

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

March 15, 2007

ACTION REQUEST

Subject: License Agreement between the University of Michigan and Lycera, Inc.

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 which 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 by the Committee and agreed to by the parties involved.

This proposed license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Gary Glick, Anthony Opiari and James Ferrara are both employees of the University of Michigan ("University") and partial owners of Lycera. 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. Gary Glick, a Professor in Chemistry, Dr. Anthony Opiari, Associate Professor of Obstetrics and Gynecology and Dr. James Ferrara, Professor of Pediatrics and Communicable Diseases are partial owners of a for-profit company called Lycera. Lycera has exercised its option to obtain an exclusive license to commercialize benzodiazepene compounds for a variety of therapeutic applications:

- UM File No. 1671, entitled: "Methods for the Treatment of Autoimmune Disorders" (Glick and Opiari)
- UM File No. 1671 c1, entitled: "Pro-Apoptotic Benzodiazepines" (Glick)
- UM File No. 1671 c1p1, entitled: "Methods for Identifying Therapeutically Useful Cytotoxic Agents" (Glick and Opiari)
- UM File No. 1671 c1p2, entitled: "Compositions and Methods Relating to Novel Compounds and Targets Thereof" (Glick and Opiari)
- UM File No. 1671 c1 p3, entitled: "Compositions and Methods Relating to Novel Compounds and Targets" (Glick and Opiari)
- UM File No. 1671 c1p4, entitled: "Compositions and Methods Relating to Novel Compounds and Targets Thereof" (Glick and Opiari)
- UM File No. 1671c1p5, entitled: "Compounds and Methods for Modulating Retinoid-Induced Hyperplasia" (Glick)
- UM File No. 1671c1p6, entitled: "Compositions and Methods relating to Novel Compounds and Targets Thereof"
- UM File No. 1978/2294, entitled: "Methods for Identifying Therapeutically Useful Cytotoxic Agents"

- UM File No. 2606, entitled: "New Cytotoxic and Antiproliferative Agents"
UM File No. 2846/3084, entitled: "Novel Compounds and Targets for Ischemic Disease," (Glick)
UM File No. 2871, "Treatment of Autoimmune Disease and Cancer"
UM File No. 2968/3023, entitled: "New Benzodiazepine Crystal Forms" (Glick and Adam Matzger)
UM File No. 2995, entitled: "New Cytotoxic and Antiproliferative Agents" (Glick)
UM File No. 3148, entitled: "New applications for aziridines and related compounds" (Glick)
UM File No. 3160, entitled: "Compounds and Method for Modulating Albinism"
UM File No. 3204, entitled: "New Heterocyclic analogs of Bz-423" (Glick)
UM File No. 3215, entitled: "New Heterocyclic analogs of Bz-423 (Glick)
UM File No. 3226, entitled: "Novel Inhibitors of a Certain ATPase with Therapeutic Properties (Glick and William Roush)
UM File No. 3248, entitled: "Novel Cytotoxic Benzodiazepines with Therapeutic Potential" (Glick)
UM File No. 3351, entitled: "Novel Compounds with Therapeutic Properties" (Glick and Gina Ney)
UM File No. 3423, entitled: "Mechanistic Basis for Therapeutic Targeting of a Mitochondrial Enzyme" (Glick)
UM File No. 3435, entitled: "Therapeutic Properties Related to Regulation of Cell Surface" (Glick and Opipari)
UM File No. 3555, entitled: "Novel Inhibitors of the FoF1-ATPase" (Glick)
UM File No. 3647, entitled: "Novel Inhibitors of Mitochondrial Enzymes" (Glick)
UM File No. 3672, entitled: "Compositions and Methods Relating to Novel Compounds" (Glick)

Parties to the Agreement:

The Regents of the University of Michigan and Lycera.

License Terms:

Lycera will pay a royalty on sales and reimburse patent costs. 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. Glick, Ferrara and Opipari arise from their ownership interest in Lycera.

Net Effect:

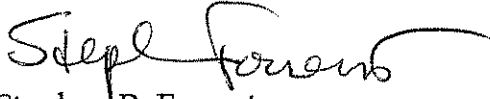
The Office of Technology Transfer has negotiated and finalized the terms of a world-wide exclusive license agreement for patents related to the UM OTT Files

listed above in the field of use of human therapeutics. Lycera 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 License Agreement between the University and Lycera.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Stephen R. Forrest
Vice President for Research

March 2007

