

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents

October 14, 2010

ACTION REQUEST

Subject: Amendment to License Agreement between the University of Michigan and Lycera, Inc.

Action Requested: Approval of Amendment

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 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.

This proposed amendment to the license agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professors Gary Glick, Anthony Pipari and James Ferrara are all employees of the University of Michigan (“University”) and partial owners of Lycera, 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. Gary Glick, a Professor in Biological Chemistry, Dr. Anthony Pipari, Associate Professor of Obstetrics and Gynecology and Dr. James Ferrara, Professor of Pediatrics and Communicable Diseases are partial owners of a for-profit company called Lycera, Inc. (“Company”). The Company entered into a license agreement with the University in June 2008 and would like to add the following invention to the existing license agreement:

UM OTT File No. 4397, entitled: “1,4 Benzodizepine compounds having certain C5 heterocyclic groups” (Glick, Clarke Taylor, Peter Toogood, Chan van Huis)

Parties to the Agreement:

The Regents of the University of Michigan and Lycera, Inc.

License Terms:

The Company will pay a royalty on sales and reimburse patent costs. 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 Drs. Glick, Ferrara and Oipari arise from their ownership interest in Lycera, Inc.

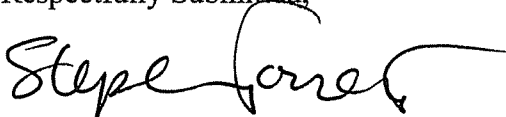
Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an amendment to the existing world-wide exclusive license agreement for patents related to the UM OTT File listed above in the field of use of human therapeutics. The Company will obtain use and commercialization rights to the above listed University technology.

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 Amendment to License Agreement between the University and Lycera, Inc.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Stephen R. Forrest". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Stephen R. Forrest
Vice President for Research

October 2010