

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and OGB1, Inc.

Action Requested: Approval of Option 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 UMOR 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 option agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professor Omolola Eniola-Adefeso is an employee of the University of Michigan (“University”) and a partial owner of OGB1, 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:

Dr. Omolola Eniola-Adefeso, a Professor in the Department of Chemical Engineering, is a partial owner of a for-profit company called OGB1, Inc. (the “Company”). The Company was formed recently to commercialize a novel therapeutic to treat respiratory distress syndrome (ARDS) and desires to option from the University of Michigan the University’s rights associated with the following technology:

UM OTT File No. 2019-409, entitled: “Novel Particles as an Acute Lung Injury Therapeutic via Rapid Blocking of Neutrophil Migration in the Lungs” (Inventors: Omolola Eniola-Adefeso, William Kelley, Theodore Standiford).

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 OGB1, Inc.

Agreement Terms Include:

Agreement terms include granting the Company an exclusive option with the right to negotiate an exclusive license. This agreement includes the provision that the University will be entitled to amend or terminate the agreement in the event that Regental approval is not obtained.

The University will retain ownership of the optioned 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 Dr. Eniola-Adefeso arise from her ownership interest in OGB1, Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive option agreement for patents related to UM OTT File No. 2019-409 for the therapeutic field of use. OGB1, Inc. will obtain use and commercialization rights to the above listed University technology.

Recommendations:

Due to the rapid spread of the novel coronavirus (COVID-19) and time sensitive nature of this agreement to assist in the treatment and mitigation of the spread, the Vice President for Research has reviewed this agreement and her signature on this action request signifies provisional approval for the University to enter into the agreement prior to Regental approval. This matter has been reviewed and approved by the UMOR 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 Agreement between the University and OGB1, Inc.

Respectfully submitted,



Rebecca Cunningham  
Vice President for Research

May 2020