

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and Lynx Rx, 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 Medical School Conflict of Interest Board. A plan for management of the possible risks associated with the conflict of interest was then developed and approved by this Board 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 Professor Arul Chinnaiyan is both an employee of the University of Michigan (“University”) and a partial owner of Lynx Rx, Inc. 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:

Arul Chinnaiyan, PhD, Professor in the Department of Pathology, is the partial owner of a for-profit company called Lynx Rx, Inc. (the “Company”). The Company was formed recently to commercialize and develop oligonucleotides for the treatment of various types of cancers and desires to option from the University of Michigan the University’s rights associated with the following technologies:

UM OTT File No. 6286, entitled: “Non-coding RNAs and Uses Thereof” (Inventors: Arul Chinnaiyan, Yashar Niknafs, Matthew Iyer)

UM OTT File No. 6981, entitled: “Oncogenic Role of THOR, a Conserved Cancer/Testis Long Noncoding RNA” (Inventors: Arul Chinnaiyan, Yasuyuki Hosono)

UM OTT File No. 7386, entitled: “ARIncl1 in Prostate Cancer Progression” (Inventors: Marcin Cieslik, Arul Chinnaiyan, Sethuramasundaram Pitchiaya, Yajia Zhang, Rohit Malik)

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 Lynx Rx, Inc.

Agreement Terms Include:

Agreement terms include granting the Company an exclusive option. The Company will reimburse the University for patent costs.

The University will retain ownership of the optioned 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 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. Chinnaiyan arise from his ownership interest in Lynx Rx, Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive option agreement for patents related to UM OTT File Nos. 6286, 6981, and 7386 for the fields of use of treating and of diagnosing human diseases. Lynx Rx, Inc. will obtain use rights to the above listed University technologies.

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 Agreement between the University and Lynx Rx, Inc.

Respectfully submitted,



S. Jack Hu  
Vice President for Research

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