

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: License Agreement between the University of Michigan and Refraction AI, Inc.

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 Professors Matthew Johnson-Roberson and Ram Vasudevan are both employees of the University of Michigan (“University”) and partial owners of Refraction AI, 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:

Dr. Matthew Johnson-Roberson, an Associate Professor in the Department of Naval Architecture and Marine Engineering, and Dr. Ram Vasudevan, an Assistant Professor in the Department of Mechanical Engineering, are partial owners of a for-profit company called Refraction AI, Inc. (the “Company”). The Company was formed recently to commercialize safe and effective last mile logistics and desires to license from the University of Michigan the University’s rights associated with the following technology:

UM OTT File No. 2020-109, entitled: “Refraction AI: Last Mile Logistics Data and Copyrights” (Inventors: Matthew Johnson-Roberson, Ram Vasudevan)

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 Refraction AI, Inc.

Agreement Terms Include:

Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The University will receive equity in the Company.

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 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. Johnson-Roberson and Dr. Vasudevan arise from their ownership interests in Refraction AI, Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive license agreement for rights related to UM OTT File No. 2020-109 for all fields of use. Refraction AI, Inc. will obtain use and commercialization 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 Refraction AI, Inc.

Respectfully submitted,



Rebecca Cunningham
Interim Vice President for Research

October 2019