

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Option and License Agreement between the University of Michigan and Lynx Dx, Inc.

Action Requested: Approval of the Option and 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 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.

These proposed option and license agreements (“Agreements”) falls under the State of Michigan Conflict of Interest Statute because Professors Arul Chinnaiyan and Scott A. Tomlins are employees of the University of Michigan (“University”) and partial owners of Lynx Dx, 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:

Arul Chinnaiyan, MD, PhD, a Professor in the Department of Pathology, and Scott A. Tomlins, MD, PhD, an Associate Professor in the Department of Pathology, are partial owners of a for-profit company called Lynx Dx, Inc. (the “Company”). The Company was formed recently to commercialize biomarkers for detection of aggressive forms of prostate cancer and desires both an exclusive option to evaluate the technical and regulatory hurdles to develop such clinical tests and, if favorable, to license from the University of Michigan the University’s rights associated with the following technologies:

UM OTT File No. 3199, entitled: “Identification of Recurrent Gene Fusions in Prostate Cancer” (Inventors: Arul Chinnaiyan, Rohit Mehra, Scott Tomlins, Daniel Rhodes)

UM OTT File No. 3657, entitled: “Recurrent Rearrangements of ETV1 in Prostate Cancer Cell Lines” (Inventors: Arul Chinnaiyan, Scott Tomlins, Saravana Dhanasekaran)

UM OTT File No. 4126, entitled: “Identification of DDX5-ETV4 Fusion Protein in Prostate Cancer” (Inventors: Arul Chinnaiyan, Chandan Kumar, Bo Han)

UM OTT File No. 4374, entitled: “New Class of non-ETS Fusions” (Inventor: Arul Chinnaiyan)

UM OTT File No. 4774, entitled: “New Biomarkers of Prostate Cancer (PCATS)” (Inventors: Arul Chinnaiyan, John Prensner, Matthew Iyer)

UM OTT File No. 5424, entitled: “A Lineage-Specific Long Non-Coding RNA Coordinates Prostate Cancer Aggressiveness (SChLAP-1)” (Inventors: Arul Chinnaiyan, John Prensner, Matthew Iyer)

UM OTT File No. 6104, entitled: “PLUTO Transcripts in Prostate Cancer Progression” (Inventors: Arul Chinnaiyan, John Prensner, Matthew Iyer, Felix Feng)

UM OTT File No. 6286, entitled: “The Landscape of Long Non-Coding RNAs in Cancer” (Inventors: Arul Chinnaiyan, Matthew Iyer, Yashar Niknafs)

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 Lynx Dx, Inc.

Agreement Terms Include:

Agreement terms include granting the Company an exclusive option to evaluate the technologies and, if favorable, an exclusive license with the right to grant sublicenses. The Company will pay a royalty on sales and reimburse patent costs. The University may receive equity in the Company, along with the right to purchase more equity.

The University will retain ownership of both the optioned and 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. Chinnaiyan and Tomlins arise from their ownership interest in Lynx Dx, Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of an option agreement and, if favorable, a worldwide exclusive license agreement for patents related to UM OTT File Nos. 3199, 3657, 4126, 4374, 4774, 5424, 6104, and 6286 for the fields of use of clinical diagnostic and prognostic tests. Lynx Dx, Inc. will obtain use and commercialization rights to the above listed University technologies.

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 Agreements between the University and Lynx Dx, Inc.

Respectfully submitted,



S. Jack Hu  
Vice President for Research

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