

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and Zience Medical, LLC

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 that then triggered a review by the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by the Board and agreed to by the parties involved in this plan.

This proposed option agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professor Alexander S. Yevzlin is an employee of the University of Michigan (“University”) and a partial owner of Zience Medical, 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. Alexander S. Yevzlin, a Professor in the Department of Internal Medicine - Nephrology, is a partial owner of a for-profit company called Zience Medical, LLC (the “Company”). The Company was formed recently to commercialize nitric oxide releasing technology for all intravenous catheters and desires to option from the University of Michigan the University’s rights associated with the following technology:

UM OTT File No. 2019-442, entitled: “Nitric Oxide (NO) Releasing Disposable Disinfectant Insert Devices to Prevent Bacterial Infections Associated with Use of Intravascular Catheters” (Inventors: Mark E. Meyerhoff, Maria Kim, Elizabeth J. Brisbois, Orsolya Ildiko Lautner-Csorba, Joshua Carson Doverspike, Kamila Katarzyna Konopinska, Shale Mack)

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 Zience Medical, LLC

Agreement Terms Include:

Agreement terms include granting the Company an exclusive option to the technology. The Company will reimburse ongoing patent costs, perform technical diligence, and provide a business plan that describes the Company's intention and ability to develop and commercialize the optioned technology. Terms of the subsequent license agreement would include a royalty on sales and reimbursement of patent costs.

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, 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. Yevzlin arise from his ownership interest in Zience Medical, LLC.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide option agreement for patents related to UM OTT File No. 2019-442 for limited fields of use. Zience Medical, LLC will obtain evaluation rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board. 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 Zience Medical, LLC.

Respectfully submitted,



Rebecca Cunningham  
Interim Vice President for Research

February 2020