineered cementitious composites by licensing from the University of Michigan the University's rights associated with the following technologies:

UM OTT File No. 1193, entitled: "Control of Interface Properties Between Fiber/Cement Using Plasma Treatment" (Victor C. Li, Hwai-Chung Wu)

UM OTT File No. 1863, entitled: "A Ductile Strip Used for Eliminating Shrinkage and Temperature Cracks in Concrete Pavements and Bridge Decks" (Victor C. Li, Jun Zhang)

UM OTT File No. 1888, entitled: "Self-Compacting Engineered Cementitious Composite" (Victor C. Li, Hyun-Joon Kong)

UM OTT File No. 1893, entitled: "Collapse Resistant Frame Structure with Auto-adaptive Response Characteristics" (Victor C. Li, Gregor D. Fischer)

UM OTT File No. 2383, entitled: "Lightweight Strain-Hardening Brittle Matrix Composites" (Victor C. Li, Shuxin Wang)

UM OTT File No. 2418, entitled: "Sprayable, Strain-Hardening Cementitious Composites" (Victor C. Li, Yun Yong Kim, Hyun-Joon Kong)

UM OTT File No. 2824, entitled: "Method of Improving Fiber Composite Ductility"(Victor C. Li, Shuxin Wang)

UM OTT File No. 2870, entitled: "High Early Strength Fiber Reinforced Cementitious Composites with Strain Hardening Behavior"(Victor C. Li, Shuxin Wang)

UM OTT File No. 3713, entitled: "Engineered Self-Healing Cementitious Composites" (Victor C. Li, En-Hua Yang)

UM OTT File No. 3870, entitled: "Impact Resistant Strain Hardening Brittle Matrix Composite for Protective Structures" (Victor C. Li, En-Hua Yang)

UM OTT File No. 4500, entitled: "White Pigmentable Strain Hardening Brittle Matrix Composites"(Victor C. Li, Shuxin Wang, Mo Li)

UM OTT File No. 4501, entitled: "Pigmentable Strain Hardening Brittle Matrix Composites which Utilize Recycled Materials and Reduce Carbon Footprint of Composites"(Victor C. Li, Ravi Ranade)

UM OTT File No. 4951, entitled: "Strain Hardening Brittle Matrix Composites with High Strength and High Tensile Ductility"(Victor C. Li, Ravi Ranade, Michael David Stults)

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 LFL.

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 may receive equity in the Company, along with the right to purchase more equity.

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 Dr. Victor Li arise from his ownership interest in LFL.

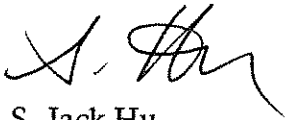
Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide co-exclusive license agreement for patents related to UM OTT File Nos. 1193, 1863, 1888, 1893, 2383, 2418, 2824, 2870, 3713, 3870, 4500, 4501 & 4951 for all fields of use. LFL will obtain use and commercialization rights to the above listed University technologies.

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 LFL.

Respectfully submitted,



S. Jack Hu
Interim Vice President for Research

February 2014