

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and Diapin Therapeutics, LLC

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Research and Sponsored Projects while reviewing the Proposal Approval Form which 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 the Board and agreed to by the parties involved.

This proposed agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professor Yuqing (Eugene) Chen is an employee of the University of Michigan (“University”), and a partial owner of Diapin Therapeutics, LLC (“Diapin”). 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:

Yuqing Chen, MD, PhD, a Professor in the Department of Internal Medicine – Cardiovascular Medicine, is the partial owner of a for-profit company called Diapin (the “Company”). The Company wishes to fund a NIH (prime) SBIR Phase II project entitled “DT-678 for the treatment of acute coronary syndrome and stroke” (ORSP #18-PAF06251) in the Department of Pharmacology under the direction of Dr. Haoming Zhang. The purpose of this project is to develop an antiplatelet drug.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately two (2) years. The amount of funding support will not exceed \$298,687. Since research projects are often amended, this agreement includes provisions for changes in time and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Impact of the Agreement:

The Agreement will support an effort by Dr. Zhang to use his expertise and University laboratory, as well as other University resources, to determine the pharmacokinetics, metabolism, efficacy, and risk of DT-678, a novel compound.

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 University's entering into this Agreement with Diapin Therapeutics, LLC.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "S. Jack Hu".

S. Jack Hu  
Vice President for Research

May 2018