

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: License Agreement between the University of Michigan and  
Intelligent Vision Systems, 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 that then triggered a review by the UMOR 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 in this plan.

This proposed license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Nilton Renno is an employee of the University of Michigan ("University") and partial owner of Intelligent Vision Systems, LLC. 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:

Dr. Nilton Renno, a Professor in the Department of Climate and Space Sciences and Engineering, is the partial owner of a for-profit company called Intelligent Vision Systems, LLC (the "Company"). The Company was formed recently to commercialize ice, volcanic ash, and water detection systems for transportation and aerospace industry and infrastructure (bridges, runways, roads) integration. The Company desires to license from the University of Michigan the University's rights associated with the following technologies:

UM OTT File No. 5652, entitled: "Ice and Water Detection System"  
(Inventor: Nilton Renno)

UM OTT File No. 5685, entitled: "Aircraft Icing Detection" (Inventor:  
Nilton Renno)

UM OTT File No. 6456, entitled: "Ice-Crystals and Volcanic Ash Hazards  
Detection System" (Inventor: Nilton Renno)

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 Intelligent Vision Systems, LLC

Agreement Terms Include:

Agreement terms include granting the Company a nonexclusive license to commercialize the above-referenced technologies. The Company will pay a license fee 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 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 Dr. Renno arise from his ownership interest in Intelligent Vision Systems, LLC.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a license agreement for patents and software related to UM OTT File Nos. 5652, 5685 and 6456 for all fields of use. Intelligent Vision Systems, LLC will obtain use and commercialization rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the UMOR 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 Intelligent Vision Systems, LLC.

Respectfully submitted,



S. Jack Hu  
Vice President for Research

February 2016