

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and Navisense Inc.

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 Kamal Sarabandi is an employee of the University of Michigan ("University") and a partial owner of Navisense Inc. 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. Kamal Sarabandi, a Professor in the Department of Electrical Engineering and Computer Science, is a partial owner of a for-profit company called Navisense Inc. (the "Company"). The Company was formed recently to commercialize Frequency Scanning Radar and Micromachined Millimeter-Wave Frequency Scanning Array and desires to option from the University of Michigan the University's rights associated with the following technologies:

UM OTT File No. 3641, entitled: "Frequency Scanning Radar" (Inventors: Kamal Sarabandi, Koen van Caekenberghe, Karl F. Brakora)

UM OTT File No. 4917, entitled: "Micromachined Millimeter-Wave Frequency Scanning Array" (Inventors: Kamal Sarabandi, Jack R. East, Mehrnoosh Vahidpour)

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 Navisense Inc.

Agreement Terms Include:

Agreement terms include granting the Company an option to further evaluate the subject technologies and, upon meeting specific milestones, the ability to negotiate an exclusive license with the right to grant sublicenses. The Company will pay an option fee to the University and reimburse patent costs that incur during the term of the Agreement.

The University will retain ownership of the optioned technologies and may continue to further develop them and use them internally as well as in collaborations with other research institutions. 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. Kamal Sarabandi arise from his ownership interest in Navisense Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive option agreement for patents related to UM OTT File Nos. 3641 and 4917 for all fields of use. Navisense Inc. will obtain use 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 Navisense Inc.

Respectfully submitted,



S. Jack Hu  
Vice President for Research

March 2017