

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

**UNIVERSITY CONTRACT FOR SERVICES FROM FUNCTIONAL FLUIDICS, LLC
A COMPANY OWNED BY
A SCHOOL OF MEDICINE FACULTY**

RECOMMENDATION

The Administration recommends the Board of Governors authorize the President or his designee to contract with Functional Fluidics, LLC to perform laboratory services. The contract will be to perform flow thrombosis and flow adhesion assays on maternal blood samples for non-clinical research purposes.

BACKGROUND

Patrick Hines, M.D., Ph.D., assistant professor, Department of Pediatrics, School of Medicine, has developed novel processes and methods to measure whole blood adhesion and thrombus formation in a high throughput, in vitro diagnostic assay based on a microfluidics platform. The technology has been disclosed to the university and is described in a disclosure entitled “Process/Method for Risk Assessment, Diagnosis and Therapeutic Monitoring Conditions Predisposing Vascular Obstruction”, WSU 14-1203 (the “Technology”). Functional Fluidics, LLC was founded by Dr. Hines and incorporated in Delaware in 2013. Functional Fluidics, LLC executed an exclusive license agreement with the University for the Technology on October 24, 2014.

Functional Fluidics is a contract research organization providing unique contract and direct services to academia, biotechnology and the pharmaceutical industry for measurement of adhesion and thrombosis.

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 contract with Functional Fluidics, LLC, of which Dr. Patrick Hines, a WSU employee and faculty member, holds an equity position (and currently the sole owner) to provide services related to the measurement of thrombosis and cell adhesion in maternal blood sample as part of a research study being conducted by Dr. Sonia Hassan at Wayne State University School of Medicine.

- (i) The parties involved in the contract are Wayne State University and Functional Fluidics, LLC.

- (ii) The contract will provide:

- a) Functional fluidic will perform the required tests and deliver the results within thirty (30) days of the completion of the service. Biological Materials will be transferred to Functional Fluidic under the terms of a Material Transfer and Service Agreement. Financial consideration for the contracted services is \$36,000.

- b) No university facilities or services of the university are included in the contract.

- c) No University employees are assigned in connection with the licensing contract.

- (iii) Dr. Hines' pecuniary interest consists of the current sole ownership of Functional Fluidics, LLC and he will therefore have the potential to financially benefit from the commercial success of the company, including the commercialization of the University's intellectual property known as "Process/Method for Risk Assessment, Diagnosis and Therapeutic Monitoring Conditions Predisposing Vascular Obstruction."