

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

May 19, 2011

ACTION REQUEST

Subject: License Agreement between the University of Michigan and
Reveal Design Automation, 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 that 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 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 Karem Sakallah is both an employee of the University of Michigan ("University") and a partial owner of Reveal Design Automation, Inc. ("Reveal"). 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. Sakallah, a professor in Electrical Engineering and Computer Science, is the partial owner of a for-profit company called Reveal (the "Company"). The Company was formed recently to commercialize electronic design automation tools for microprocessor design and desires to license from the University of Michigan the University's rights associated with the following technology:

UM OTT File No. 4434, entitled: "Automated Scalable Verification for Hardware Designs at the Register Transfer Level" (Sakallah, Zaher Andraus, Mark Liffiton)

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 Reveal.

Agreement Terms Include:

Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The Company 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. 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. Sakallah arise from his ownership interest in Reveal.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive license agreement for patents related to UM OTT File No. 4434 for all fields of use.

Reveal 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 License Agreement between the University and Reveal.

Respectfully submitted,



Stephen R. Forrest
Vice President for Research

May 2011