

ACTION REQUEST

Subject: License Agreement between the University of Michigan and Hearing Health Science, Inc.

Action Requested: Approval of License Agreement

Preamble:

A statutory conflict of interest situation was identified by the Office of Technology Transfer while reviewing the technology transfer agreement. This then triggered a review by the Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was then developed by the Board and agreed to by the parties involved.

This proposed license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Dr. Josef Miller is an employee of the University of Michigan ("University") and partial owner of Hearing Health Science, 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. Josef Miller, Professor of Otolaryngology, Medical School, is a partial owner of a for-profit company called Hearing Health Science, Inc. ("Company"). The Company was formed recently to develop over-the-counter products for the prevention and treatment of hearing disorders. The Company obtained an exclusive license to the following technology from the University:

UM File No. 2213, entitled: "Prevention of Cisplatin Induced Deafness" (Hans Ehrsson, Andreas Ekborn, Joran Laurell and Josef Miller)

UM File No. 2215, entitled: "Auditory Nerve Protection and Re-Growth" (Yeosh Raphael, Richard Altschuler and Josef Miller)

UM File No. 3341.1, entitled: "Methods and Compositions for Treatment of Noise-Induced Hearing Loss" (Jochen Schacht, Diane Prieskorn, Josef Miller and Colleen LePrell)

UM File No. 3341.2, entitled: "Methods and Compositions for Treatment of Noise-Induced Hearing Loss" (Josef Miller, Daisuke Yamashita and Colleen LePrell)

Parties to the Agreement:

The Regents of the University of Michigan and Hearing Health Science, Inc.

License Terms:

License terms include giving the Company an exclusive license with the right to grant sublicenses in all fields. The Company will pay patent costs, royalties on sales and certain milestone payments and minimum royalties. 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 conflict of interest review will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of Dr. Miller arise from his ownership interest in Hearing Health Science, Inc.

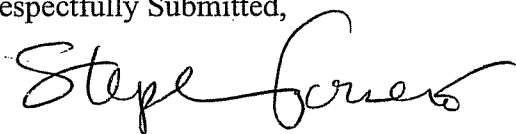
Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an exclusive license agreement for patents related to UM File Nos. 2213, 2215, 3341.1 and 3341.2 for all fields. The Company will obtain license rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the Medical School Conflict of Interest Board. 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 License Agreement between the University and Hearing Health Science, Inc.

Respectfully Submitted,



Stephen R. Forrest
Vice President for Research

September 2010