

**SUBMITTED BY:           STEPHEN M. LANIER, VICE PRESIDENT FOR RESEARCH**

**UNIVERSITY CONTRACT TO LICENSE A TECHNOLOGY TO  
MSTM, LLC, A COMPANY OWNED BY A  
COLLEGE OF LIBERAL ARTS AND SCIENCE FACULTY**

**RECOMMENDATION**

The Administration recommends the Board of Governors authorize the President or designee to contract with MSTM, LLC (MTSM) to enter into an exclusive license for commercialization of the intellectual property encompassing the Technology entitled “System and Method for Ionization of Molecules for Mass Spectrometry and Ion Mobility Spectrometry.”

**BACKGROUND**

Sarah Trimpin, Ph.D., associate professor of Chemistry in the College of Liberal Arts and Science at Wayne State University, is a co-inventor of a novel ionization processes for use with mass spectrometry. This Technology is jointly owned by Wayne State University and University of the Sciences (USciences) and is described in WSU Tech ID 11-1001 and 11-1012 and embodied in patent applications PCT / US2011/050150, Nationalized PCT/EPO 11822641.4 and Nationalized US Application US 13/819,487. WSU and USciences have entered into an inter-institutional agreement for the management of the jointly owned Intellectual Property and under which USciences is the lead institution for commercialization activities.

MSTM was cofounded by Drs. Trimpin and McEwen (USciences) and was incorporated in Delaware in 2012. It is the intent of MSTM to further develop and commercialize the Technology.

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:

(A)           The employee must disclose any pecuniary interest in the contract to the Board and the disclosure must be made a matter of record in the Board’s proceedings.

(B)           The contract must be approved by a vote of not less than two-thirds of the full membership of the Board in open session.

(C)           The Board’s minutes must report:

(i)          The name of each party involved 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 MSTM, LLC, of which Dr. Sarah Trimpin holds an equity position and is currently Chief Operating Officer, and to grant MSTM, LLC an exclusive license to the jointly owned University intellectual property known as “System and Method for Ionization of Molecules for Mass Spectrometry and Ion Mobility Spectrometry.”

- (i) The parties involved in the contract are Wayne State University, University of the Sciences and MSTM, LLC.
- (ii) The contract will provide:
  - (a) An exclusive, worldwide royalty bearing license with the right to grant sub-licenses.
  - (b) Financial consideration of:
    - (1) Initial Option Fee = \$5,000 for a 12-month period, extendable an additional 12-months for \$2,500;
    - (2) Royalties; 4.5% net sales of licensed products by licensee and sub-licensees;
    - (3) 40% total sublicense income;
    - (4) Annual maintenance fees due on the anniversary of the effective date: 1<sup>st</sup> year \$5,000, 2<sup>nd</sup> year \$5,000, 3<sup>rd</sup> year \$10,000, and \$20,000 each subsequent year.
    - (5) 100% of actual Patent Prosecution Expenses with a limit of \$10,000 annually.
  - (c) No University facilities or services of the University are included in the contract. MSTM, LLC may enter into separate agreements to allow the company to support postdoctoral fellows through NSF STTR Phase II funding for which the University will be entitled to additional financial considerations.
  - (d) No University employees are assigned in connection with the licensing contract.

(iii) Dr. Trimpin’s pecuniary interest consists of the current 47% ownership of MSTM, LLC and she will therefore have the potential to financially benefit from the commercialization of the University’s intellectual property known as “System and Method for Ionization of Molecules for Mass Spectrometry and Ion Mobility Spectrometry.”