

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

April 19, 2007

ACTION REQUEST

Subject: Amendment to License Agreement between the University of Michigan and Cyclos Semiconductor, Inc.

Action Requested: Approval of Amendment to 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 this Board and agreed to by the parties involved.

This proposed amendment agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Marios Papaefthymiou is both an employee of the University of Michigan ("University") and a partial owner of Cyclos Semiconductor, Inc. ("Cyclos"). 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. Marios Papaefthymiou, Associate Professor, Electrical Engineering and Computer Science has started a Michigan Corporation, Cyclos, which entered into a license agreement with the University in July 2005. Cyclos wishes to add a new invention file into its existing license agreement:

UM File No. 3531, entitled: "Clock Distribution Network Architecture for Resonant Clocked Systems" (Papaefthymiou, Juang-Ying Chueh, Jerry Kao, and Visvesh Sathe)

Parties to the Agreement:

The Regents of the University of Michigan and Cyclos.

License Terms:

Amendment terms include giving Cyclos an exclusive license with the right to grant sublicenses. Cyclos 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 Dr. Papaefthymiou arise from his ownership interest in Cyclos. He has waived any personal participation in the sharing of revenue received by the University.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an amendment to an existing world-wide exclusive license agreement for patents related to UM OTT File No. 3531 for the fields of use of electronic devices.

Cyclos 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 Amendment Agreement between the University and Cyclos.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

April 2007