

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents
November 17, 2011

ACTION REQUEST

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

Action Requested: Approval of Amendment to 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 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 in this plan.

This proposed amendment to license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professor Daryl Kipke is both an employee of the University of Michigan ("University") and a partial owner, President, CEO and member of the Board of Directors of NeuroNexus Technologies, 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. Daryl Kipke, a professor of Biomedical Engineering in the College of Engineering, is a partial owner, President, CEO and member of the Board of Directors of a for-profit, Michigan startup corporation called NeuroNexus Technologies, Inc. (the "Company"). In March 2004, the Company obtained a license to certain technologies out of the College of Engineering. NeuroNexus Technologies, Inc. now would like to add a technology into the existing license:

UM OTT File No. 3298, entitled: "Polymer-based neural probes for extended recording lifetime" (Kipke and John Seymour)

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 NeuroNexus Technologies, Inc.

Agreement Terms Include:

Amendment terms include granting the Company an exclusive license, adding the above referenced file, with the right to grant sublicenses. The Company will pay a royalty on sales, reimburse patent costs, and pay a license fee. 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, 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 interest of Dr. Kipke arises from his ownership interest in NeuroNexus Technologies, Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an amendment to license agreement for patents related to UM OTT File No. 3298 for the fields of human therapeutics, medical devices and research devices.

Recommendations:

This matter has been reviewed and approved by the OVPR Conflict of Interest Review Committee and a plan has been developed to manage the potential risks associated with the conflict of interest. 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 between the University and NeuroNexus Technologies, 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

November 2011