

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

**UNIVERSITY CONTRACT FOR LABORATORY SERVICES
FROM QURGEN, INC., A COMPANY OWNED BY A
SCHOOL OF MEDICINE FACULTY**

RECOMMENDATION

The Administration recommends that the Board of Governors authorize the President or his designee to enter into a contract for laboratory services from Qurgen, Inc., a biotechnology company located in Troy, MI. The contract will be to perform laboratory tests and related activities at the direction of Qurgen, Inc.

BACKGROUND

Jianjun Wang, Ph.D., associate professor, Department of Biochemistry and Molecular Biology and Qianqian Li, Ph.D., research associate, Department of Biochemistry and Molecular Biology, Wayne State University (WSU) have developed methodology related to *in vitro* protein transduction and generation of induced pluripotent stem cells. The technology has been disclosed to the university and is described in WSU Tech ID 07-831, 07-829 and 11-1017 and embodied in issued patent US 8722348 and patent applications PCT/US 2009/04054, Nationalized PCT/Australia 20009-260528 and PCT/US2012/036051 (collectively, "WSU Technology"). In addition, Drs. Wang and Li, in collaboration with Feng Jiang, Pharm.D., Michael Chopp, PhD. and Quan Jiang, PhD., from Henry Ford Health System (HFHS) have extended the methodology to *in vivo* protein transduction for clinical applications as described in WSU Tech ID 12-1114, 12-1115 and 12-1116 and Provisional Patent Application Serial Number 61/895,562 (collectively, "WSU-HFHS Co-owned Technology"). WSU Technology and WSU-HFHS Technology are collectively referenced as "Protein Transduction using QQ Delivery Reagent and Applications Thereof" and has benefited from WSU financial, facility and equipment resources as well as from funding from the National Institutes of Health to WSU.

QURGEN, INC. was founded by Drs. Wang, Li, Feng and Chopp and incorporated in Michigan in September, 2012. It is the intent of QURGEN, INC. to further develop the technology for research and clinical applications and to become a leading company in the provision and use of induced pluripotent stem cells for clinical indications including oncology and cardiovascular disease. Qurgen, Inc. has an exclusive license agreement with Wayne State University for the technology, the terms of which were presented and approved by the Board of Governors on October 10, 2014.

Qurgen, Inc. has received a STTR award from the National Institutes of Health (1R41 CA183103-1) and the company wishes to subcontract to Wayne State University to perform certain research studies related to the efficacy of WSU's patented in situ cell reprogramming in animal models of human glioma.

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 the 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 enter into an agreement to provide laboratory services for Qurgen Inc. at a total cost of \$67,500.

(i) The parties involved in the contract are Wayne State University and Qurgen Inc.

(ii) The contract will provide:

(a) Scope: The University will perform experiments to optimize the formulation, dosage and treatment protocols using the protein transduction technology.

(b) Duration: The services are expected to take nine months to complete.

- (c) Financial Consideration: The amount of the contract is \$67,500, which includes indirect costs at a rate of 52%.
 - (d) University Facilities to be Utilized: Lab and equipment located in Room Room 5113 Scott Hall, located at 540 E. Canfield, Detroit, MI 48201, will be utilized for the services.
 - (e) Employees Assigned to the Services: Jianjun Wang, Ph.D., associate professor, Department of Biochemistry and Molecular Biology in the School of Medicine will be the principal investigator for these services. Services funded by this contract will also be provided by a postdoctoral associate in the Department of Biochemistry and Molecular Biology.
- (iii) Dr. Wang and Dr. Li's pecuniary interest consists of an OWNERSHIP INTEREST, each WSU employee holding 25% equity interest in QURGEN, and will therefore have the potential to financially benefit from the commercial success of the company, including the commercialization of the University's Technology known as "Protein Transduction Using QQ Delivery Reagent and Applications Thereof."