RECOMMENDATION

The Administration recommends the Board of Governors authorize the President or designee to contract with MSTM, LLC (MSTM) 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 Sciences at Wayne State University, is a co-inventor of a novel ionization process for use with mass spectrometry. This technology is jointly owned by Wayne State University (WSU) and University of the Sciences (USciences) and is described in WSU Tech ID 11-1001, 11-1012 and 11-1035 and embodied in patent applications PCT/US2011/050150, Nationalized PCT/EPO 11822641.4, US Continuation Application 15/401,253 and Issued US patent 9,552,973. 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 Charles N. 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 Technology 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 sublicenses.

(b) Financial consideration of:

(1) License fee: $5,000

(2) Royalties: 4.5% net sales of licensed products by licensee and sub-licensees;

(3) 40% total sublicense income

(4) Annual maintenance fees due commencing on the calendar year: 1st year 2020 = $2,500, 2nd year 2021 = $5,000, 3rd year = $5,000, 4th year = $10,000, and $20,000 each subsequent year.

(5) 100% of the actual patent expenses incurred after the effective date and 100% of the past patent prosecution expenses shall be paid on the fifth anniversary of the effective date.

(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.”