

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents
November 17, 2011

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and ImBio, LLC.

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 Professors Brian Ross and Al Rehemtulla are both employees of the University of Michigan ("University") and are principal owners of ImBio, LLC. 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. Ross, a professor of Radiological Sciences, Department of Radiology and professor of Biological Chemistry, Medical School and Dr. Rehemtulla, a professor of Radiological Sciences, Department of Radiology and professor of Radiation Oncology, Medical School, are principal owners of a for-profit company called ImBio, LLC (the "Company"). The Company is interested in evaluating certain diagnostic peptides for the detection of Neoplastic Barrett's Esophagus and colon cancer developed by Dr. Tom Wang, an associate professor in the Departments of Internal Medicine and Biomedical Engineering, and desires an option from the University of Michigan to the University's rights associated with the following technologies:

UM OTT File No. 4225, entitled: "Peptides Targeting Neoplastic Barrett's Esophagus" (Inventors: Thomas D. Wang and Meng Li)

UM OTT File No. 4803, entitled: "Peptides Targeting Dyplastic Colonic Mucosa" (Inventors: Thomas D. Wang, Sharon Miller and Bishnu P. Joshi)

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 ImBio, LLC.

Agreement Terms Include:

Agreement terms include granting the Company an option to negotiate an exclusive license with the right to grant sublicenses. The Company will pay an option fee and reimburse 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 Drs. Ross and Rehemtulla arise from their ownership interest in ImBio, LLC.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an option agreement for patents related to UM OTT File Nos. 4225 and 4803 in the diagnostic field of use.

ImBio, LLC will obtain evaluation rights to the above listed University technology.

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 Option Agreement between the University and ImBio, LLC.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steve Forrest", with a stylized flourish at the end.

Stephen R. Forrest
Vice President for Research

November 2011