

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

ACTION REQUEST

Subject: Materials Transfer Agreement between the University of Michigan and Electric Field Solutions Inc.

Action Requested: Authorization to enter into 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 OVPR 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 Materials Transfer Agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professor Nilton Renno and Mr. Steven Rogacki are both employees of the University of Michigan (“University”) and partial owners of Electric Field Solutions 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. Renno, a professor in Atmospheric, Oceanic and Space Sciences in the College of Engineering, and Mr. Rogacki, an engineer in Atmospheric, Oceanic and Space Sciences in the College of Engineering, are partial owners of a for-profit company called Electric Field Solutions Inc. (the “Company”). The Company was formed to commercialize electric field sensors under a license agreement from the University of Michigan and desires to obtain several prototype product electric field sensors that were developed in the laboratory at the University of Michigan.

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 Electric Field Solutions Inc.

Agreement Terms Include:

Agreement terms include approving the transfer of prototype products to Electric Field Solutions Inc. The Company will pay a royalty on sales of these products. 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 Dr. Renno and Mr. Rogacki arise from their ownership interest in Electric Field Solutions Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a transfer agreement for prototype products related to UM OTT File No. 3545.

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 Materials Transfer Agreement between the University and Electric Field Solutions Inc.

Respectfully submitted,



Stephen R. Forrest
Vice President for Research

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