

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Subcontract Agreement between the University of Michigan and PhotoSonoX LLC

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Research and Sponsored Projects while reviewing the Proposal Approval Form which 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 the Board and agreed to by the parties involved.

This proposed agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professors Xueding Wang and Yannis Paulus are employees of the University of Michigan (“University”), and partial owners of PhotoSonoX LLC. 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:

Xueding Wang, PhD, a Professor in the Department of Biomedical Engineering - Medical School, and Yannis Paulus, MD, an Assistant Professor in the Department of Ophthalmology and Visual Sciences, are the partial owners of a for-profit company called PhotoSonoX LLC (the “Company”). The Company wishes to fund an NIH (prime) STTR Phase I project entitled “Novel Nanosecond Laser and Ultrasound to Selectively Treat Eye Neovascularization” (ORSP #19-PAF06046) in the Department of Ophthalmology and Visual Science under the direction of Dr. Paulus. The purpose of this project is to support Dr. Paulus’ efforts related to wet age-related macular degeneration (AMD) where choroidal neovascularization (CNV) is the primary cause of vision loss.

Agreement Terms:

The terms of the Agreement conform to University policy. The period of performance for the project is approximately one (1) year. The amount of funding support will not exceed \$75,127. Since research projects are often amended, this agreement includes provisions for changes in time and scope. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Impact of the Agreement:

The Agreement will support an effort by Dr. Paulus to use his expertise and University laboratory, as well as other University resources, to work collaboratively with the Company with the long-term goal of developing a commercially available product to selectively treat neovascularization to improve vision and reduce treatment burden in patients with wet age-related macular degeneration (AMD) where choroidal neovascularization (CNV) is the primary cause of vision loss.

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 University's entering into this Agreement with PhotoSonoX LLC.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'S. Hu', is positioned above the printed name.

S. Jack Hu
Vice President for Research

May 2019