

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: License Agreement between the University of Michigan and InheRET, 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 Professors David F. Keren, Sofia Merajver, and Lee Schroeder, Ms. Lynn McCain, and Ms. Kara Milliron, are all employees of the University of Michigan (“University”) and partial owners of InheRET, 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:

David F. Keren, MD, a Clinical Professor in the Department of Pathology; Sofia Merajver, MD, PhD, a Professor in the Department of Internal Medicine – Hematology/Oncology; Lee Schroeder, MD, PhD, an Assistant Professor in the Department of Pathology; Lynn McCain, MHSA, PMP, a Senior Project Manager for the Genetic Testing Resource and Quality Consortium in the Department of Pathology; and Kara Milliron, MS, CGC, a Genetic Counselor in the Department of Pathology, are partial owners of a for-profit company called InheRET, Inc. (the “Company”). The Company was formed recently to commercialize a software application used to assist in genetic counseling and guidance of patients with inherited genetic disorders and desires to license from the University of Michigan the University’s rights associated with the following technology:

UM OTT File No. 7799, entitled: “InheRET Inherited Risk Evaluation Tool”
(Inventors: Lee Schroeder, David F. Keren, Sofia Merajver, Lynn McCain, Amanda Cook and Kara Milliron)

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 InheRET, 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. Keren, Schroeder, and Merajver, Ms. McCain, and Ms. Milliron arise from their ownership interest in InheRET, Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive license agreement for the program rights related to UM OTT File No. 7799 for all fields of use. InheRET, Inc. will obtain use and commercialization rights to the above listed University technology.

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 InheRET, Inc.

Respectfully submitted,



S. Jack Hu
Vice President for Research

May 2018