

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents
December 17, 2009

ACTION REQUEST

Subject: License Agreement between the University of Michigan and ChemXLerate LLC

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. 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 agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Adam Matzger and Dr. Antek Wong-Foy are both employees of the University of Michigan ("University") and owners of ChemXLerate LLC ("Company"). 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. Adam Matzger, Associate Professor of Chemistry, College of Literature, Science and the Arts and Associate Professor of Macromolecular Science and Engineering, College of Engineering, and Dr. Antek Wong-Foy, an Assistant Research Scientist, Chemistry Department, College of Literature, Science and the Arts, are both owners of a for-profit company called ChemXLerate LLC. The Company was formed to commercialize high-throughput screening tools for the discovery of drug polymorphs, and desires to license the following technology from the University:

UM File No. 2134 and 2134c1, entitled: "Methods for the Generation of Crystalline Polymorphs" (Kibum Kim, Meidong Lang, Adam Matzger)

Parties to the Agreement:

The Regents of the University of Michigan and ChemXLerate LLC.

Agreement Terms:

Agreement terms include granting the Company a non-exclusive license without the right to grant sublicenses to the added technology. The Company will pay a royalty on sales. 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. Matzger and Wong-Foy arise from their ownership interest in ChemXLerate LLC.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a license agreement for patents related to UM OTT File Nos. 2134 and 2134c1 for all fields of use. The Company 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 Agreement between the University and ChemXLerate LLC.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

December 2009