

THE UNIVERSITY OF MICHIGAN

Approved by the Regents  
December 15, 2011

REGENTS COMMUNICATION

ACTION REQUEST

Subject: License Agreement between the University of Michigan and Emerging Micro Systems, 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 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 license agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors David Blaauw, Prabal Dutta, and Peter Chen are both employees of the University of Michigan ("University") and partial owners of Emerging Micro Systems, 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. David Blaauw, a professor in EECS (ECE division), Dr. Prabal Dutta and Dr. Peter Chen, professors in EECS (CSE division), are the partial owners of a not-for-profit company called Emerging Micro Systems, Inc. (the "Company"). The Company was formed recently to commercialize the Living Book optimized microprocessor and desires to license from the University of Michigan the University's rights associated with the following technology:

UM OTT File No. 5109, entitled: "Developing World Audio Computer"  
(ZhiYoong Foo, David Blaauw)

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 Emerging Micro Systems, Inc.

Agreement Terms Include:

Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The Company is a 501c3 nonprofit organization and as long as it does not make any financial profit on sales or sublicenses of devices, it will not pay royalties on sales. 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 Drs. Blaauw, Dutta, and Chen arise from their ownership interests in Emerging Micro Systems, Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive license agreement for patents related to UM OTT File No. 5109 for all fields of use.

Emerging Micro Systems, Inc. will obtain use and commercialization rights to the above listed University technology.

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 Agreement between the University and Emerging Micro Systems, Inc.

Respectfully submitted,



Stephen R. Forrest  
Vice President for Research

December 2011