

ACTION REQUEST

Subject: License Agreement between the University of Michigan and Job Crafting, LLC

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 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 license agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professor Jane E. Dutton is both an employee of the University of Michigan (“University”) and a partial owner of Job Crafting, LLC. The law permits such an Agreement provided it is disclosed to the Board of Regents (“Regents”) of the University of Michigan and approved in advance by a 2/3 vote.

Background:

Dr. Dutton, a Professor of Business Administration in the Ross School of Business, and Professor of Psychology in the College of Literature, Science and the Arts, is a partial owner of a for-profit company called Job Crafting, LLC (the “Company”). The Company was formed recently to commercialize the publication “The Job Crafting Exercise” and associated software and desires to obtain an exclusive license from the University of Michigan for the University’s rights associated with the following technology:

UM OTT File No. 4074, entitled: “Job Crafting Exercise” (Inventors: Jane E. Dutton, Amy Wrzesniewski and Justin Michael Berg)

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 Job Crafting, LLC.

Agreement Terms Include:

Agreement terms include granting the Company an exclusive license to obtain a royalty bearing exclusive license. The Company will pay a license fee and perform certain diligence milestones during the license period. The University may receive equity in the Company, along with the right to purchase more equity.

The University will retain ownership of the licensed technology. The University will retain the right to further develop it internally in the event that specific requirements are needed that cannot or will not be provided by the Company. 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. Dutton arise from her ownership interest in Job Crafting, LLC.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive license agreement for intellectual property related to UM OTT File No. 4074 for all fields of use. Job Crafting, LLC. will obtain use and licensing 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 Job Crafting, LLC.

Respectfully submitted,



S. Jack Hu
Interim Vice President for Research

September 2014