

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: License Agreement between the University of Michigan and NeuroLight Technologies, LLC

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 UMOR 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 Committee 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 Euisik Yoon, Kensall Wise, and Dr. Sangwoo Lee are employees of the University of Michigan (“University”) and partial owners of NeuroLight Technologies, LLC. 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:

Dr. Euisik Yoon, a Professor in the Department of Electrical Engineering and Computer Science (EECS – ECE Division), Dr. Kensall Wise, a Professor Emeritus in the Department of EECS – ECE Division, and Dr. Sangwoo Lee, an Adjunct Research Scientist in the Department of EECS – ECE Division, are partial owners of a for-profit company called NeuroLight Technologies, LLC (the “Company”). The Company was formed recently to commercialize Neural Probes Integrated with Optical Simulation Capability and desires to license from the University of Michigan the University’s rights associated with the following technology:

UM OTT File No. 4552, entitled: “Neural Probes Integrated with Optical Simulation Capability” (Inventors: Euisik Yoon, Il-Joo Cho)

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 NeuroLight Technologies, LLC

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. Yoon, Wise, and Lee arise from their ownership interest in NeuroLight Technologies, LLC.

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. 4552 for all fields of use. NeuroLight Technologies, LLC will obtain use and commercialization rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the UMOR 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 NeuroLight Technologies, LLC.

Respectfully submitted,



S. Jack Hu
Vice President for Research

May 2018