

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

April 16, 2009

ACTION REQUEST

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

Action Requested: Authorization to enter into 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 OVPR 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 Board 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 Hashim M. Al-Hashimi and Dr. Michael Pape are both employees of the University of Michigan ("University") and partial owners of Nymirum, 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. Al-Hashimi, a Professor in the Department of Chemistry and Biophysics, is the partial owner of a for-profit company called Nymirum, Inc. (the "Company"). Dr. Michael E. Pape, a Mentor-In-Residence in the Office of Technology Transfer, is a partial-owner of the Company. The Company was formed recently to commercialize technology for high throughput ensemble-based docking against flexible biomolecular targets and desires to obtain an option to the University's rights associated with the following technology:

UM OTT File No: 4130, entitled: "High-Throughput Ensemble-Based Docking Against Flexible Biomolecular Targets" (Hashim Al-Hashimi, Andrew Stelzer, Joseph Yesselman and Ioan Andricioaei [UC Irvine]

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 Nymirum, Inc.

Agreement Terms:

Agreement terms include granting the Company an option for an exclusive license with the right to grant sublicenses. The Company will pay an option fee and reimburse patent costs. The University will retain ownership of the optioned 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. 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. Al-Hashimi and Pape arise from their ownership interest in Nymirum.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an option agreement for patents related to UM OTT File No. 4130. Nymirum will obtain use and commercialization rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the OVPR 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 Nymirum, Inc.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

April 2009