Subject: License Agreement between the University of Michigan and PTM Therapeutics, 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 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 license agreement (“Agreement”) falls under the State of Michigan Conflict of Interest Statute because Professors Charles Parkos and Jennifer Brazil are employees of the University of Michigan (“University”) and partial owners of PTM Therapeutics, 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:

Charles Parkos, MD, PhD, a Professor and Chair of the Department of Pathology, and Jennifer Brazil, PhD, a Research Assistant Professor in the Department of Pathology, are partial owners of a for-profit company called PTM Therapeutics, Inc. (the “Company”). The Company was formed recently to commercialize a therapeutic antibody to treat intestinal inflammatory conditions and desires to license from the University of Michigan the University’s rights associated with the following technology:

UM OTT File No. 2020-066, entitled: “Monoclonal Antibody GM35” (Inventors: Charles Parkos, Jennifer Brazil, Matthias Werner Dietmar Kelm)

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 PTM Therapeutics, Inc.

Agreement Terms Include:

Agreement terms include granting the Company an exclusive license with the right to grant sublicenses. The Company will pay a royalty on sales. The University may receive equity in the Company, along with the right to purchase more equity.
The University will retain rights to 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. Parkos and Brazil arise from their ownership interest in PTM Therapeutics, Inc.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide exclusive license agreement related to UM OTT File No. 2020-066 for the therapeutic and diagnostic fields of use for human and animal. PTM Therapeutics, Inc. will obtain use and commercialization 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 PTM Therapeutics, Inc.

Respectfully submitted,

Rebecca Cunningham
Interim Vice President for Research

December 2019