

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and Michigan Critical Care Consultants, Inc.

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 agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Dr. Robert H. Bartlett, M.D., Professor Emeritus of Surgery, is both an employee of the University of Michigan ("University") and a partial owner of Michigan Critical Care Consultants, Inc. ("MC3 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. Bartlett, a Professor Emeritus of Surgery, is the partial owner of a for-profit company called MC3, Inc. (the "Company"). The Company desires to obtain an option from the University of Michigan the University's rights associated with the following technology:

UM OTT File No. 5584, entitled: Polyeurethanes Doped with S-Nitrosothiols for Nitric Oxide Release (Mark E. Meyerhoff, Hitesh Handa, Elizabeth J. Brisbois)

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 MC3, Inc.

Agreement Terms Include:

Agreement terms include granting the Company an exclusive field of use option to obtain an exclusive royalty bearing license.

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 Dr. Bartlett arise from his ownership interest in MC3, Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive field of use option agreement for patents related to UM OTT File No. 5584. MC3, Inc. will obtain use and 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 Agreement between the University and MC3, Inc.

Respectfully submitted,



Stephen R. Forrest  
Vice President for Research

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