

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and EVOQ Therapeutics LLC

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 Professors James J. Moon and Anna A. Schwendeman are both employees of the University of Michigan ("University") and partial owners of EVOQ Therapeutics LLC. The law permits such an Agreement provided it is disclosed to Board of Regents ("Regents") of the University of Michigan and approved in advance by a 2/3 vote.

Background:

Dr. James J. Moon, an Assistant Professor in Department of Pharmaceutical Sciences, and Dr. Anna A. Schwendeman, an Assistant Professor in Department of Pharmaceutical Sciences, are partial owners of a for-profit company called EVOQ Therapeutics LLC (the "Company"). The Company was formed recently to commercialize synthetic high density lipoproteins as nanocarriers for adjuvant delivery technology and desires to option from the University of Michigan the University's rights associated with the following technologies:

UM OTT File No. 6025, entitled: "Delivery Drugs and Nucleotides to Scavenger Receptor Expressing Cancers by Synthetic HDL6" (Inventors: Anna A. Schwendeman, Mark S. Cohen, Chitra Subramanian, and James J. Moon)

UM OTT File No. 6585, entitled: "Synthetic High Density Lipoprotein Nanodiscs for in Vivo Delivery" (Inventors: James J. Moon, Anna A. Schwendeman, and Rui Kuai)

UM OTT File No. 7158, entitled: "The Use of Synthetic High Density Lipoproteins as Nanocarriers for Adjuvant Delivery" (Inventors: James J. Moon, Anna A. Schwendeman, and Rui Kuai)

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 EVOQ Therapeutics LLC

Agreement Terms Include:

Agreement terms include granting the Company an exclusive option to the technology. The Company will reimburse ongoing patent costs, perform technical diligence, and provide a business plan that describes the Company's intention and ability to develop and commercialize the licensed technology. Terms of the subsequent license agreement would include a royalty on sales and reimbursement of 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 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 Drs. Moon and Schwendeman arise from their ownership interest in EVOQ Therapeutics LLC.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide option agreement for patents related to UM OTT File No. 6025, 6585, and 7158 for all fields of use. EVOQ Therapeutics LLC will obtain evaluation rights to the above listed University technology.

Recommendations:

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 EVOQ Therapeutics LLC.

Respectfully submitted,



S. Jack Hu
Vice President for Research

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