

UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

June 21, 2007

ACTION REQUEST

Subject: Non-Disclosure Agreement between the University of Michigan and Incept BioSystems, Inc.

Action Requested: Approval of Non-Disclosure Agreement

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 this Committee and agreed to by the parties involved.

This proposed non-disclosure agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Shuichi Takayama and Gary Smith are both employees of the University of Michigan ("University") and are partial owners of Incept BioSystems, Inc. ("Incept"). 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:

Dr. Shuichi Takayama, an Assistant Professor in Biomedical Engineering in the College of Engineering and Gary Smith, an Associate Professor in the Medical School, are partial owners of a for-profit company called Incept. Incept was recently formed to commercialize assisted reproduction technology and has licensed a number of technologies from the University. Incept and the University would like to periodically disclose to the other certain confidential information relating to each other's technologies, business plans, development plans and other unpublished information.

Parties to the Agreement:

The Regents of the University of Michigan and Incept.

Agreement Terms:

Agreement terms include requiring each party to mark all information provided as Confidential and requiring that the other party maintain the confidential nature of the received information for five years from disclosure giving Incept an exclusive license with the right to grant sublicenses. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the agreement.

Pecuniary Interest:

The pecuniary interests of Drs. Shuichi Takayama and Gary Smith arise from their ownership interest in Incept.

Net Effect:

The parties will be able to review and evaluate individual technologies and other information to enable them to make decisions about future research collaboration and licensing.

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 Non-Disclosure Agreement between the University and Incept.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

June 2007