

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: License Agreement between the University of Michigan and DGD Pharmaceuticals

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 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 license agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professors Mukesh K. Nyati and Theodore S. Lawrence, and Dr. Christopher E. Whitehead are employees of the University of Michigan (“University”) and partial owners of DGD Pharmaceuticals. The law permits such an Agreement provided it is disclosed to Board of Regents (“Regents”) of the University of Michigan and approved in advance by a 2/3 vote.

Background:

Mukesh K. Nyati, PhD, an Associate Professor in the Department of Radiation Oncology, Theodore S. Lawrence, MD, a Professor and Chair of the Department of Radiation Oncology, and Christopher E. Whitehead, PhD, a Chemist Staff Specialist in the Department of Radiology, are partial owners of a for-profit company called DGD Pharmaceuticals (the “Company”). The Company was formed recently to commercialize EGFR inhibition for cancer treatment technology and desires to license from the University of Michigan the University’s rights associated with the following technology:

UM OTT File No. 7368, entitled: “EGFR Dimer Disruptors for Tyrosine Kinase and Cetuximab-Resistant Cancer Treatment” (Inventors: Mukesh K. Nyati, Theodore S. Lawrence, Christopher E. Whitehead)

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 DGD Pharmaceuticals

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 Drs. Nyati, Lawrence, and Whitehead arise from their ownership interests in DGD Pharmaceuticals.

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. 7368 for all fields of use. DGD Pharmaceuticals 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 Agreement between the University and DGD Pharmaceuticals.

Respectfully submitted,



S. Jack Hu  
Vice President for Research

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