

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and Diplodocal Inc.

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 Mark Burns and Timothy Scott are both employees of the University of Michigan (“University”) and partial owners of Diplodocal Inc. (“Diplo”). 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. Mark Burns, a Professor in the Department of Chemical Engineering, and Dr. Timothy Scott, an Associate Professor in the Department of Chemical Engineering, are the partial owners of a for-profit company called Diplo (the “Company”). The Company was formed recently to commercialize dual wavelength stereolithographic 3D printing and desires to option from the University of Michigan the University’s rights associated with the following technologies:

UM OTT File No. 7730, entitled: “Improved Deadzones for Continuous 3D Printing” (Inventors: Mark Burns, Timothy Scott, Martin De Beer, Zachary Pritchard, Avi Bregman, Megan Cole, Harry Luit van der Laan)

UM OTT File No. 7796, entitled: “Intersecting Multi-Color Irradiation Patterns for Ultra-Rapid 3D Printing” (Inventors: Timothy Scott, Megan Cole, Harry Luit van der Laan)

UM OTT File No. 7814, entitled: “Hexaarylbiimidazoles as Efficient Radical Polymerization Photoinhibitors” (Inventors: Timothy Scott, Megan Cole, Harry Luit van der Laan)

UM OTT File No. 2019-059, entitled: “Exposure Optimization for Continuous Stereolithographic Additive Manufacturing” (Inventors: Mark Burns, Timothy Scott, Martin De Beer, Zachary Pritchard)

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 Diplo

Agreement Terms Include:

Agreement terms include granting the Company an option to an exclusive license with the right to grant sublicenses. The license contemplated by the option agreement may include terms requiring the Company to pay a royalty on sales, reimburse patent costs, and to grant to University equity in the Company, along with the right to purchase more equity.

The University will retain ownership of the optioned technologies and may continue to further develop and use them 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. Burns and Scott arise from their ownership interests in Diplo.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an option agreement that contemplates a worldwide exclusive license agreement for patents related to UM OTT File Nos. 7730, 7796, 7814, and 2019-059 in all fields of use other than: (i) the dental, endodontic, orthodontic, prosthodontic, restorative, preventative, implantology and/or periodontics fields; and (ii) the urologic field. Diplo will obtain use and commercialization rights to the above listed University technologies.

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 Diplodocal Inc.

Respectfully submitted,



Rebecca Cunningham
Interim Vice President for Research

September 2019