

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

**UNIVERSITY CONTRACT TO LICENSE A TECHNOLOGY
TO A COMPANY OWNED BY A
COLLEGE OF ENGINEERING AND SCHOOL OF MEDICINE FACULTY**

RECOMMENDATION

The Administration recommends the Board of Governors authorize the President or designee to contract with CardioSounds, LLC to enter into an exclusive license for commercialization of the intellectual property encompassing the technology related to blood pressure monitoring.

BACKGROUND

Gaurav Kapur M.D., associate professor in the School of Medicine, Yong Xu Ph.D., professor in the College of Engineering and Sean Wu Ph.D., professor in the College of Engineering at Wayne State University, are inventors of several technologies related to the development of a noninvasive blood-pressure monitoring device. The technologies are described in WSU Tech ID: 07-847, 13-1159 and 14-1245, and embodied in issued patent 9,048,419 and pending patent applications 15/736,046 and PCT/US2018/17178.

CardioSounds was founded in August of 2018 in Michigan. The founding CEO is Kevin Wittrup and Dr. Kapur, Dr. Xu and Dr. Wu are cofounders who act as advisors and have equity in the company. It is the intent of CardioSounds 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 a 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 CardioSounds, LLC.

- (i) The parties involved in the contract are Wayne State University and CardioSounds, LLC.
- (ii) The contract will provide:
 - (a) Scope: An option to acquire an exclusive, worldwide royalty bearing license.
 - (b) Duration: the term of the option shall be for twelve (12) months with an option to extend.
 - (c) Financial consideration of:
 - (1) Option fee of \$5,000
 - (d) No University employees are assigned in connection with the licensing contract.
 - (e) No University facilities or services of the University are included in the contract.
- (iii) Drs. Kapur, Xu and Wu pecuniary interest consists of the 8% ownership each in CardioSounds, LLC and they will therefore have the potential to financially benefit from the commercialization of the University's intellectual property known as "noninvasive blood-pressure monitoring device."