

THE UNIVERSITY OF MICHIGAN

REGENTS COMMUNICATION

Approved by the Regents  
December 17, 2009

ACTION REQUEST

Subject: Material Transfer Agreement between the University of Michigan and Incept BioSystems

Action Requested: Approval of Material Transfer Agreement

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 Material Transfer Agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Shuichi Takayama and Gary Smith are both employees of the University of Michigan ("University") and are partial owners of Incept BioSystems ("Company"). 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. Shuichi Takayama, Associate Professor of Biomedical Engineering and Associate Professor of Macromolecular Science and Engineering, College of Engineering, and Dr. Gary Smith, Associate Professor of Obstetrics & Gynecology, Associate Professor of Molecular and Integrative Physiology, Associate Professor of Urology, Medical School and Assistant Professor, Reproductive Sciences Program, are partial owners of a for-profit company called Incept BioSystems. The Company was formed to commercialize assisted reproduction technology and has licensed a number of technologies from the University. The Company is evaluating the following technology from the University and wishes to obtain certain materials (spheroid array plates) as part of their evaluation prior to making a decision whether or not to obtain a license from the University:

UM File No. 4451, entitled: "Array Plate for Hanging Drop Cell Cultures"  
(Shuichi Takayama and Yi-Chung Tung)

Parties to the Agreement:

The Regents of the University of Michigan and Incept BioSystems.

Agreement Terms:

Agreement terms include giving the Company the materials for a defined period of time for internal scientific research and evaluation. The University will retain ownership of the materials and may continue to further develop them and use them 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 interest of Drs. Takayama and Smith arise from their ownership interest in Incept BioSystems.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a material transfer agreement granting Incept BioSystems access to the materials related to UM OTT File No. 4451 for research purposes.

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 Material Transfer Amendment between the University and Incept BioSystems.

Respectfully Submitted,



Stephen R. Forrest  
Vice President for Research

December 2009