

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents  
June 16, 2011

ACTION REQUEST

Subject: License Agreement between the University of Michigan and Electric Field Simulations Corporation (formerly known as EngXT)

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 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 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 Nilton Renno and Steven Rogacki are both employees of the University of Michigan ("University") and are partial owners of Electric Field Simulations Corporation. 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. Renno, a professor of Atmospheric, Oceanic and Space Sciences, and Mr. Rogacki, a senior engineer in research, are the partial owners of a for-profit company called Electric Field Simulations Corporation (the "Company"). The Company was formed recently to commercialize an electromagnetic detection technology and desires to license from the University of Michigan the University's rights associated with the following technology:

UM OTT File No. 3545, entitled: "A Miniature Sensor for Electric Field Measurements in Dusty Environments" (Renno and Rogacki)

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 Electric Field Simulations Corporation.

Agreement Terms Include:

Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The Company will pay an upfront fee, royalties and patent costs incurred during the term of the license agreement. 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 Dr. Renno and Mr. Rogacki arise from their ownership interest in Electric Field Simulations Corporation. For this specific file (3545) Dr. Renno and Mr. Rogacki are inventors and will be considered for any share of revenue received by the University.

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. 3545 for all fields of use.

Electric Field Simulations Corporation will obtain use rights and 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 License Agreement between the University and Electric Field Simulations Corporation.

Respectfully submitted,



Stephen R. Forrest  
Vice President for Research

June 2011