

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

June 16, 2006

ACTION REQUEST

Subject: Amendment to Option Agreement between the University of Michigan and NeuroNexus Technologies

Action Requested: Approval of Amendment

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement which 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 by the Committee and agreed to by the parties involved.

This proposed amendment ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Daryl Kipke, Professor Emeritus David Anderson, and Dr. Jamille Hetke are employees of the University of Michigan ("University") and partial owners and officers of NeuroNexus Technologies ("NeuroNexus"). 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:

Drs. Daryl Kipke, Associate Professor, Biomedical Engineering, David J. Anderson, Professor Emeritus, Otorhinolaryngology, Biomedical Engineering and Electrical Engineering and Computer Science, and Jamille Hetke, Associate Research Scientist, EECS are partial owners of a for-profit, Michigan startup Corporation called NeuroNexus Technologies. In April 2005 NeuroNexus obtained an option on certain technologies out of the College of Engineering. NeuroNexus now would like to extend the option and to add an additional technology to its option. The added technology is:

UM File No. 3298, entitled: "Polymer-based Neural Probes for Extended Recording Lifetime" (Kipke, and John Seymour)

Parties to the Agreement:

The Regents of the University of Michigan and NeuroNexus

License Terms:

Amendment terms include giving NeuroNexus an exclusive option to obtain a license with the right to grant sublicenses. NeuroNexus will reimburse patent costs. 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 contract may be amended by consent of the parties. University procedures for approval of these changes will be followed and additional review by the Conflict of Interest Review Committee will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of Drs. Kipke, Anderson and Hetke arise from their ownership interest in NeuroNexus. They have waived any personal participation in the sharing of revenue received by the University.


Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an amendment to an existing option agreement for patents related to UM OTT File No. 3298 for all fields of use.

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 Amendment to Option Agreement between the University and NeuroNexus Technologies.

Respectfully Submitted,



Stephen R. Forrest  
Vice President for Research

June 2006