THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

ACTION REQUEST

Subject: License Agreement between the University of Michigan and Skybox Imaging Inc.

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement. This 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 Professor James W. Cutler is both an employee of the University of Michigan ("University") and a partial owner of Skybox Imaging Inc. 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. James W. Cutler, Associate Professor in Aerospace Engineering, College of Engineering, is the partial owner of a for-profit company called Skybox Imaging Inc. ("Company"). The Company was formed recently to commercialize satellite technology for custom imaging and desires to license from the University of Michigan the University’s rights associated with the following technology:

UM OTT File No. 4444, entitled: "Satellite Ground Station Software" (J. Cutler)

UM OTT File No. 4445, entitled: "Satellite GPS Board Design" (J. Cutler)

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 Skybox Imaging Inc.
Agreement Terms Include:

Agreement terms include granting the Company a design license and software site license and the Company will pay an upfront fee, an annual usage fee, and milestone payments. 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 warranteees and indemnification apply, and the Agreement may be amended by consent of the parties. 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. Cutler arise from his ownership interest in Skybox Imaging Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a world-wide license agreement for technology related to UM OTT File Nos. 4444 and 4445 for the fields of use of satellite imaging.

Skybox Imaging Inc. will obtain use and commercialization rights 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 Skybox Imaging Inc.

Respectfully Submitted,

Stephen Forrest
Vice President for Research

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