

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: License Agreement between the University of Michigan and ZCorp Technology, 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 UMOR 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 Professor J. Alex Halderman, Mr. Zakir Durumeric, and Mr. David C. Adrian are employees of the University of Michigan (“University”) and partial owners of ZCorp Technology, Inc. (“ZCorp”). 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. J. Alex Halderman, a Professor in the Department of Electrical Engineering and Computer Science – Computer Science and Engineering Division (EECS – CSE); Mr. Zakir Durumeric, a Graduate Student Research Assistant (GSRA) in the Department of EECS – CSE; and Mr. David C. Adrian, a GSRA in the Department of EECS – CSE, are partial owners of a for-profit company called ZCorp (the “Company”). The Company was formed recently to commercialize Censys, a search engine that enables researchers to ask questions about the hosts and networks that compose the Internet, and desires to license from the University of Michigan the University’s rights associated with the following technology:

UM OTT File No. 7612, entitled: “Censys: A Search Engine Backed by Internet-Wide Scanning” (Inventors: Benjamin Allen Vandersloot, Ariana Mirian, J. Alex Halderman, Zakir Durumeric, David C. Adrian, Michael D. Bailey, Matt Bernhard, and Andrew Springall)

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 ZCorp Technology, Inc.

Agreement Terms Include:

Agreement terms include granting the Company an exclusive license with the right to grant sublicenses and provides that the parties will separately enter into a 1-year lease to use existing server hardware. The University will receive equity in the Company, along with the right to purchase more equity.

The University will retain ownership of the licensed technology and may continue to further develop it and use it internally. 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. Halderman, Mr. Durumeric, and Mr. Adrian arise from their ownership interest in ZCorp Technology, Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive license agreement for intellectual property related to UM OTT File No. 7612 for all fields of use. ZCorp Technology, Inc. will obtain use and commercialization rights to the above listed University technology.

Recommendations:

This matter has been reviewed and approved by the UMOR 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 ZCorp Technology, Inc.

Respectfully submitted,



S. Jack Hu
Vice President for Research

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