

UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

April 16, 2009

ACTION REQUEST

Subject: Community of Interest Agreement between the University of Michigan and Incept BioSystems, Inc.

Action Requested: Approval of Agreement

Preamble:

The Office of Technology Transfer identified a statutory conflict of interest situation while reviewing the technology transfer agreement. This 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 non-disclosure agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Shuichi Takayama and Gary Smith are both employees of the University of Michigan ("University") and are partial owners of Incept BioSystems, Inc. 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. Shuichi Takayama, an Associate Professor in Biomedical Engineering and Dr. Gary Smith, an Associate Professor in the Departments of Obstetrics & Gynecology, Urology and Molecular & Integrative Physiology in the Medical School, are partial owners of a for-profit company called Incept BioSystems, Inc. ("Incept"). Incept was formed to commercialize assisted reproduction technology and has licensed a number of technologies from the University. Incept wishes to participate in discussions with Michigan's patent attorneys and review attorney work product documents addressing issues relating to patent prosecuting strategy for the licensed technology. This agreement provides for the disclosure to all parties of such confidential information.

Parties to the Agreement:

The Regents of the University of Michigan and Incept BioSystems, Inc.

Agreement Terms:

Agreement terms provide for how the information is disclosed to the parties, who may review the information at both parties and for what purposes the information may be used.

Pecuniary Interest:

The pecuniary interests of Drs. Takayama and Smith arise from their ownership interest in Incept.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a Community of Interest agreement.

Recommendations:

This matter has been reviewed and approved by both the OVPR Conflict of Interest Review Committee and 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 Community of Interest Agreement between the University and Incept.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Stephen R. Forrest".

Stephen R. Forrest
Vice President for Research

April 2009