

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

December 18, 2008

ACTION REQUEST

Subject: Patent License Agreement between the University of Michigan and Biotectix, LLC

Action Requested: Approval of Patent 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 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 license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor David Martin is both an employee of the University of Michigan ("University") and a partial owner of Biotectix, LLC. 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. David Martin, a Professor in Materials Science and Engineering is a partial owner of a for-profit company called Biotectix, LLC. Biotectix, LLC was formed to commercialize biocompatible, biologically- integrated 3-dimensional macromolecular electrode networks and desires to license the following technology from the University:

UM File No. 3016, entitled: "Cytopolymer or CytoPEDOT, Situpolymer or SituPEDOT, Gelpolymer or GelpEDOT" (invented by Jeffrey Hendricks, Laura Povich, Mohammad Reza Abidian, David Martin, Sarah Richardson-Burns, Donghwan Kim)

UM File No. 3376, entitled: "Conducting Polymer Nanotubes for Precisely Controlled Drug Release" (invented by Mohammad Reza Abidian and David Martin)

Parties to the Agreement:

The Regents of the University of Michigan and Biotectix, LLC.

Patent License Terms:

Patent License terms include giving Biotectix, LLC an exclusive license with the right to grant sublicenses. Biotectix, LLC will pay for ongoing patent expenses, perform technical diligence, pay royalties on sales and provide equity in the company to the University. 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 Professor David Martin arise from his ownership interest in Biotectix, LLC.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive license agreement for patents related to UM OTT Files No. 3016 and 3376 for all fields of use.

Biotectix, LLC 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 Patent License Agreement between the University and Biotectix, LLC.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

December 2008