

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

April 19, 2007

ACTION REQUEST

Subject: License Agreement between the University of Michigan and CFI Group USA, 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 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 Committee and agreed to by the parties involved.

This proposed license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Claes Fornell is both an employee of the University of Michigan ("University") and a partial owner of CFI Group. 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:

Professor Fornell, a Professor of Business at the Stephen M. Ross School of Business and the Director of the National Quality Research Center (NQRC), is the partial owner of a for-profit company called CFI Group. CFI Group was formed to assist its clients by optimizing employee and customer satisfaction, and desires to license the following trademark from the University:

UM File No. 2058 – ACSI Trademark

Parties to the Agreement:

The Regents of the University of Michigan and CFI Group USA, LLC.

License Terms:

License terms include giving CFI Group a non-exclusive license to use the ACSI trademark in conjunction with measuring customer satisfaction for its governmental agency customers only. CFI Group will pay an annual license fee. The University will retain ownership of the trademark and may continue to further develop it, use it, and/or further license it. 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 Professor Fornell arise from his ownership interest in CFI Group. 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 a non-exclusive license agreement for the ACSI trademark related to UM OTT File No. 2058 only for use in governmental contracts.

CFI Group will obtain use 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 License Agreement between the University and CFI Group USA, LLC.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Stephen R. Forrest". The signature is written in black ink and extends across the width of the page.

Stephen R. Forrest  
Vice President for Research

April 2007