

REGENTS COMMUNICATION

ACTION REQUEST

Subject: Option Agreement between the University of Michigan  
and Structured Microsystems

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. 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.

This proposed option agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Mr. Razi-ul Haque is both an employee of the University of Michigan ("University") and a partial owner of Structured Microsystems. 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:

Mr. Razi-ul Haque, a Graduate Student in the Department Electrical Engineering and Computer Science, is the partial owner of Structured Microsystems ("Company"). The Company was formed recently to commercialize 3-D integrated circuits and desires to option from the University of Michigan the University's rights associated with the following technology:

UM OTT File No. 4227, entitled: "Methods for Embedding Glass into Silicon Wafers"  
(Wise and Haque)

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 Structured Microsystems.

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. 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. 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 Mr. Razi-ul Haque arise from his ownership interest in Structured Microsystems.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an option agreement for patents related to UM OTT File No. 4227 for all the fields of use.

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 Agreement between the University and Structured Microsystems.

Respectfully Submitted,



Stephen R. Forrest  
Vice President for Research

September 2010