

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Option Agreement between the University of Michigan and Meridian Innovations, 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 Professor Hakan Oral is both an employee of the University of Michigan (“University”) and a partial owner of Meridian Innovations, LLC. 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:

Hakan Oral, MD, a Professor in the Department of Internal Medicine – Cardiology, is the partial owner of a for-profit company called Meridian Innovations, LLC (the “Company”). The Company was formed recently to commercialize left atrial appendage occlusion devices and desires to option from the University of Michigan the University’s rights associated with the following technologies:

UM OTT File No. 4872, entitled: “Device for Left Atrial Appendage Closure for Prevention of Thromboembolic Events and ECG and Hemodynamic Monitoring” (Inventors: Fred Morady, Hakan Oral)

UM OTT File No. 7725, entitled: “Implantable Device Within the Coronary Sinus for Pacing, Measuring and Monitoring of Flow, Pressure, Rhythm, Impedance and Temperature” (Inventor: Hakan Oral)

UM OTT File No. 7726, entitled: “Delivery Systems and Devices to Facilitate Left Atrial Appendage Exclusion” (Inventor: Hakan Oral)

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 Meridian Innovations, LLC

Agreement Terms Include:

Agreement terms include granting the Company an exclusive option with the right to obtain an exclusive license. 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 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. Oral arise from his ownership interest in Meridian Innovations, 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. 4872, 7725, and 7726 for all fields of use. Meridian Innovations, LLC will obtain rights to make, have made, or use 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 Agreement between the University and Meridian Innovations, LLC.

Respectfully submitted,



S. Jack Hu  
Vice President for Research

December 2017