

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

ACTION REQUEST

EXH	MOTION	Deitch
	SECOND	Newman
	ACTION	APPROVED BY THE REGENTS
NOTE	JUL 21 2005	

Subject: Amendment to License Agreement between the University of Michigan and Discera, Inc.

Action Requested: Approval of Amendment to License 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 developed by the committee and agreed to by the parties involved in this plan.

This proposed amendment to the license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Clark Nguyen is both an employee of the University and a partial owner of Discera, Inc. 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. Clark Nguyen, Professor of Electrical Engineering and Computer Science, is the partial owner of a for-profit company called Discera, Inc. Discera Inc. was formed recently to commercialize microelectromechanical technology and desires to license the following technology from the University:

UM File No. 2439, entitled: "Non-intrusively Supported Wine Glass Disk Resonator" (US patent application 10/737,363)

UM File No. 2571, entitled: "Extensional Wine Glass Resonator" (US patent application 60/520,954)

UM File No. 2729, entitled: "Hollow Disk Micromechanical Resonator" (US patent application 60/537,822)

Parties to the Agreement:

The Regents of the University of Michigan and Discera, Inc.

License Terms Include:

License terms include giving Discera, Inc. an exclusive license with the right to grant sublicenses. Discera, Inc. will pay a royalty on sales and reimburse patent costs. 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 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 interest of Dr. Nguyen arises from his ownership interest in Discera, Inc. He has waived any personal participation in the sharing of revenue received by the University.

Net Effect:

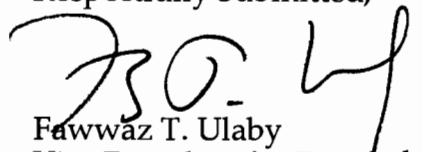
The Office of Technology Transfer has negotiated and finalized the terms of an amendment to add patents related to UM OTT File Nos. 2439, 2571, and 2729 to the existing world-wide exclusive license agreement with Discera, Inc. for all fields of use.

Discera, Inc. will obtain use and commercialization rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee and a plan has been developed to manage the potential risks associated with the conflict of interest. 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 the License Agreement between the University and Discera, Inc.

Respectfully Submitted,


Fawwaz T. Ulaby
Vice President for Research

July 2005