

Submitted by:

**HILARY H. RATNER, PH.D.
VICE PRESIDENT FOR RESEARCH**

**UNIVERSITY SUBCONTRACT ON U.S. ARMY GRANT WITH A COMPANY OWNED BY
COLLEGE OF ENGINEERING FACULTY MEMBER**

RECOMMENDATION

The Office of the Vice President for Research recommends that the Board of Governors authorize the President or his designee to enter into a sponsored research agreement with Albert I. King, Inc., (AIK Inc.), a company located in Michigan, for Professor King Yang of WSU to perform a research project as part of a Walter Reed Hospital, US Army SBIR research contract awarded to AIK Inc., on “*A Biomechanical Model for the Investigation of Blast Traumatic Brain Injury*” (the “Research Project”).

BACKGROUND

Albert I. King, Ph.D. is professor and department chair of Biomedical Engineering in the College of Engineering. Professor King and his wife, Mrs. Liz King, are the sole owners of AIK, Inc, a company located in Bloomfield Hills, Michigan.

AIK Inc. wishes to utilize the services of Professor King H. Yang, Ph.D., professor and director of the WSU Bioengineering Center to utilize his expertise in the biomechanics of trauma and the development of human body models for impact analyses. Dr. Yang reports to Dean Ralph Kummeler in his role as director and to Dr. King as a faculty member in a university department chaired by Dr. King.

AIK Inc. was founded by Dr. King with a focus on human injury modeling. The U.S. Army funding associated with the SBIR award cannot be given directly to a university. It can only be given to a small business which can, in turn, subcontract a small portion to a university, in this case, Wayne State University.

WSU’s College of Engineering wants to enter into a subcontract with AIK Inc. for a research project totaling \$40,000 (combined direct costs plus indirect costs at the standard rate.)

The purpose of the research subcontract is for Professor Yang to develop a computer model of the brain in response to blast overpressure. The research is not classified.

Michigan Conflict of Interest law requires specific sunshine procedures in order for a university employee, or a company owned by a university employee, to contract directly or indirectly with the University:

1. The employee must disclose any pecuniary interest in the contract to the Board of Governors and the disclosure must be made a matter of record in the Board’s proceedings.
2. The contract must be approved by a vote of not less than two-thirds of the full members of the Board in open session.
3. The Board’s minutes must report:

- i. The name of each party in the contract.
- ii. The terms of the contract, including duration, financial consideration between parties, facilities or services of the public entity included in the contract and the nature and degree of assignment of employees of the public entity for fulfillment of the contract.
- iii. The nature of any pecuniary interest.

If the Board approves this recommendation, the minutes will report as follows:

The Board of Governors authorized the President, or his designee, to contract with AIK Inc., for a subcontract totaling \$40,000 (combined direct plus associated indirect costs) with Wayne State University.

1. The parties involved in the contract are Wayne State University and AIK Inc.
2. The contract will provide that AIK Inc. will subcontract \$40,000 for the performance of a research contract for studies to develop an animal surrogate finite element (FE) model that can be used as a tool to investigate injury mechanisms and mitigation of traumatic brain injury (TBI) due to blast overpressure. The contract will provide that any inventions developed under this subcontract, whether created by WSU employees working at AIK Inc. or at the University, will be owned by WSU, and AIK Inc. will have an option to acquire a license to them. The University will reserve the right to not enter into the subcontract if the terms and conditions are not within standard university agreement parameters. The subcontract will also be subject to any required conflict of interest management plans developed by the Conflict of Interest committee.
3. The contract has been awarded and will have a term of 6 months, with an estimated start date in March, 2009.
4. Wayne State University facilities, equipment and personnel will be utilized during the project.
5. One additional WSU employee, Ms. Christina Huber, graduate research assistant working under the direction of Dr. King Yang, will receive partial support under the subcontract as well as direct support from AIK Inc. In addition, two other WSU faculty members, Drs. Pamela VandeVord and Cynthia Bir, will serve AIK Inc. as paid consultants for the Research Project.

The pecuniary interest is based on Professor King's role as co-owner of AIK Inc., and his receipt of compensation from AIK Inc. for his services. He may therefore have the potential to financially benefit from the commercial success of the company. Neither Ms. Huber nor Dr. Yang own stock in AIK Inc. Wayne State University does not own any AIK Inc. stock.