Approved by the Regents
December 5, 2019

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: License Agreement between the University of Michigan and Zakuro LLC

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 Jeff Sakamoto is an employee of the University of Michigan ("University") and a partial owner of Zakuro 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:

Dr. Jeff Sakamoto, an Associate Professor in the Department of Mechanical Engineering, is a partial owner of a for-profit company called Zakuro LLC (the "Company"). The Company was formed recently to commercialize battery technology and desires to license from the University of Michigan the University's rights associated with the following technologies:

UM OTT File No. 6744, entitled: "Segmented Cell Architecture for Solid State Batteries" (Inventors: Jeff Sakamoto, Travis Thompson)

UM OTT File No. 6746, entitled: "Slurry Formulation for the Formation of Layers for Solid State Batteries" co-owned with Michigan State University (Inventors: Jeff Sakamoto, Travis Thompson, Isabel Boona)

UM OTT File No. 7102, entitled: "Ceramic Garnet Based Ionically Conducting Material – electrolyte" (Inventors: Jeff Sakamoto, Travis Thompson)

UM OTT File No. 7182, entitled: "Stabilization Coatings for Solid State Batteries" (Inventors: Nathan Taylor, Jeff Sakamoto, Travis Thompson)

UM OTT File No. 7185, entitled: "Metal Infiltrated Electrodes for Solid State Batteries" (Inventors: Nathan Taylor, Jeff Sakamoto, Travis Thompson)

UM OTT File No. 7310, entitled: "Method for Formation of Facile Li Metal Anode Interface with a Solid-Electrolyte" (Inventors: Nathan Taylor, Jeff Sakamoto, Travis Thompson)

UM OTT File No. 7352, entitled: "Method for Treating the Surface of Solid Electrolytes" (Inventors: Asma Sharafi, Jeff Sakamoto, Travis Thompson)

UM OTT File No. 7423, entitled: "Method for Suppressing Metal Propagation in Polycrystalline Solid Electrolytes" (Inventors: Nathan Taylor, Jeff Sakamoto, Travis Thompson, Asma Sharafi)

UM OTT File No. 7518, entitled: "Bulk Solid State Batteries Utilizing Mixed Ionic Electronic Conductors" co-owned with Ford Motor Company (Inventor: Jeff Sakamoto)

UM OTT File No. 7630, entitled: "Mixed Ionic and Electronic Conductor for Solid State Battery" (Inventors: Nathan Taylor, Jeff Sakamoto, Travis Thompson)

UM OTT File No. 7659, entitled: "Solid-State Battery Electrolyte Having Increased Stability Towards Cathode Materials" (Inventors: Nathan Taylor, Jeff Sakamoto, Travis Thompson)

UM OTT File No. 7753, entitled: "Methods for Lowering the Hot-Pressing Temperatures of Garnet Structured Ionic Conductors" (Inventors: Michael Wang, Jeff Sakamoto)

UM OTT File No. 7760, entitled: "Current Collector Clad with Li-ion Solid Electrolyte" (Inventors: Nathan Taylor, Jeff Sakamoto, Travis Thompson)

UM OTT File No. 2019-177, entitled: "Cermet Electrode for Solid-State and Lithium-Ion Battery" (Inventors: Nathan Taylor, Jeff Sakamoto)

UM OTT File No. 2020-005, entitled: "Rapid-Induction Sinter Forge for Roll-to-Roll" (Inventors: Michael Wang, Jeff Sakamoto, Nathan Taylor)

UM OTT File No. 2020-017, entitled: "Stabilizing the Alkali Metal-Solid Electrolyte" (Inventors: Michael Wang, Jeff Sakamoto, Corsin Battaglia, Marie-Claude Bay)

UM OTT File No. 2020-093, entitled: "Method of Electrodeposition of Electroactive Species at Solid-Solid Interfaces" (Inventors: Michael Wang, Jeff Sakamoto)

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 Zakuro LLC

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 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 licensed technologies and may continue to further develop and use them internally. No use of University services or facilities, nor any assignment of University employees, is obligated or contemplated under the Agreement. Standard disclaimers of warrantees 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. Sakamoto arise from his ownership interest in Zakuro LLC.

Net Effect:

The Office of Technology Transfer has negotiated and finalized the terms of a worldwide license agreement for patent rights related to UM OTT File Nos. 6744, 6746, 7102, 7182, 7185, 7310, 7352, 7423, 7630, 7659, 7753, 7760, 2019-177, 2020-005, 2020-017, and 2020-093 for all fields of use. Zakuro LLC will obtain use and commercialization rights to the above listed University battery technologies.

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 Zakuro LLC.

Respectfully submitted,

Rebecca Cunningham
Interim Vice President for Research

December 2019