

ACTION REQUEST

Subject: Master Research Agreement and Master Mutual Non-Disclosure Agreement between the University of Michigan and Soar Technology, Inc.

Action Requested: Authorization to enter into Agreements

Preamble:

A statutory conflict of interest situation was identified by the Division of Research Development and Administration while reviewing the Proposal Approval Form. This then triggered a review by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflicts of interest was developed and approved by the OVPR Conflict of Interest Review Committee and agreed to by the parties involved.

This proposed agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Dr. John Laird is both an employee of the University of Michigan ("University") and an owner of Soar Technology, Inc., a for-profit corporation located in Ann Arbor ("Company"). 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. John Laird, Professor of Electrical Engineering and Computer Science, College of Engineering, is an owner of the Company. The Company wishes to have the University participate in various projects that the Company will support independently, or from awards from federal agencies. The role of Dr. Laird in each project will be described in a project statement and a conflict of interest management plan.

Agreement Terms:

The University will enter into a Master Mutual Non-Disclosure Agreement with the Company that will permit protected disclosures between the University and the Company, which will be upon standard terms for arms-length transactions, and will facilitate the sharing of information as needed to develop research proposals. The University and the Company will also enter into a Master Research Agreement that will cover standard procedures for performance of projects as well as provisions implementing University and federal policies related to intellectual property and publication. The Master Research Agreement will cover an initial five-year period

with a total authorization not to exceed \$500,000. The University will use standard sponsored project accounting procedures to determine the cost of each project. Budgets will be reviewed and approved by authorized representatives of each department and school/college where projects are to be performed. The Company has supported several projects at the University since its inception. The Master Research Agreement will allow the University and the Company to specify projects that the University will conduct under the terms of the Master Research Agreement. Since research projects are often amended, the Master Research Agreement includes provisions for changes in time, amount, and scope of each supported project. University procedures for approval of each project will be followed and additional review by the OVPR Conflict of Interest Review Committee will be done on a project-by-project basis.

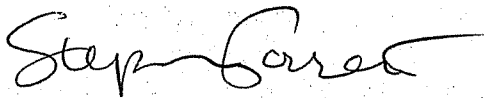
Impact of the Agreement:

The Master Agreement will enable the University to participate in important research efforts to explore and enhance the emulation of human decision making in artificial intelligence systems.

Recommendation:

These matters will be reviewed by the OVPR Conflict of Interest Review Committee, and a plan will be developed to manage the potential conflict of interest risks associated with each project that will be implemented under the terms of the Master Research Agreement prior to the University's acceptance of any individual project. In light of the disclosure made in this document and our finding that the Master Mutual Non-Disclosure Agreement and Master Research Agreement will be negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University entering into this Master Mutual Non-Disclosure Agreement, and Master Research Agreement with Soar Technology, Inc.

Respectfully submitted,



Stephen R. Forrest
Vice President for Research

April 2011