

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: License Agreement between the University of Michigan and Animal Diversity Web, L3C.

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 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 Philip A. Myers and Tanya A. Dewey are both employees of the University of Michigan ("University") and partial owners of Animal Diversity Web, L3C. 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. Philip A. Myers, a Professor and Curator Emeritus of Zoology, and Dr. Tanya A. Dewey, an Academic Research Program Officer Intermediate in the Ecology & Evolutionary Biology, LSA are partial owners of a for-profit company called Animal Diversity Web, L3C (the "Company"). The Company was formed recently to commercialize the Animal Diversity Web Site and associated content and desires to license from the University of Michigan the University's rights associated with the following technology:

UM OTT File No. 1854, entitled: Animal Diversity Web (Inventors: Dr. Philip Meyers, Dr. Tanya Dewey, Cyndy Parr, Patricia P. Jones, Roger Espinosa, George Hammond and Tricia Jones)

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 Animal Diversity Web, L3C.

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 annual minimums. 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 Dr. Philip A Meyers and Dr. Tanya A. Dewey arise from their ownership interest in Animal Diversity Web, L3C.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a license agreement for software and content related to UM OTT File No. 1854 for all fields of use. Animal Diversity Web, L3C 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 Animal Diversity Web, L3C.

Respectfully submitted,



S. Jack Hu  
Interim Vice President for Research

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