

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

Approved by the  
Regents  
May 21, 2015

ACTION REQUEST

Subject: License Agreement between the University of Michigan and Opsidio, 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 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 this Board 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 Nicholas Lukacs and Steven Kunkel are employees of the University of Michigan ("University") and partial owners of Opsidio, Inc. 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:

Nicholas Lukacs, Ph.D., Assistant Dean of Research and Faculty and Professor of Pathology and Steven Kunkel, Ph.D., Senior Associate Dean of Research and Endowed Professor of Pathology, are the partial owners of a for-profit company called Opsidio, Inc. (the "Company"). The Company was formed to commercialize a therapeutic for attenuation of fibrosis and related disorders and desires to exercise its option to obtain a license from the University of Michigan for the University's rights associated with the following technologies:

UM OTT File No. 4063, entitled: "Therapeutic for Attenuation of Fibrosis"  
(Nicholas Lukacs, Steven Kunkel, Vladislav Dolgachev, and Sem Phan)

UM OTT File No. 5844, entitled: "CDR Sequence for Stem Cell Factor Specific Antibody" (Nicholas Lukacs, Steven Kunkel)

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 Opsidio, Inc.

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 may receive equity in the Company, along with the right to purchase more equity.

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 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 Drs. Nicholas Lukacs and Steven Kunkel arise from their ownership interest in Opsidio, Inc.

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. 4063 and 5844 for the fields of use of attenuation of fibrosis and related disorders. Opsidio, Inc. will obtain use and commercialization rights to the above listed University technologies.

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 Opsidio, Inc.

Respectfully submitted,



S. Jack Hu  
Interim Vice President for Research

May 2015