

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and MedigenixBio, Inc.

Action Requested: Approval of Option 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 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 this Board and agreed to by the parties involved in this plan.

This proposed option agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professors Daniel Lawrence and Enming Joseph Su are both employees of the University of Michigan (“University”) and partial owners of MedigenixBio, Inc. 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:

Daniel Lawrence, Ph.D., a Professor in the Department of Internal Medicine, Cardiovascular Medicine Division, and Enming Joseph Su, Ph.D., a Research Assistant Professor in the Department of Internal Medicine, are the partial owners of a for-profit company called MedigenixBio, Inc. (the “Company”). The Company was formed to commercialize the use of certain plasminogen activator inhibitors in a variety of applications and desires to option from the University of Michigan the University’s rights associated with the following technologies:

UM OTT File No. 3356, entitled: “Methods for altering lipid metabolism” (Daniel Lawrence, Enming Joe Su, Mark Warnock, Jacqueline Cale)

UM OTT File No. 4352, entitled: “Plasminogen activator inhibitor-1 inhibitors and methods of use thereof to modulate lipid metabolism” (Daniel Lawrence, Enming Joe Su, Jacqueline Cale, Jeanne Stuckey, Mark Warnock, Shih-Hon Li)

UM OTT File No. 5475, entitled: “Plasminogen activator inhibitor-1 inhibitors and methods of use thereof” (Daniel Lawrence, Shih-Hon Li, Ashley Reinke, Mark Warnock)

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 MedigenixBio, Inc.

Agreement Terms Include:

Agreement terms include granting the Company an option to obtain an exclusive license with the right to grant sublicenses. The Company will pay an option fee 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 optioned 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. Lawrence and Su arise from their ownership interest in MedigenixBio, Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive option agreement for patents related to UM OTT File No. 3356, 4352 and 5475 for all fields of use. MedigenixBio, Inc. will obtain use and commercialization rights to the above listed University technology.

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 Agreement between the University and MedigenixBio, Inc.

Respectfully submitted,



S. Jack Hu
Vice President for Research

July 2016