Subject: License Agreement between the University of Michigan and Lycera, Inc.

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 which then triggered a review by the OVPR Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflicts of interest was then developed and approved by this Committee and agreed to by the parties involved.

This proposed license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Gary Glick, Anthony Opipari and James Ferrara are employees of the University ("University") and partial owners of Lycera. 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. Gary Glick, a Professor in Chemistry, Dr. Anthony Opipari, Associate Professor of Obstetrics and Gynecology and Dr. James Ferrara, Professor of Pediatrics and Communicable Diseases are partial owners of a for-profit company called Lycera. Lycera has exercised its option to obtain an exclusive license to commercialize benzodiazepene compounds for a variety of therapeutic applications:

UM File No. 1671 entitled: “Therapeutic applications of pro-apoptotic benzodiazepines” (Glick and Opipari)
UM File No. 2888 entitled: “Compositions and methods relevant to novel compositions” (Glick)
UM File No. 2846/3084 entitled: “Novel 1,4-benzodiazepine-2,5-diones with therapeutic properties”
UM File No. 3730 entitled: “Novel Soluble 1,4 benzodiazepine” (Glick)
UM File No. 3833 entitled: “Novel Compounds for Treatment of Psoriasis” (Glick)

Parties to the Agreement:

The Regents of the University of Michigan and Lycera.
License Terms:

Lycera will pay a royalty on sales and reimburse patent costs. 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 contract 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 Drs. Glick, Ferrara and Opipari arise from their ownership interest in Lycera.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a world-wide exclusive license agreement for patents related to the UM OTT Files listed above in the field of use of human therapeutics. Lycera will obtain use and commercialization rights to the above listed University technologies.

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 Lycera.

Respectfully Submitted,

Stephen R. Forrest
Vice President for Research

September 2007